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SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER

The House met at 2:00 P.M.

Mr. Speaker in the Chair.

STATEMENTS BY MINISTERS:

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. ROUSSEAU: Mr. Speaker, I would like to give some details of a new swine programme adopted by government over the past week or so. I am very pleased to present to the House of Assembly at this time government's policy with regards to the provincial swine industry. First to lend perspective to our new policy, let me comment on the present industry. The existing swine programme commenced in the mid-1960's and now consists of a swine breeding station at St. John's with 450 sows, a substation near Corner Brook with thirty sows and twenty-three private swine operations, mostly in the Eastern region, with a total complement of 1,230 sows.

The swine breeding stations produce and sell specific - pathogen free or SPF, as we call it, breeding stock to the twenty-three private producers who, by terms of their agreement with the Department of Agriculture, follow a systematic breeding, herd health and marketing programme. There are approximately fifty individuals with a total of 250 animals outside the SPF programme. As a result of the controlled breeding programme and superior health status, the performance of our swine population, in terms of efficient growth rate and feed consumption, is superior to that known anywhere else. Last year 23,000 hogs, equivalent to 4.0 million pounds of pork were marketed, resulting in a growth rate to producers of \$2.3 million.

There are at present three new production units under construction and some existing producers have applied for expansion. In the Eastern region, all applications for increase are being deferred because the abattoir is now operating at its capacity of 500 hogs per week. The abattoir at Corner Brook started killing hogs in 1975 and can accommodate an expanded industry in the Western region. The present production, that is 23,000 market hogs, while equivalent to

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almost 4 million pounds of pork per year is much below our total pork consumption estimated to be 25 million pounds per year.

Government's policy now is to extend our disease-free programme to all Newfoundland and ensure the maintenance of the superior health status by preventing further introduction of live swine to the Island. Specific objectives over the next five years are to supply fresh pork to all areas of Newfoundland where distribution is economically feasible and to develop an expanded swine industry capable of competing in world markets as a supplier of superior breeding stock.

My department plans to prohibit the movement of diseased live pigs into Newfoundland and then, by slaughtering any diseased pigs outside the SPF programme, the security of our superior health status will be assured. Meetings are currently in progress with the federal Department of Agriculture regarding the stoppage of live pigs moving into our Province. As our production expands, a portion of the breeding programme will be transferred from the provincial breeding stations to private producers without losing the advantage inherent in the programme.

Significant expansion in production is anticipated in both the Eastern and Western regions of Newfoundland with less expansion in the Central region because of the distance from abattoirs and feed supplies. Investigations will be made into means to expand the capacity of the abattoir at Pleasantville. Consultants will be hired immediately to prepare plans and costs for expansion of the St. John's abattoir for subsequent consideration by government. Coincidental with the expansion of the hog industry is the need for further processing facilities to produce products such as commercial slab bacon, dinner hams and smoked tenderized hams. This matter will be actively pursued.

The benefits resulting from our programme will be numerous. By increasing the annual hogs marketed from 23,500 to a five-year

MR. ROUSSEAU:

production goal of 50,000, approximately 8 million pounds of pork will be produced for Newfoundland consumers. Within five years Newfoundland producers may be exporting breeding stock of superior health status. It is our hope that there will be approximately fifty additional jobs at the production level and an additional 100 jobs in related production and service industries. Annual growth returns to all producers should increase to \$5 million. The expanded production will have significant impact on related industries such as construction, feed and transportation.

Newfoundland has a geographical advantage in achieving the goal of being declared free of certain diseases which plague the swine industry in other parts of the world. I submit, on behalf of government, that the policy now being adopted will pursue this goal to the social and economic benefit of all people in the Province, and especially those in rural Newfoundland. Specifically, the following steps are envisaged as being the five-year programme in respect to the provincial swine policy.

One, the continuation of the swine breeding stations; the herd health programme; the sale of weaning pigs for home use and the expansion on demand of the latter two items; two, restrictions of the importation of live swine into Newfoundland by regulations under the Federal Animal Diseases and Protection Act and supplemented by regulations under the Provincial Livestock Health Act. Three, the implementation of a multiplier herd policy and associated financial incentives so that private enterprise may carry out a portion of the controlled breeding programme. Four, slaughter of all pigs outside the provincial programme and disinfection of the premises. If the owners wish to continue with pigs, the disposed animals will be replaced by animals of known health status and compensation awarded for lost production.

Five, license all swine producers and sign an agreement with each binding them to specific management, health and marketing controls.

MR. POUSSEAU:

Six, change the price paid by Newfoundland Farm Products to producers from the highest weekly Toronto price plus two cents per pound to the average weekly Toronto price plus two cents per pound. Seven, hire a consultant to prepare a plan and costs for expansion of the St. John's abattoir for subsequent consideration by government. And eight encourage private enterprise to establish further processing facilities and if this fails then present a subsequent proposal to government recommending that Newfoundland Farm Products take this initiative. I have some copies here, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: I would like to know what that was all about.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: The hon. gentleman from LaPoile (Mr. Neary) wonders what all that means, well I can tell him for his interest and information and that of the House, that it is one of the finest programmes I have heard announced by the government in the present session.

MR. NEARY: I cannot get enthusiastic about hog breeding.

MR. SMALLWOOD: Well I can. I can get enthusiastic about any kind of productiveness in Newfoundland, especially if it employs people and above all if it keeps within the Province some of the millions of dollars that go out of the Province. We are sending many millions of dollars out of this Province every year now to buy pork, and pork products that are brought into the Province, some twenty odd million pounds a year and that is anything between \$10 million and \$20 million. And if that can be stopped by producing our own pork and pork products within the Province, not only will it keep that money in the Province where it becomes available for investment, but it employs people and makes Newfoundland a little bit more self-sustained and self-supporting.

MR. NEARY: Sure the hon. member was the Godfather to that one.

MR. SMALLWOOD: Well it is my programme. I have to admit modestly. I founded it. I established it.

MR. NEARY: Hear! Hear!

MR. SMALLWOOD: The minister smiles but would he deny that that whole programme is my programme? What he is doing very sensibly and very logically is extending it and building on the foundation that I laid. The whole programme in behind the town here was my programme. We started it, hog breeding. The SP - what are the initials? - SPF Programme we introduced. We were the first province of Canada. For quite a while we were the only Province of all Canada that had that programme being carried out. It originated in Ontario, I think in Conet Laboratories and we adopted it whole-heartedly

MR. SMALLWOOD: in Newfoundland and went into it holus-bolus. Because it so happens that I personally for many, many years indeed have been interested in hog raising. I raised hogs in on Kenmount Road early in the war and then I established the large place in partnership with the RAF at Gander and we had one of the finest piggeries in Eastern Canada. My son is a large operator on Roaches Line and at the moment he is building a big enlargement to his hog breeding and hog raising establishment. He borrowed I think \$70,000 from the Canadian Farm Loan Board, or Farm Loan Bureau and he is extending it to a considerable extent.

Nearly all of the hog raisers are personal friends of mine and they have been in close touch with me all along and I can assure the minister that they would be very proud and appreciative of his announcement here today. The House may not look upon the raising of hogs or the raising of poultry, the raising of broilers, the raising of egg laying hens, the raising of ducks, the raising of geese, the raising of turkies as being important but it is important. I am prepared to argue that with anyone and beat in the argument, because it is indisputable. The minister can feel very proud and I congratulate him on this move but I am glad to hear this talk he has just given us about enlarging Fort Pepperrell. Believe me the abattoir and the slaughter facilities do not particularly need enlargement, what is needed is enlargement of the controlled temperature holding facilities. The plant could handle much more than they are handling if there was some way to store it after it is slaughtered and that is the thing to be done. I would suggest strongly that instead of waiting to get the facilities enlarged, as an immediate step they put in some additional cold storage and then the farmers will be very pleased with the minister, in fact he will become their hero and I will lead a movement to have him acclaimed as the hero -

MR. NEARY: Cannonized.

MR. SMALLWOOD: Not cannonized, no, but acclaimed as the hero of Newfoundland agriculture.

MR. NEARY: Hear! Hear!

MR. SPEAKER: The hon. member for Trinity - Bay de Verde.

MR. ROWE: On behalf of my colleague who is the spokesman for Forestry and Agriculture who is not in his seat at the moment -

MR. ROBERTS: Spokesperson.

MR. ROWE: - I would like to commend the minister for this new policy, Sir. It may not sound like a very earth shattering ministerial statement, however I think the two really important things in this particular statement, in the eight point programme as outlined there at the end, is the fact that we are going to have extreme health control with respect to the breeding and raising of pigs or hogs, whatever you want to call them, in the Province. I think it is a very important thing indeed to control the animals that have diseases at the present time and to ensure that we will have disease free animals in this particular respect. I am also glad to see, Sir, that there will be some effort with respect to marketing control with this new programme.

Sir, anything that can make the people of Newfoundland, for the want of a better expression, self-sufficient in some form of meat be it rabbit or fish or anything else, I think is a good programme and I am hoping that in the future the minister will provide and bring forth programmes similar to this with respect to other animals that can be raised and multiplied in this Province and consumed by our own people and then thusly keep the money circulating within the Province. I often think, for example, of rabbits. In this Province obviously, the multiplier fact with respect to rabbits is relatively high and there are other animals that the Newfoundland people would consume and do consume and if we can control it within the Province and make ourselves self-sufficient in that respect all the better and probably we can reach the stage, at some point in the game, where we could have export of these materials and bring money into the Province from without.

So, Sir, we can commend the minister for this new programme and hope that it will be a successful one and hope that we will see some positive and good results from it.

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Mr. Speaker, I would venture the House would be interested in the ongoing negotiations between Treasury Board and the Public Service sector of NAPE. The negotiations between Treasury Board and NAPE representing employees in the general service bargaining unit reconvened last Thursday at the request of the conciliation officer. Both parties at that time had indicated that there was some flexibility in their respective positions and it was hoped that a genuine effort by the negotiators in this round of talks would produce a settlement. The talks continued throughout the weekend but unfortunately a consensus was not reached.

When meetings concluded Sunday afternoon, government had increased its offer to six per cent while the union's latest position was for a \$1300 across the board increase on April 1, 1976 and a step advancement on the salary scale on October 1st. of the same year, 1976. By our calculations this amounts to a demand or a request for a 16.5 per cent increase in one year.

MR. NEARY: How much?

MR. DOODY: 16.5 per cent.

MR. ROBERTS: The government offered six per cent.

MR. DOODY: Six per cent. Government negotiators are prepared and willing to negotiate further but we have received no indications from NAPE they are prepared to talk in an area of settlement acceptable to government. I understand, however, that Mr. Locking has today, and I did not hear his statement- Your Honour, I have got second hand information on it, that Mr. Locking has today committed NAPE to placing our final position to their membership.

The union is apparently asking for a final position from government while their bargaining position remains flexible. This is an unusual approach but one which I have requested my bargainers, the people in the Collective Service Bargaining Unit, or rather on Treasury Board Bargaining Unit, to explore further

MR. DOODY: in the interest of achieving a settlement. I expect to report the results of any further discussion on this point to the House of Assembly as soon as I am in a position to do so.

So what we are saying in effect, Your Honour, is that we are willing to put government's final position on the table to the union in return for the union's commitment to put that position to their membership, and, as I say, this is a most unusual set of circumstances because there is usually some flexibility left after the people leave the table. But under the present circumstances with the anti-inflation guidelines being in effect and with government being a party to them I would think that probably some unusual circumstances are here and that government will have to take an unusual approach so after this afternoon we will be exploring with Mr. Locking and his NAPE people their reaction to our giving them government's position such as they have requested.

MR. NEARY: In other words, six per cent now is final.

MR. DOODY: That is right.

MR. SPEAKER: The hon. Leader of the Opposition.

MR. E. M. ROBERTS: Mr. Speaker, if I may make a brief comment on the minister's statement, which I know is of great interest to all the members of this House, first of all let me begin by seeing if I completely and correctly understand the matter. The negotiations are suspended, they are not ongoing at this time.

MR. DOODY: They broke off this morning.

MR. ROBERTS: They broke off this morning, the minister tells me. And the government have not made their final offer, the 6 per cent offer is not the government's final offer, and that the government are preparing and at some point today will communicate to Mr. Locking, the NAPE representative what is the government's final offer. Is this -

MR. DOODY: And it depends on his passing it on to his membership.

MR. ROBERTS: And I thank the minister for that. The government are willing to communicate their final position, whatever that may be, conditional upon Mr. Locking and the NAPE executive undertaking to put that to a vote in the bargaining unit, the NAPE bargaining unit as a whole.

Mr. Speaker, it seems to me that we cannot really say very much on the merits of the matter until such time as we know what the government's final offer is. It is obviously going to be more than 6 per cent. And I think it is fair to say it is obviously going to be somewhat less than the 16 per cent which the Minister of Finance indicated was the NAPE demand or request or bargaining position at this moment, which I believe is a step down from their original opening which I think was 21 per cent, although it is sometimes difficult to calculate because the government are talking a straight across the board raise to everybody whereas NAPE are talking a straight across the board dollar raise and some changes on the steps which will have slightly different effects on people and slightly different ranges.

But, Mr. Speaker, all I can say is that we on this side obviously are concerned about the situation that the government must

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be seen to treat their employees generously and fairly, generously and fairly, and I would emphasize each word equally. And, of course, in this year of restraint, and in this year when all of the people of the Province in one way or another are being affected by the anti-inflation programme, what will be generous and what will be fair is a matter that must be examined very closely.

I will await the minister's further comment. And the minister has undertaken as I heard him to keep the House informed and we will know where we go from there. We all hope obviously that the matter can be resolved by bargaining. The government can go a certain distance and beyond that they cannot go. The union can come a certain distance and beyond that they cannot come. What we hope is that the government's going and union's coming will produce a meeting of minds and avoid a strike, which will not only be unpleasant but which will be the first I believe in this Province's history - as I understand what we are talking of is not a group of employees in the sense of hospital employees or liquor store employees, we have had strikes in each of those cases. What we are talking of is the general service, the general public service of the Province what most people would call the Civil Service, to use an old term, but one which is not necessarily inaccurate. But we all hope it can be solved without a strike, Sir. All I can say is that on our part we stand ready to do what we can to ensure that insofar as possible the strike is avoided. We hope one can be avoided because I do not think the public interest or the interest of the union people would be served by a strike at this time, and so let us hope that negotiations produce the results we desire.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, I do not think that I could say anything that would help the situation in the least. It is in the hands of the negotiating body of the government. It is in capable hands. The union's case is in capable hands. And I am content to leave it to those capable hands. I do not think that any word that I would utter

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here is going to help or hurt. So I leave it at that.

NOTICES OF MOTION

MR. SPEAKER: The hon. Minister of Provincial Affairs and Environment.

HON. A. J. MURPHY: Mr. Speaker, I move that on tomorrow I will ask leave to introduce a bill, "An Act To Amend The Landlord and Tenant (Residential Tenancies) Act."

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Are there any further notices of motion?

The hon. Minister of Public Works.

DR. T. FARRELL: No.

MR. SPEAKER: No, all right.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. SPEAKER: The hon. Minister of Public Works.

DR. T. FARRELL: Mr. Speaker, I ask leave to table the answer to Question 722 asked by the hon. member for LaPoile (Mr. Neary) on the 10th. of March, 1976.

MR. SPEAKER: The hon. Minister of Finance.

HON. W. DOODY: Mr. Speaker, I have the answers to quite a number of questions here, Your Honour, for the hon. member for Twillingate (Mr. Smallwood), Question Nos. 143, 148, 149, 154, 155, 162, 170, 172, 173, 178, 180, 182, 183, 184, 185, 186, 187, 194, 225, 226, 228, 234, 236, 246, 247, and in order to appear non-partisan, for the hon. member for LaPoile (Mr. Neary) No. 597.

MR. NEARY: What is that one about?

MR. DOODY: The total Provincial contributions made to the capital and operating expenses of the Stephenville Linerboard Mill since April 1, 1975.

MR. NEARY: A very important question.

MR. DOODY: All your questions are important and they are treated as such.

MR. NEARY: I do not get the answers to them though.

MR. DOODY: We are working on them.

MR. NEARY: There are 135 questions not answered.

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. J. ROUSSEAU: Mr. Speaker -

MR. SMALLWOOD: I thank the hon. minister, Mr. Speaker, and express the hope that the department are not now exhausted altogether.

MR. DOODY: I still have quite a few more here, I am working on them -

MR. ROUSSEAU: I have the answers to questions in the name of the hon. member for Twillingate, Nos. 267, 268, 277, 282, 283, 291, 304, 312, 317,

MR. SMALLWOOD: Do not sound so monotonous.

MR. ROUSSEAU: It is very monotonous. And for the hon. member for LaPoile, Nos. 745,

MR. NEARY: Hear, hear!

MR. ROUSSEAU: 746, 747, 748, 749 -

MR. NEARY: That is the letter I presume the minister wrote to the newspaper.

AN HON. MEMBER: No.

MR. ROUSSEAU: - 750, 751, and 752. Obviously I cannot give the answers or certain information because of my talks with Bowaters, you know, at this point in time. I have a copy of my statement on the Mooney Block, that I made in the House of Assembly, and if the hon. member wants to see the agreement he is more than welcome to do so, but Bowater's have not been finalized yet and I cannot make a statement in that respect.

ORAL QUESTIONS:

MR. SPEAKER: The hon. Leader of the Opposition.

MR. E. M. ROBERTS: Mr. Speaker, my question, Sir, is for the Minister of Finance in his capacity as President of the Treasury Board. Could the minister tell us whether suitable preparations have been made by the government to ensure that the public interest is protected in the event, possibly unlikely and certainly unwelcomed, but still possible event of a public service strike, and if so, could he tell us, in outline at least, what those contingency plans are?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Your Honour, the Treasury Board people have had meetings with the Senior Management personnel of the various departments and Crown agencies and have set up a system whereby they hope to be

Mr. Doody:

able to continue with the essential services of the public service such as the distribution of social assistance cheques, and some of the other necessary functions of government. I might say that Mr. Locking in his statement today, I have been told, was most conciliatory and most helpful. He assured us that if it did come to an unfortunate impasse and a strike was called that he and his people would see to it that the forest fire service, for instance, would not be affected, and would still be available for essential services. So I think the NAPE people are taking a very reasonable and sensible attitude and one for which we wish to offer our appreciation. Senior government people themselves are reacting. The senior public people, the middle management and top management people are preparing themselves for a contingency should it occur. People who will be surplus to the needs of one department will be transferred to another where their need will be more greatly felt. And so in broad outline that is about it, Sir. A contingency plan has been set up. It depends on the maneuverability of people to go from department to department to perform the duties that they are asked to perform. Hopefully it will not come to that but if it does I think that in as far as is possible, we are prepared.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: If I could get the Minister of Industrial and Rural Development back in his seat, Sir, I would like to ask the minister if he could give us a progress report on what is happening now in connection with the Marystown Shipyards? Have all the repairs been made? Has the shipyard received any additional contract? What about the Guiana ships? And what is the prospect for employment there in the months ahead?

MR. SPEAKER: The hon. Minister of Industrial and Rural Development.

MR. J. LUNDRIGAN: I hope to be able to have a comment in the next two weeks of a positive nature involving Norway. We have been involved in discussions of a very positive nature. I am reluctant to say much because if you build up the hopes of people, and they do not come true, of course, it is worse than if nothing happened. I think all hon. members will agree with that statement. And that is why, in all of the things that we pursued, we have done it rather quietly. Because in the last six months, in particular, I think we have done more travelling, by myself on a couple of occasions, by people in Industrial Development, and particularly the new management of the shipyard, in trying to round up any work that we could. The Guiana still has not fallen through, but it has not come through, so there is nothing positive to announce.

In respect to Norway I would just reluctantly make a report of a brief nature, we have had a letter of intent signed by a Norwegian Company for a significant amount of work in Marystown if it comes through. It is subject to financial arrangement being made with the Export Development Corporation. The Export Development Corporation have been very, very co-operative. As a matter of fact, we are involved in discussions with them at this very moment. And the minister, of course, involved, Mr. Jamieson, as well, I believe, is attuned to the problem, and also the prospect for the Norwegian contract, and to my knowledge has rendered whatever assistance is necessary. The contract we are looking at, if we could land the contract, would involve enough work to stabilize the shipyard for a number of years. So it is a very significant kind of move.

Mr. Lundrigan:

But again it is only a letter of intent. Our management of the Shipyard, Mr. Barclay and the people, have just returned from Norway, who were meeting with the principals involved in the company, and until we get the final thing signed, sealed and delivered I am still going to reserve any kind of detailed comment on it. But I do want to say that we have made a lot of effort to obtain work. I really hope and I think everybody in Newfoundland hopes, that we can land a contract of this magnitude.

MR. NEARY: A supplementary.

MR. SPEAKER: A supplementary.

MR. NEARY: Mr. Speaker, well I certainly hope that the minister and his staff can land a contract. But I presume, Mr. Speaker, from what the minister said in his answer to my question that the cost of whatever kind of ship it is that they are building is competitive, and that the Norwegians are satisfied with the cost. And would the minister indicate if these ships have anything to do with the fishery? Are they trawlers or what kind of ships will be built there? Is this is a new type of boat to be built at Marystown or what?

MR. SPEAKER: The hon. Minister of Industrial and Rural Development.

MR. LUNDRIGAN: Mr. Speaker, I would be reluctant to give any detail at the moment. It is not a ship as such. There are a number of craft of a particular nature. The problem, as I indicated, is financing the craft which involves the Export Development Corporation. And, of course, subject to our capability to be able to tender properly in a way that that would be competitive then we are confident that we can achieve that particular goal ourselves. But at the moment I just want to say that the prospects are there. They are very good. We have, as I say, indicated our sort of strong determination to achieve the goal of a contract of a major nature. We have also, as I say, signed a letter of intent. So it has progressed much beyond the talking stages, and it is going to take at least two more weeks, I would say, of pretty hard work on behalf of my Federal counterpart in this case, as well as the Export Development Corporation, ourselves, the shipyard and

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the company involved to be able to put all of the things together. And other than that I would rather not make any positive comment at this moment.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the minister indicate then if the workforce at Marystown will remain the same as it is now until these negotiations are finished? And the minister did not answer my question in connection with repairs to the damage to the syncrolift down there recently. Has all the damage now been repaired, and the shipyard back in full operation, doing repairs? I understand there is one dragger under construction at the moment. Is that the situation now at Marystown?

MR. SPEAKER: The hon. Minister of Industrial and Rural Development.

MR. LUNDRIGAN: Mr. Speaker, I believe it will be another week or ten days before we have the final touches on the syncrolift, something like a week or ten days from now, which will mean that it will be back in full operation. That has impeded our ability to do certain types of work. We have attracted a fair amount of repair work. The present manager has a real knack and a real skill and a flare for this type of work, which was never really perceived as a goal of the shipyard prior to his coming on stream. I can never give assurances about the stability or the expansion capabilities or potential at Marystown. That will be totally dependent on our ability to attract work. I think that the government have placed a lot of emphasis on that shipyard in the last number of months. My own feeling is, and I should say the last number of years because my colleague to my right here, who is to my left in some ways, will feel that the contribution for years was very significant. The thing that I feel somewhat

Mr. Lundrigan.

badly about it is the fact that we have not been able to put new work in the yard to satisfy the labour demand.

MR. NEARY: There will soon be layoffs now.

MR. LUNDRIGAN: Well I cannot give any assurance about that. I cannot give any assurance about new jobs until we get new work. But my own feeling is that down the road, starting now, there is a new kind of marine pursuit as it involves my colleague in fisheries, as it involves the offshore oil and gas, the drilling and as it involves other kinds of aspirations of the people on the whole of the New England coast and the Gulf of Mexico. I think that the future of the shipyard in the long run is very, very bright.

MR. NEARY: Mr. Speaker, may I ask one more supplementary question?

MR. SPEAKER: A supplementary.

MR. NEARY: In connection with the repairs to the syncrolift and the damage and so forth that was caused, did it cost the Province any money at all to repair the damage or was this covered under an insurance plan or under a guarantee with the firm that installed the syncrolift? Who paid for the syncrolift?

MR. LUNDRIGAN: Mr. Speaker, I cannot give a real definitive answer on that. I allow these things to be managed and handled by a competent Board of Directors and the management that we have. And if there is any specific type of question the hon. member might have I would be glad to get the information for him.

MR. NEARY: Did it cost the Provincial Treasury anything?

MR. LUNDRIGAN: Not the Provincial Treasury to my knowledge.

MR. NEARY: Not directly?

MR. LUNDRIGAN: I would say not directly.

MR. NEARY: Indirectly?

MR. LUNDRIGAN: The shipyard itself, I could not get a categorical answer, but certainly all of our insurances were in place, and I would

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assume that the regular claims are being pursued, and as far as I know there has never been anything of a demand on the shipyard in terms of financial outlay.

MR. NEARY: Right.

MR. SPEAKER: A supplementary. The hon. member for Fogo followed by the hon. member for Burgeo - Bay d'Espoir.

CAPT. WINSOR: Can the hon. minister tell the House how the shipyard at Marystown compares with the delivery time in comparison with other shipyards in North America or in fact all over? That seems to be one of the problems facing the yard.

MR. SPEAKER: The hon. minister.

MR. LUNDRIGAN: Mr. Speaker, that is not a problem in the shipyard in terms of delivery time, from knowledge we have acquired from people who have assessed the yard from outside. And I mentioned a distinguished gentleman several months ago and did a survey for us on the yard. The shipyard has one of the best work forces. It has one of the most efficient mechanisms of any small shipyards in the world. And one of the problems we have had in competing with places like Guiana, for example, is that the work force results in such a quality of work that we have had trouble competing with some of the lesser shipyards of the same size, and with the same capability. But in terms of our capability, our delivery time and the skill of the work force and the management, I think we have an exceptional shipyard that will prove in the future to the rest of the world that it will not only be competitive and outstanding but perhaps will be, in its own category, one of the ones that will receive world recognition at some point in the future.

MR. SPEAKER: The hon. member for Burgeo - Bay d'Espoir.

MR. SIMMONS: A question for the Premier. I wonder would the Premier indicate to the House whether the government has filed an intervention before the National Energy Board relative to the Hydro Quebec's application to export power to the United States?

Mr. Simmons.

If it has done so or will be doing so shortly, would he indicate just how this is being done, and whether in particular someone will be appearing before the board hearings? And if so, who that person might be on behalf of the government?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Yes, Mr. Speaker, I cannot give all the information that I would like to be able to peculiarly enough. We have filed or asked for permission to intervene in the proceedings, in the application as has the Province of Ontario. We have sent some of our people off to talk with the people. I think we have got another couple of days before we have to actually give our presentation to the Energy Commission itself, the Energy Board.

MR. DOODY: I think it is the tenth of June.

PREMIER MOORES: Yes, I think it is on the tenth of June that we actually make our representation there, and with others assisting us. Our counsel who will be making that representation is Mr. Keith Mercer from the Department of Justice. He has been up there and involved in it since I mentioned it in the House.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the Premier indicate that failing in intervention or a favourable decision by the National Energy Board, will the Province look for a court injunction to bar the Province of Quebec from selling 800 megawatts of power to New York State, which is the same amount - and is Churchill Falls power by the way - is the same amount that we want to buy in this Province and which may jeopardize any court action that we may take?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, there is a small complication in our intervention. We are intervening on that it is not in the Canadian interest to export that power, because the length of the contract

Premier Moores.

is from now until 1982. The fact is that this Province would not be in a position to take it between now and 1982, because it would take that long to build a transmission line. But what we are saying is that it is in the national interest not to ship it outside the country when there are other provinces that need it and certainly after 1982 we will as well.

MR. NOLAN :Is Ontario objecting as well?

PREMIER MOORES: Yes, they are.

MR. NEARY: A further supplementary.

MR. SPEAKER: The hon. member.

MR. NEARY: Will the hon.

MR. NEARY:

the Premier indicate if the Province intends to take advantage of an offer made by Mr. Allister Gillespie to try to mediate the dispute between Newfoundland and the province of Quebec.

MR. SPEAKER: The hon. the Premier.

PREMIER MOOPES: Mr. Speaker, we do not have a dispute we have a defined position that Quebec can take or lump it.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Would the Premier be able to say what proportion of the total amount of hydro-electric energy or any energy produced by Hydro-Quebec consists of the energy they get from Churchill Falls? It is around seven million from the Upper Churchill. What is their total for that?

PREMIER MOOPES: Mr. Speaker, the Churchill Falls input into Quebec is just over thirty-three per cent of their total usage in Quebec.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: I have a question for the hon. Minister of Pural and Industrial Development. Would the minister tell the House just precisely what the situation now is in connection with Pyramid Homes at Argentia? Are they going out of business? I understand the day before yesterday they had a sort of a fire sale down there. They are disposing of all their material and supplies they have on hand. What is the situation? I mean there seems to be double talk going on now in connection with this.

MR. SPEAKER: The hon. Minister of Pural and Industrial Development.

MR. LINDRIGAN: Mr. Speaker, there are times like this that I prefer not to be in the responsible position of having to have a double head. Therefore I will bite my tongue at the present moment and be more responsible than I would like to be in my comment and tell the House the feeling I have. My feeling is somewhat along the line the member has expressed. I am not a bit satisfied with the

MR. LINDRIGAN:

co-operation we have had from Pyramid Homes. I do not want to put words in the mouth of my colleague who had a good deal more experience with the company than I did. But I believe I can sense his feelings on the issue. I have requested that these people sit down with the member, I believe, who will be involved tomorrow and myself and the officials in the department and let us have it straight from the shoulder what they plan to do with Pyramid Homes.

They are coming in tomorrow morning at nine o'clock, some of their top management people from the mainland as well, and I am going to just raise the question categorically with them, what they plan to do. My concern is that we have got a good plant there, we have got a good work force. They admit this themselves. There has been no reflection on the work force. They worked very hard to get the industry off the ground which is the most difficult achievement of any group of workers to get an industry off the ground. They have been productive as a work force. They have been very insecure in their own feeling about what their future is and I share their feeling of insecurity. Tomorrow morning I hope to be able to have that company clear with us completely what they plan to do. I hope they do not anticipate having their cake and eating it too. In other words, that they do not want to have the industry going ahead there and yet they want to have the premises which house the industry. So I will be able to give a more definitive answer later on in the week.

MR. NEAPY: A supplementary. Is the minister aware, and I am sure he is - the hon. member for Placentia has probably told him this - but is the minister aware that a few days ago they sold off insulation, roofing, sinks, toilets. They are just completely selling everything off. It is being lugged out in truck loads out of that plant down there. Is the minister aware of this? If so, why has the minister not intervened and put a stop to it?

MP. LINDRIGAN: Mr. Speaker, the first thing that has to be made clear to the member is that we have no jurisdiction.

MP. NEAPY: There is DREE money in it.

MP. LINDRIGAN: This is not the Department of DPPE. DREE as the member knows is a federal department of the federal government. They have DPPE money in it. I asked the officials in my department several weeks ago to alert DREE and DPPE officials as to what the rumors were out of Argentina, as to what the rumors were. I have had no official correspondence with any of the principals in the company. We have got no jurisdiction in the sense that we can say, "You must establish or you must get out." We have no authority to my knowledge. We do have an arrangement with them. The lease gives us maybe certain flexibility which I would like to consider more carefully before making comments because there are legal implications involved.

But in terms of being able to force the hand of the company we have to be sure that we know what we can do in these kinds of cases, as the member will rest assured, as he understands this sort of thing. My colleague the member for the district has briefed me on a daily basis on certain types of moves. The moves which are being made are totally incompatible with other statements being made by the company. Like I say I am resisting to say what my feelings are on the issue but I am certain that tomorrow morning the company will get the message.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Would the Premier be able to tell the House, in connection with this 800 megawatts of power that Quebec is endeavouring to get the right to export, if they do not get - presumably they have got surplus 800 megawatts of power to sell, they are trying to sell it to the United States - if they are not permitted to do it does the Premier know what Quebec intends to do with that surplus power if it is surplus? And if the Government of Canada says, "No, you cannot export it," can Quebec, in fact, then sell that surplus 800 megawatts, say, to Ontario or somewhere?"

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, I have no idea what Quebec would do if they are not allowed to sell that power. Certainly Ontario, as I understand it, and the Atlantic Provinces could use it. One of the problems with Ontario is that the intertie between Quebec and Ontario is not really very substantial. As a matter of fact the integration of power between the two provinces, whilst it is not non-existent it is not close to it. It is certainly not that you could transport any amount of electrical power over. What Quebec would plan to do, whether they would talk about a transmission line into Ontario or whatever, Mr. Speaker, I do not know what the answer to that is. As I understand it, the contract they are trying to get with the American people is a transfer power, in other words, in the Summer when the Americans need the power energy for air conditioning they would use it then and in the Winter when we in Canada need it for heating it would come back. It is more of a transfer arrangement, it is not just an outright sale of power.

MR. NEARY: That is after 1982.

PREMIER MOORES: That is after '82, that is right. But they are talking also about selling the power, as I understand it, between nine or ten mills into the States on the basis that they get it back in the future, on that sort of a relationship. I know Ontario

PREMIER MOORES: or any other Province in Canada, or anywhere else in the world, would be more than delighted to pay that amount for that power. I am surprised, Sir, with the degree of Canadian nationalism there is in Canada today, I am very surprised to see that the federal government themselves have not said that it should be used in Canada first rather than internationally.

MR. SPEAKER: The hon. member for Twillingate a supplementary.

MR. SMALLWOOD: I do not know if this is a supplementary question or not, but would the Premier say what has happened to the Minister of Mines and Energy the last couple of weeks? He seems to be missing.

MR. NEARY: He is contemplating running in St. John's West.

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: He is trying to get enough input or power, Sir, to get back home. I think he was over to an energy conference in Norway and as I understand it, as the Newfoundlander said, he is coming home gradually.

MR. SPEAKER: Before recognizing the hon. member I would like to draw to the attention of all members the presence in the gallery of ten grade six students from St. Michael's School in Goose Bay. They are accompanied by their teachers Mr. Tobin and Mr. Ryan. I understand that this is some form of youth exchange and that the host for the visit is St. Francis School in Outer Cove. I know all hon. members join me in welcoming the ten students from St. Michael's School in Goose Bay.

SOME HON. MEMBER: Hear! Hear!

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: In view of the fact that we had fourteen forest fires over the weekend and that the minister on Friday threatened to ban travel in the woods and so forth, what is the minister's position now in connection with forest fires? Are we going to have the ban if the weather remains dry?

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. ROUSSEAU: Mr. Speaker, I first of all would like to think that the people of the Province responded magnificently to the statements that have been made over the past couple of weeks. On a rough estimate we figure that possibly five per cent of the fires set or the fires in progress over the weekend might have been averted had a travel ban been imposed. I asked the officials in the department this morning to check out the causes of each fire. Many of them were caused by incinerators. Some were caused by children. Some have interesting causes in that there is no apparent reason why fires should start in that area because people are not in that area. And if hon. members will take note, we seem to be fighting forest fires next to towns all over the place. They are not out in the middle of the wilderness where people go.

Now I am not afraid to impose a travel ban. I think I have the concurrence of people on this side of the House in that respect. But again you cannot penalize the whole Province for what is happening to a few people. We are taking a close look at it. We will keep an eye on it day to day -

AN HON. MEMBER: Then we can hope for the rain.

MR. ROUSSEAU: The rain is good but I draw again to the attention of hon. members that most fires are near towns, set by children or for some other reason that we are checking. The RCMP are investigating various fires and certainly if we find any fire that has been set maliciously we will take every step available to us under the law. But out in the outdoors where people have been all weekend, this was a beautiful weekend across this Province, I would assume quite a few people were out right across the Province, but most of the fires that occurred were not fires that occurred in areas where people would be providing recreation for themselves, but near towns.

MR. ROUSSEAU:

We do not know from day to day. We get a weather forecast that says, at a long term, "Through the week there is fine weather," and the next day it rains. So it is from day to day. If it gets really bad then we will take a look at steps to take, reluctantly, because between May and September the people of the Province like to travel in the outdoors. I think it is difficult to penalize ninety-nine and a half or ninety-nine and three-quarters or ninety-nine point nine per cent of the people for the lack of care and caution by that very small percentage. So when we have an indication that it is caused because people are travelling for recreation in the outdoors we will look at it again. Right now as I say most of the fires are by towns, some coming from dumps and other ways. But less than five per cent in our estimation - that is only an estimate - would have been averted had a travel ban been imposed this past weekend.

MR. SPEAKER: The hon. member for Windsor-Buchans has a supplementary followed by the hon. member for Terra Nova.

MR. FLIGHT: To the Minister of Forestry. Most of the access roads in Central Newfoundland over this weekend have been locked by the paper companies. Travel on those roads is banned. Did that decision by Price (Nfld.) or Rowaters, whichever company controls these particular access roads, did the minister approve that decision? Can he advise the House as to whether it came as a result of the danger of forest fires?

MR. SPEAKER: The hon. Minister of Forestry.

MR. ROUSSEAU: The minister has jurisdiction over provincial roads. He does not have jurisdiction over private roads. I was not told - now it is quite possible Price could have communicated the fact to somebody in the Forestry either at the district level or in here that they indeed were going to close the roads. That is their prerogative on their roads. Our roads are not closed thus far. But they may have communicated it to the district office in Central Newfoundland or maybe somebody in the building but certainly there was

MR. ROUSSEAU:

no formal notification and we do not have to give approval or disapproval of what they do with their own roads and their own timber stands.

MP. FLIGHT: A supplementary. Mr. Speaker, in view of the type of power that this House gave the minister a few days ago with regards to imposing a travel ban, is it necessary now for, assuming that the only reason that these roads were closed was because of the fire hazard, is there any reason now for Price (Nfld.) or Bowaters or anyone else who control access roads to lock their roads and keep the general public out? That question in relation to the fact that we gave the minister the right, who makes the decision now, the minister or the companies that control those roads?

MR. SPEAKER: The hon. Minister of Forestry.

MR. ROUSSEAU: The companies make the decisions on their own roads. All I can say is what I do in my jurisdiction with Crown lands and public roads. For private roads I have no jurisdiction over them. Undoubtedly, I presume, if enough pressure was put on them you could have the roads reopened. But again that is their private road and they make the decision and they live by their decisions. I make my decisions in respect to our own and we have no jurisdiction over that. So if they want to close their roads there is nothing we can do. We would probably pressure them in - or not even pressure them in - if we put enough dialogue into it possibly they would but that is their prerogative. I had enough responsibility this weekend in my own mind. If the Province had broken out I would have felt, you know I did not put a travel ban on it. It is enough responsibility. I have enough problems with my own area and Price and Bowaters have jurisdiction over theirs and it is their prerogative to do what they decide they are going to do.

MR. SPEAKER: I have indicated I would recognize the hon. member for Terra Nova after.

MR. LUSH: Mr. Speaker, I have a question for the Minister of Education.

Respecting the Newfoundland School for the Deaf, I wonder if the minister is in a position to inform the House just what curriculum that school follows, whether it is one patterned after the regular day schools of this Province or whatever?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, the programme is not patterned after the regular programme. Obviously it could not be. I have not got the full details on it but I would invite the hon. member, who is the critic on education, to come and have a look at it.

MR. SPEAKER: A supplementary.

MR. LUSH: Just a supplementary question, Mr. Speaker. If the curriculum is different, and I would expect it might be different, I wonder if the minister is in a position to tell the House who draws up the guideline for the curriculum? Who decides what the curriculum will be for that school?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: It is with the staff and of course we also send pupils from the school to the Amherst School for vocational training. It would be done in conjunction with that school and other schools we send them to on the mainland plus the division of special services at the Department of Education, Mr. Andrew's division.

MR. LUSH: A supplementary.

MR. SPEAKER: A supplementary.

MR. LUSH: I wonder if the minister is aware that that school has no curriculum at all.

MR. SPEAKER: The hon. minister.

MR. HOUSE: Mr. Speaker, there is a curriculum. They are working out their curriculum in conjunction with the Special Services Division, and with the needs that are required for vocational training in the Amherst school.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to ask the Minister of Municipal Affairs and Housing if it is correct that a housing development is going to go ahead near Oliver's Pond that was barred a few years ago because the particular area involved in this development was supposed to be within the St. John's watershed at the time. But now apparently approval has been sought and the development at Oliver's Pond is going to go ahead. Can the minister confirm this?

MR. PECKFORD: Pardon?

MR. NEARY: The housing development, Oliver's Pond, an Oliver's Pond housing development, it was supposed to be in the watershed a few years ago when there was objection raised to it. Now I want to know is it outside the watershed, inside the watershed?

MR. ROBERTS: It is not near the watershed.

MR. NEARY: Pardon?

I am not going to ask those who live down at Hogan's Pond. I want to find out from the hon. minister.

MR. SPEAKER: The hon. minister.

MR. PECKFORD: I do not know the answer to the question, Mr. Speaker.

MR. NEARY: Will the hon. minister undertake to get me the answer to the question, because the gentleman involved was supposed to

Mr. Neary.

be compensated a few years ago for not being allowed to go ahead with the development? Would the minister undertake to get the House that information?

MR. PECKFORD: Yes, Mr. Speaker.

MR. WEARY: Mr. Speaker, would the minister -

MR. SPEAKER: I am sorry to interrupt the hon. gentleman, but the time has elapsed.

ORDERS OF THE DAY:

MR. SPEAKER: Motion 4.

On motion that the House resolve itself into Committee of the Whole, Mr. Speaker left the Chair.

MR. CHAIRMAN: Order, please!

RESOLUTION: That it is expedient to bring in a measure further to amend the Local Authority Guarantee Act, 1957, the Act No. 71 of 1957 to provide for the advance of loans to and the guarantee of the repayment of funds for debentures issued by or loans advanced to certain local authorities.

MR. CHAIRMAN: The hon. Minister of Finance.

MR. DOODY: Mr. Chairman, this is the Newfoundland Municipal Financing Corporation Act or the updating of it. It brings to the House the information which is listed in the schedule to the bill here. The amounts of the guarantees issued to the various municipalities during the preceding fiscal year, the total is a little over \$21 million, I think - \$21,126,000 is what I have got jotted on my notes here. I do not think the total shows on the bill. The details of these various communities is listed and the length of the term of the guarantee is also listed. So to that extent, Sir, the bill is just a self-explanatory one, and it is a bill that has been brought in annually since 1957, and the various amendments are listed on page two of the bill itself.

MR. SPEAKER: The hon. Leader of the Opposition.

MR. ROBERTS: Okay, Mr. Chairman?

Well, the minister has, as best I heard him, explained what the bill we are now considering in Committee is about. I suppose we are doing the Resolution first, but I mean we debate them all as an entity because, of course, really the Resolution says just about everything that need be said. What we are doing is amending the Local Authority Guarantee Act

MR. ROBERTS:

to give the government authority to guarantee loans which, in fact, they have already guaranteed and most of the money, I would think, has already been spent. There is nothing unusual about that, it has been done every year for the last, -well there is a list here of the Acts-especially the last twenty years. It is near enough to the last twenty years. I suspect as long as there is a House of Assembly we will be passing or asked to pass and sure will pass a similar bill each year.

The Minister, as I heard him, did not indicate exactly what these loans are for. My understanding is that they are either for water and sewer systems or for paving grants. Perhaps the Minister could tell us is that the -

MR. DOODY: That is an old bill there, there were some there, with one or two exceptions to that.

MR. ROBERTS: The Minister, might then -

MR. DOODY: The town of Bishop's Falls for instance. I notice there is a \$200,000 amount there for stadium construction. That would be in the Department of Municipal Affairs' contribution to a stadium in that area.

MR. ROBERTS: Right. Well perhaps the Minister can take a minute and look through it. I do not know where the Minister of Municipal Affairs is but what I am going to say I hope is relevant, and since the bill is his perhaps he could sit in. The Minister of Finance might indicate to us in the Committee whether any of the loans authorized by this bill other than the one for Bishop's Falls, are for any purpose other than paving or water and sewer. I think that is a fair enough point to make.

My concerns with this matter Mr. Chairman, are two or three in number. Perhaps I could mention them briefly and either the Minister of Finance or his colleague, the Minister of Municipal Affairs could deal with them. First of all, and I would think this is more in the province of the Municipal Affairs Minister than that of his colleague, Could the Minister indicate to us when we might expect to have some word on this year's capital grants program. I understand, and this understanding comes from letters I have had from the Minister and from

MR. ROBERTS:

his former deputy Mr. Clarence Keeping as well as from conversations I have had with the Minister and several of his officials, that the programme for this year is now before the Cabinet. In other words the Minister, with the help of his officials has worked out his suggestions and thoughts on what should be done with the amount of money that has been voted to him this year for new water and sewer projects and that has gone up to the cabinet for an approval or a decision, one or the other, as it should, and we would like to know.

It is now the 7th of June and the season is going on. It is a good year to get building done, I am told, or to get projects done because the bids which have come in on highway projects, I understand, are very reasonable, taking into account what has been expected. I understand from people in the private contracting business, in the private building business that bids are very low and bidding is very keen and very competitive. Of course that is a reflection of the fact that there is relatively little construction going on in Newfoundland and Labrador this year in comparison to that which has gone on in the last few years.

We built up a capacity which enabled us to carry out an extensive program in this province the last three or four years, and the capacity is not being fully used this year. The result is that what work is on the go is being keenly sought after. Now it is an ill wind that blows nobody any good. In this case, Sir, the wind, which is certainly ill for people in the contracting business, and particularly for men and women who look to that business to provide them with employment in the Summer months, it blows ill for them, but it blows good-to carry the analogy through-for the government. Of course it means that bids for work are coming in at less than was expected, or less, than was feared, and thus the available dollars will go that much further.

MR. ROBERTS: Be that as it may, Mr. Chairman, perhaps the Minister of Municipal Affairs could tell us when the programme will be announced and, I suppose he cannot tell us what is in it, but can he tell us what indication- or can he give us an indication of what, size there will be. I know what is authorized by the estimates, but in a sense Sir, that is misleading.

MR. PECKFORD: That has little to do with it. The Minister has just interrupted me to make the point I was going to make, that the estimates really have little to do with it, because, of course, almost all of the work in this province today that is done in the Municipal Affairs field, all of the capital work, is done under the arrangements which are reflected in the annual bill, "An Act To Amend The Local Authority Guarantee Act," and what happens is this Mr. Chairman: The Minister goes to the cabinet and the cabinet at the ministers request authorize a municipality to borrow a certain amount of money, a couple of hundred thousand, a half million, a million, whatever is appropriate in the circumstances. On the strength of that guarantee a bank will advance the necessary funds, will agree to do it and will do it. Then bids are called, the contractors put in their bids, the lowest bidder is accepted, all else being equal, and then in due course the work begins, and the money is paid.

In further due course, the bill comes before the House, such as we now have in Committee, to authorize the money and I suppose what happens then is the Municipal Financial Corporation eventually sells debentures and in turn buys the notes of the town council. The proceeds of those debentures, which become, in the hands of the town council or the municipal council through the sale of their own notes, I assume that is the security that is taken, or whatever security it is, is in turn used to retire the bank loan and then the debentures are amortized over a twenty year or sometimes a forty year period.

It is all very straight forward and it is all very proper, it is all the way it should be. I would like to know exactly what is going to be done this year in a global estimate. I am particularly interested in a number of areas in my own constituency. I have not made in this session, what most members refer to as the district speech, as if

MR. PECKFORD: somehow one made one speech and that discharged one's obligations to one's constituency. In my capacity as the member for the Strait of Bell Island, or the Straits of Bell Island as it should be, the Strait of Bell Island district, perhaps I could mention two or three projects which I believe I have written to the minister about. I am particularly interested in these, there are others, but I am particularly in these, including the situation in Goose Cove and in St. Lunaire, Griquet, in each of which a major project has begun and is well advanced but it is nowhere near completion. In the case of St. Lunaire and Griquet, speaking from memory, I do not know how much money was put into it but several hundred thousand dollars, sufficient to provide the supply, the source of supply, and to provide a delivery system which takes in about the first fifty houses along the geographic approach, along the road through which the supply system runs. That leaves somewhere between eighty and one hundred more houses to be serviced and obviously a couple of hundred thousand dollars more are going to be needed to lay the distribution system to those homes so that they can be hooked up. The council have been trying for two or three years to get the government to provide them with the necessary money. The government, I think, two years ago advanced another eighty or ninety thousand dollars and some work was done but we are still grievously short of money. Of course it is most unsatisfactory from a number of points of view Mr. Chairman. First of all, there is considerable tension within the community because some of the houses have water service and others do not. Of course the people who do not have it, not unnaturally are upset as they wish to have it too. They find it very hard to understand why some houses have it before others, even though there is a perfectly proper and obvious reason. Secondly of course, and I think this is important to, the government are not getting the revenue they could get. Three or four hundred thousand dollars has been invested for another one or two hundred thousand some additional revenue could be brought in.

MR. PECKFORD: I know it will not service the debt but then again, Mr. Chairman, the revenue from the rate payers in these water and sewer projects never come close, as a rule, even to servicing the interest on the debt. Even though the Minister and his colleagues have forced councils throughout the province to increase their water and sewer rates, in an effort to cover a little more of it-I do not have the figure, but I would wager, that what, in most cases its half the interest payment that is covered by what is taken in, by the rates, you know, and that is a generous allocation.

MR. PECKFORD: Too generous.

MR. ROBERTS: The Minister says that half is infinitely too generous. In some cases that I know of they do not even cover the cost of running them, the cost of the man or two who must be kept on to maintain them, and the bit of equipment that is necessary, whatever it is. So what it boils down to is, of course, that the whole of the cost is borne by the government through the taxpayers. But anyway I will come back to the overall thing.

Let me talk about one or two areas in my own constituency, in the hope that the Minister can respond to those as well as the major points. In Goose Cove, essentially the same story. There, three or four hundred thousand dollars has been invested, most of it in blasting rock because Goose Cove is built on solid rock Mr. Chairman, and the result is that we have a great supply system and we have it running right to the edge of the community. I think ten or twelve homes are hooked up out of a possible fifty or sixty connections and again we need some more money and the question is can we have some this year?

We got in Goose Cove, twenty thousand dollars last year and that was beneficence distributed by Mrs. Marlene Maynard, a charming lady who was soliciting support in Goose Cove, and she solicited with a twenty thousand dollar gift and we were glad to have the gift. I am happy to report that the Tory party got less votes in Goose Cove on a percentage basis than they had ever had. But in any event, at least, we got the twenty thousand dollars, so we have that consolation. In Flowers Cove we have a slightly different situation in that Flowers Cove-

Mr. Roberts:

I do not have the total figured out what \$600,000 spent to date in Flower's Cove? As we were talking about the other day in the House, Mr. Chairman, the pipes are buried six feet down in what is reasonably good ground, in the sense, it is not all that rocky, and they have been buried, they do not have to be blasted and buried in that sense, but they freeze up. The system has been completely unsatisfactory. Vast sums of money invested, but as yet little to show for it in the sense of turning on your tap and trying to get a drop of water out of it. So what does the minister have in mind for Flower's Cove?

And then if I could cross the Straits of Belle Isle to the Labrador portion of my district, there is, particularly in the communities of L'Anse-au-Claire and L'Anse-au-Loup, there is a problem whereby systems have been partially installed, or perhaps more accurately I should say, partial systems have been installed, and they sometimes work and more times do not. The reason that they do not always work is that the hoses are plastic, and this was a case I guess of being penny-wise and pound-foolish. The plastic hose is not suitable. The poly-vinyl, is it? What is it called, P.V.C.L., P.V. something like that?

MR. ROUSSEAU: P.V.C.

MR. ROBERTS: I am sorry?

MR. ROUSSEAU: P.V.C.

MR. ROBERTS: The P.V.C. hose - those are all in caps for the benefit of the ladies from Hansard - the P.V.C. hose might be satisfactory. But the ordinary plastic hose which looks like an overgrown garden hose does not prove out at all in the climatic and terrain conditions that it must endure.

So we have the case there where a substantial sum of money has been spent, a little more is needed to take up the existing distribution systems and replace them with P.V.C. or, well even, steel, not steel, whatever it is called, no corrode pipe, but that is very expensive, and probably not necessary.

Mr. Roberts:

Mr. Chairman, you know, I could go through all of the districts of the Straits of Belle Isle and talk about all of the communities, but, you know, I do not need to do that. They all need water systems, some need sewerage systems as well. And of course, if every member were to stand and list all of the communities in his district that needed water systems we would be here a lot longer than we are going to be here or than we should be here. But I did want to mention particularly these, because in each case the systems have been started and not completed. Of course, I want to see other places done. I want to see a water system in Raleigh, and Ship Cove needs some wells dug, and over on the Straits side, on the island side of the Straits a lot of the smaller communities there, Flower's Cove - not Flower's Cove, I am sorry - Sandy Cove and Nameless Cove and Bear Cove and Anchor Point, and these communities, of course, need adequate community water supplies, and in due course they will all get them, the sooner the better.

Mr. Chairman, let me mention one other place in my district where I think something very unique and very positive happened last year, and that is Main Brook. There has been a lot of talk about Main Brook, much of it in the House, all of it in support of getting a proper water system for that community. Main Brook I gather now has a proper water system. And as strange as it may seem, strange in the sense of the Winter conditions, this system has been provided with a LIP grant, and the way it was done was that the people in Main Brook with the help of their Federal member, Mr. Rompkey, and some other help from others whom I am too modest to name, managed to convince the authorities in Ottawa to give a LIP grant. The minister was very co-operative, the Minister of Municipal Affairs and his officials, and they came in with some assistance, I believe in the form of a guarantee, authority to borrow, and I believe a guarantee on top of that. Putting the two sums of money together, I think it was \$100,000 from Ottawa, and \$40,000 from the banks obtained through the Municipal Affairs Department's good graces,

Mr. Roberts:

The town of Main Brook managed to get a water distribution system. I am told it is just about completed now. One of two of the council were in last week and on their way back they stopped in to Deer Lake, or maybe had to go as far as Stephenville, and got some equipment they were missing, and carried it back North in their truck, and the system I am told is now installed.

The interesting thing about this, Sir, and the heartening thing is that, let us say it costs \$140,000 or \$150,000, That is an incredible improvement over the \$600,000 or \$700,000 which was estimated by the engineers. And that is the point I wish to make; that we in this Province, and it is not just the present administration, we in this Province, I think, have fallen into the hands of engineers to an extent in a way that we should think about. I am all for getting engineering advice. And I think it is essential that we do not enter any project unless we have some good, sound engineering advice. We want to know what we are getting into, and we want to know roughly what it will cost. But, Mr. Chairman - and I do not blame the engineers, I blame the whole system. - I do want to say that time after time in this Province we have gotten into water and sewer projects or water projects and it turned out to be costly beyond belief, and I think needlessly so. I think they have been either over-engineered or over designed or in some way have gone far beyond what we need.

Main Brook: the estimates - and I suppose we are fed up sending teams down there, and surveyors and engineers to report on it - the estimates ranged between \$300,000 five years ago, and \$600,000 when the most recent survey was done about a year past. And yet the system has been installed, I am told it is adequate, for \$150,000, and I believe it was done under the supervision of an engineering consultant appointed by the Municipal Affairs Department. Well that if that can be done at Main Brook, it can surely be done, Mr. Chairman, at a number of other communities

Mr. Roberts:

throughout this Province. And all I would like to say to the minister is that I commend this to him, and I would hope that he could let us know whether this type of procedure can be followed elsewhere. Because, Sir, we have spent more money than we need to. We talked the other day about Makkovik. We are up to - I think \$3 million is the current estimate to finish Makkovik, the water and sewer. And they are what a hundred and - the member for Eagle River (Mr. Strachan) gave us the figures the other day - there were 120 homes, I think, he told us in Makkovik. And it comes out to \$20,000 a home. Now, you know, this is like Alice In Wonderland. The people in Makkovik have lovely homes, Sir, but I think that \$20,000 in most cases would be the value of the homes in Makkovik. And, you know, we are falling into some sort of crazy situation with the best of intentions -

MR. NEARY: The Government of Canada pays 90 per cent of that.

MR. ROBERTS: The Government of Canada do pay 90 per cent of the cost, I agree, but that is no justification for spending more money than we should, because if the Government of Canada spend it on one thing, Mr. Chairman, they will not spend it on another. And I would like to see them as the hon. gentleman does -

MR. NEARY: No this is a special agreement.

MR. ROBERTS: I know it is a special agreement, Mr. Chairman, it was negotiated by Mr. Jack Pikkersgill in 1954, and renegotiated a number of times since. But the point is that the Government of Canada only have so much money, and they only have so much money even for the Indian and Eskimo programmes in Northern Labrador. And if they put it into water and sewer, Sir, they will not put it into somewhere else. I would like for them to put it into airstrips. And perhaps if we had only put \$2 million into the Makkovik water supply we could have had a million bucks to build some more airstrips at Nain, and Makkovik, and Hopedale, and in Rigole~~tt~~.

MR. NEARY: You cannot drink water with airstrips for dinner.

MR. ROBERTS: No, you cannot drink airstrips for dinner. But, Mr. Chairman, the hon. member would surely agree that if we can get the water for less, then we can have some money to put on the airstrips, and everybody is better. And the point is, Sir, that in Makkovik, at least, we got into a situation where we have no choice but to carry through with it, as far as I know. Yet the Soviet authorities in Siberia have time and time again shown that you can provide adequate water systems, and indeed sewer systems for far less cost. And we have fallen into the trap of cutting and digging, and burying, and that is where we go astray. The Minister of Public Works -

DR. T. FARRELL: You mentioned Anchor Point, is there not some kind of water system there already?

MR. F. ROWE: Yes, last year they installed a circulatory hot water system for part of the community.

MR. ROBERTS: My friend from Humber East (Dr. Farrell) and my friend formerly from St. Barbe North (Mr. Rowe), from Trinity Bay de Verde, tell me that there is a partial system there. It is an unusual one. It is an experimental one with hot water, heated water circulating, and I do not believe it has worked terribly well. And I am going on what the people in Anchor Point tell me, but I gather it has not been very satisfactory, and as an experiment, maybe the verdict is not in, but if the verdict had to be rendered today the verdict would not be a favourable one. You know, it would seem as if this kind of technology will not take us out of our difficulties here. I wish it would, because, you know, in this Province, Sir, we have to face up to the fact that we are going to have to provide all of these communities with adequate water systems, and most of them with sewer systems, and that includes treatment plants, very expensive machines they are, and it is going to cost us millions and millions and millions of dollars, particularly in the smaller outports, Sir. What we are doing, of course, is the state, the Province, is servicing the lots usually for minimal costs whereas here in St. John's and in Grand Falls and Corner Brook, and in newer areas people are

Mr. Roberts:

servicing their own lots, either on their own, or more usually by buying a serviced lot in a development. And that is why the gentleman from Bellevue (Mr. Callan) was asking the other day about lots in Arnold's Cove costing \$70,000, or \$8,000 or \$90,000 each. Well of course the reason they cost so much is that the individual building his home, Mr. Chairman, is expected to pay the true cost of servicing that, whereas in St. Anthony or in Robert's Arm or in any one of the thousand communities we could name, and indeed in every community on this list where

MR. ROBERTS: the money is being borrowed or has been spent for water and sewer systems, we, all the people in the Province - and it is a great benefit that the general revenue confers upon people in our smaller communities. I am not sure it started out that way but it has become that. What it has meant is that in respect of the settled communities in this Province, in respect of the built up areas in them - in most cases the general taxpayer of the Province, partially we as citizens, partially Uncle Ottawa, that marvellous organization, is supplying water and sewer services at very little cost, minimal cost. I do not mind, particularly as my district tends to benefit from the policy but let us realize and recognize what the policy is.

Mr. Chairman, the other points I wish to make are that first of all I think the time has come when we should change the whole basis of our approach to funding these projects and I think the minister would probably agree. This present procedure grew up over twenty years and it may have been adequate in concept twenty years ago but today it is really nugatory. We are not fooling anybody and it is the height of absurdity, Sir, to go at it the way we are going at it. You look down a list and you see a council, all right let me take one here. The Town Council of the Town of Bonavista, a \$1 million debt. Now Bonavista is a fine community, prosperous community, good people, hard working people but a \$1 million debt on a town and they may have more than this, that is only what we are adding now for their project, indeed that is not all the cost of their project, their project could be \$2 million or \$3 million -

MR. PECKFORD: \$4 million or \$5 million.

MR. ROBERTS: \$4 million or \$5 million the minister tells me.

5,000 people in Bonavista, that is \$10,000 a person. No. Have I lost some zeroes?

MR. PECKFORD: You are not being realistic there now?

MR. ROBERTS: No and I am not being pejorative. The whole point is, you know, it is somehow foolish of us as a House of Assembly or as a

MR. ROBERTS: government to try to say, "Look Bonavista has a debt of \$3 million or \$4 million and it is going to service it." They are not able to service it.

MR. PECKFORD: We cover it then out of annual subsidies.

MR. ROBERTS: The minister has said it, and of course he is right, that it is covered out of subsidies paid annually and it would be far better surely, from every point of view, if we were to change the system so that grants were made and the fact was recognized for what it is. What we have done is created a colossal debt structure in most of our municipalities, most of which are on the verge of bankruptcy, and I do not use that in a legal sense but I use it in a practical sense, we have hamstrung them and hampered them and I do not think anybody intended to. Twenty or twenty-five years ago when this policy began it was possibly a workable one. In those days the rates paid by citizens would make up a large portion of the cost of servicing the debt and the subsidy would be a small part. Now, as the minister said a few minutes ago, the rates in most cases do not even cover the annual maintenance costs let alone any portion of servicing the debt and I think that we should recognize the facts for what they are and we should change the policy.

I mean the obvious way to do it, it seems to me, is to set up some sort of water and sewer board to develop some criteria for saying, "All right. We are going to provide every community of "x" people - 200, 300, 500 people, whatever it is or up, with adequate water and sewer facilities, water only or water and sewer as the need may be. And we have to be generous there because, you know, if we do not provide a community with water or water and sewer as the need may be, the community will die. You know in this day and age a community must have access to an adequate water supply. So we set them up, set up an authority to find some criteria, cut out so many millions of dollars a year and then set to work to spend

MR. ROBERTS: that money to produce the results, and the obvious way to do it is to capitalize the sum and to borrow money and pay it back as we go because the services will be needed for many years to come and it is only right we should take many years to pay for them.

And I am not suggesting by the way that this authority be separate from the government. I do not think we should derogate our responsibility. I think the government should do it but they should do it through this mechanism. The authority could presumably be made up of some public servants, you know, that type of approach. But I think it is time that we came to grips with it and no longer attempt to load the burden on the municipalities. They are not able to deal with it. It only interferes with them dealing with more proper and necessary responsibilities. I would like to see our municipalities, instead of having to get into this type of thing, get into operating the systems and maintaining them where necessary. It would be necessary in most cases. I would like to see them get into zoning controls. I would like to see them get into services to property and services of that nature which are more properly municipal. I am particularly anxious in development policy and in land control and land use policy because I think that is where the concern should be, not in this type of housekeeping.

Along those lines, Mr. Chairman, let me ask the minister if he could indicate exactly what criteria are now in effect. I could hazard my own guess as to why some communities seem to be struck by financial lightning and have millions or hundreds of thousands of dollars made available to them and other communities do not. I suspect there are larger communities that do not have the assistance they need. You know it is hodgepodge. Now I could read into it, we all could, Mr. Chairman, you know various explanations. We might suspect that in some case the member for a district is a little more

MR. ROBERTS: efficacious in pressing his cause. We might suspect in other cases that some of it is partisanly political. You know we are all grown men and these things have not been unknown. But I suspect that is not the full story and I want to know what is the story. Is it a case of the squeaky wheel getting the greese, in which case all we are doing is inviting councils to descend upon the minister and his officials and to make life miserable for them until we do get the assistance we need.

What is the criteria? I could think of a number of possibilities. Is there an amount per household that we will use? Is there some ratio of communities over 5,000 getting fixed up and then communities over 4,500, and then right down the line. Is there some health connection? When I was Minister of Health one of the great ploys that everybody in the Province pulled, every municipality would get onto Mr. Doug Strong.

MR. PECKFORD: They are still doing it.

MR. ROBERTS: "They are still doing it," the minister says. Mr. Doug Strong was the Chief Environmental Health Inspector, and still is as far as far as I know, and one of the officers would go out and he would sample the wells, and how many times have I seen it, there would be eighty-seven wells tested and in eighty-six the water would be impure, by the official standards.

MR. PECKFORD: And the other one was very doubtful.

MR. ROBERTS: Yes, the minister obviously has seen many of them too. The other one would be doubtful and of course this would give the council concerned not only an additional arrow for their bow when they came to try to persuade the department to part with a few dollars, several hundred thousand in most cases, but would give them one more reason to believe in their own mind they had to have it. I think I am safe in saying that there have not been very many cases that I have heard of in my years in public life of illnesses caused by bad water. There have been some. But I know of very, very few really in the totality of it and, of course, the answer for that is in many cases we have become accustomed to drinking

MR. ROBERTS: bad water, not impure, not necessarily sickening by any means, but bad water, bad water by the Health Department standards. Are we still using this? Has something been done?

Mr. Chairman, I could go on but I do not think that is needed. The points I want to make, other than the ones affecting my own constituency and I would hope the minister would respond to those by giving us an assurance that the work will go ahead this year in these communities, not necessarily finished but that more money will be put in. Because otherwise the money that is in there now, and I suppose there is over \$1 million in those five communities I have named - L'Anse-au-Clair, L'Anse-au-Loup, Flowers Cove, St. Lunaire, Griquet and Goose Cove, \$1 million to \$1.5 million and yet none of it is benefitting anybody and it will take another \$200,000, \$300,000 or \$400,000, whatever it may be, to bring those five projects to fruition. They have to be finished and until they are finished the money is just on the dead, completely gone, completely wasted. So I hope - needless to say the minister will assure us, I know he will give the matter, I know he has been giving it consideration - but out of it will come an assurance that some work will be done this year. The minister probably cannot say so now but I hope that is what will come.

that is what will come.

The other points, just to touch upon them briefly are; I would like to hear the minister talk about policy. Are we going to see a change? For the reasons I have explained I do not think the present procedure is adequate any longer. It was adequate twenty years ago. It worked very well. But we must accept the fact that the government of this Province now have to assume the responsibility, and hopefully with help from Ottawa if we can get it but if not on our own, for providing adequate water systems or water and sewer systems and to do so we, I think, are going to have to adopt some different means.

What is it going to cost? a couple of hundred million dollars? You know it is only a couple of hundred million, a lot

MR. ROBERTS: of money. The Minister of Finance would say more than we could afford but given four or five or six or eight years of a concerted and co-ordinated attack on the problem I would think, Mr. Chairman, we could see the day when every community in this Island and Labrador will have adequate water supplies from a public source and where they need sewerage systems will have them. I do not think it is that far down the road. It is going to cost a lot of money and it may take us -

MR. PECKFORD: The problem is in your town and your community planning.

MR. ROBERTS: All right, but it may take a long time to pay off the debt. That does not particularly bother me because I am one of these people who believe we will never pay off the national debt and why should we? You know England has had a national debt since 1694 and has never paid it off.

MR. PECKFORD: Canada has had one since 1868.

MR. ROBERTS: Canada has had one since 1867, because the first borrowing was taken just after they became a nation in 1867.

MR. ROBERTS:

General Motors, nobody worries about General Motors' debt which gets larger and larger every year as they issue debentures, or Bell Telephone. Sure Bell Telephone's debt is larger than that of most countries in the world. That is not our concern but the concern is what we have to show for it and what amount is required in annual servicing charges and what percentage that is of what we have available. Those are the concerns. The total of the debt does not particularly concern us, it is the proportions and the amounts that we spend each year. So I think that this is a valid point for government expenditure. It affects most people in the Province. Those of us who have access on a regular basis to water and sewer services do not think too much of it. It is not particularly appealing. But, Sir, to those people who have not got it or to those members whose districts have in them communities, towns or what have you that do not have proper water then, you know, the matter is urgent.

I do not suppose there is anything in my district, other than possibly paving the road from Deer Lake to St. Anthony, anything that is of greater concern and interest to people and I would think there is nothing more important. While the road is very pleasant, and in many ways essential, nothing is more essential than adequate pure water supplies. Perhaps it is appropriate we should be talking about this now with Habitat on where Lady Barbara Jackson, Barbara Ward, but Lady Jackson in her private life, a lady whom the gentleman for Twillingate (Mr. Smallwood) could tell us about because he tried very hard to inveigle Lady Jackson and her husband into coming to Newfoundland, but a lady of immense erudition, immense vision, one of the great thinkers of our time, Barbara Ward, and we all heard her speech at the Habitat the other day where she talked about pure water being the greatest blessing and the most urgent need of the world today. I think we heard Mr. Danson respond by saying 1980 is the target for Canada and 1986 the target for the world.

Well the fact remains, Sir, 1980 is only four years away and we still have many communities in Newfoundland and Labrador that

MP. ROBERTS:

do not have anything like pure water. So I will end, at least for this point, by saying that I hope that Mr. Danson and his colleagues at Ottawa will respond to Barbara Ward's appeal by making it possible for us here. Because we could do it on our own but it will take us an awful lot longer than if we can get substantial help from Ottawa. Indeed if there is one thing - I do not know whether DREE should DREE is not an answer to all our problems - but if there is one thing, one cause, for which in my view we could look to Ottawa for sympathetic and substantial assistance it is this whole matter of providing our people with adequate water supplies. The problem is actually getting worse now.

A few years ago the people in smaller communities did not expect it and did not want it and did not desire it. Now, Sir, they do. So these are a few, not random, a few thoughts on the matter of the bill, Mr. Chairman. I hope other members will get into it. Although I hope we do not spend the afternoon getting into district matters. Every member, obviously, will want to mention his own concerns, and that is right and proper, but I hope we can also touch upon these policy matters. I think they are important and I think the House should be concerned with them.

MR. CHAIRMAN: The hon. member for LaPoile.

MP. NEARY: Mr. Chairman, I would like to have a few words in connection with this bill, bill No. 38 which is really - this Loan Authority Guarantee Act - which is really merely paying off debts, approving commitments and financial obligations that have already been made by the government. This is an annual occurrence to bring this bill into the House. One of the amounts, Sir, in this bill is for \$100,000, twenty years for the community of Isle aux Morts.

Now, Mr. Chairman, I do not know whether members are aware of the fact that Isle aux Morts is still a local improvement district. They have no community council or no town council. I am saying this

MR. NEARY:

for the minister's benefit -

MR. DOODY: That was for paving.

MR. NEARY: For paving. I hope the minister is paying attention to what I am saying. I am talking about the community of Isle aux Morts. They still, I believe, have a local improvement district. They are still a local improvement district. They do not have a community council or a town council. I believe the time has come now, because they have a spanking new water and sewer system down there only a few years old and they have practically every road in the community paved and there is \$100,000 called for in this and they have a marine haul-out paid for ninety per cent by the Government of Canada. It was supposed to be built in Port aux Basques -

MR. FARRELL: It was the ex-member.

MR. NEARY: Yes. - supposed to be built in Port aux Basques and shifted over to Isle aux Morts by the member for Isle aux Morts.

Anyway, Mr. Chairman, the point I am trying to make here is this, that because the water and sewer system is there and because the fish plant is there and the marine -

MR. CALLAN: Haul-out.

MR. NEARY: No, it is not a haul out. It is a marine service center, station, that is there. I believe now the time has come for the minister to think about the establishment of a town council or a community council in Isle aux Morts because -

MR. PFCKFORD: Why a community council? It is a sizeable community.

MR. NEARY: Mr. Chairman, I am not going to argue about the minister and his new philosophy and his ideology and the minister making arbitrary decisions and taking a dictatorial attitude towards communities who want community councils rather than town councils. I believe the decision should be left to the people. Let the people decide what they want. You have to learn how to crawl before you can walk, Sir. Why go straight into a town council? For instance, we have the argument going now between the minister and a group of concerned

MR. NEARY:

citizens - you know, Mr. Chairman, I am like the hon. former Premier I cannot listen to two conversations at the same time. I cannot talk to the minister while he is carrying on a conversation with one of his colleagues - but we have this continuing battle now going on between the minister and the people in Burnt Islands. The minister says because of the population and so on that they should have a town council and the people are saying they should have a community council.

MR. PECKFORD: Just let me explain something to the hon. member if he would permit me.

MR. NEARY: All right, sure.

MR. PECKFORD: The people or the committee of Burnt Islands are saying they will have a community council or a local improvement district and I am saying they should have a town council. And they are on the one hand saying they would not mind having a local improvement district but are against a town council when in actual fact there is no difference in the powers of a local improvement district and the town council, and in point of fact, a town council is more democratic and would give the citizens there a better opportunity to voice their views. I cannot understand that kind of a position.

MR. NEARY: Well, Mr. Chairman, this is a matter that the minister will have to sort out with the people of Burnt Islands because I am not going to get -

MR. PECKFORD: Well I thought I was talking to a very responsible member.

MR. NEARY: Well the minister is talking to a very responsible citizen. I am all for whatever the people of Burnt Islands want.

MR. PECKFORD: Escape, escape, escape. Tightrope, tightrope, tightrope.

MR. NEARY: Mr. Chairman, is that not the common sense, the democratic position to take?

MR. PECKFORD: No, it is not.

MR. NEARY: Well it is, Mr. Chairman. But anyway -

MR. PECKFORD: Stand up and be counted.

MR. NEARY: - the battle is on. The people say they want a community council. They want to learn how to crawl before they can walk and the minister is saying, "no" and the minister is adamant. He has dug in his heels and said, "No, it is a town council or nothing."

MR. PECKFORD: Precisely.

MR. NEARY: Well, Sir, the people in Burnt Islands are not very pleased about that.

MR. PECKFORD: Well I am not very pleased with the people of Burnt Islands. I do not think they are being realistic.

MR. NEARY: The Committee of Concerned Citizens wrote the minister recently and the minister promised me, as the member for the district, that the minister would take it up with his colleagues, have the matter reviewed with his colleagues. I hope it is not like the promise the minister made to the town council in Channel-Port aux Basques when the minister said that he would not withhold a revenue grant and lo and behold the next time they got their revenue grant it was -

MR. PECKFORD: That was mechanical failure within the department.

MR. NEARY: Well it may have been a breakdown in communications. I am going to attribute it to a breakdown in communications in the minister's -

MR. DOODY: You said they got their revenue grant. What is the problem?

MR. NEARY: It was slashed, cut in half and it has been cut ever since. I saw a letter that the minister wrote the other day and the minister -

MR. DOODY: They have more respect for the minister every day.

MR. NEARY: No. The minister walsed on his deal. He gave this council - I was there - gave the council his word.

MR. PECKFORD: You are talking too much and you do not know.

MR. NEARY: Well I have a copy of the letter that the minister sent out the other day saying that there was no way they were going -

MR. PECKFORD: A little bit of information is always dangerous.

MP. NEARY: Well I have a copy of the letter. I can only -

MP. PECKFORD: Yes but that came in the sequence of events. Another piece -

MP. NEARY: The sequence of events is that the minister told, gave his word to the town council of Channel-Port aux Basques that the revenue grant would not be cut until they had an opportunity to try to renegotiate their stadium, the outstanding amount on the financing of their stadium with the Department of Rehabilitation and Recreation. And before they had a chance to open negotiations with that department the revenue grant was cut. The minister says now there is no way that he is going to change that. Well maybe there is no way that the Department of Rehabilitation and Recreation will offer them any assistance and probably that -

MP. PECKFORD: That might.

MR. NEARY: Okay. I am not narrow-minded about it. I am trying to be factual about it.

But getting back to Isle aux Morts where I started off - I will travel down the coast - getting back to Isle aux Morts I believe now, Sir, that the community of Isle aux Morts should have a town council.

MP. PECKFORD: A town council.

MR. NEARY: Now that is my

opinion, they should have a town council because -

MR. PECKFORD Burnt Islands should have a town council.

MR. NEARY No, Burnt Islands do not have the facilities that Isle aux Morts has; yet.

MR. PECKFORD Well if they are going to get them they have to have a town council.

MR. NEARY No, Mr. Chairman, Isle aux Morts has all the facilities as a local improvement district.

MR. PECKFORD Of which there is going to be no more.

MR. NEARY Of which there is going to be no more. But the people of Burnt Islands do not yet have the facilities. Now that the facilities are in Isle aux Morts, I believe that in the best interest of operating the whole thing in a businesslike manner, that the people of Isle aux Morts should now be given an opportunity to elect their own representatives to a town council. And I believe the Minister will discover that at the moment, in my opinion, and I have only observed the situation very casually, although the people who are appointed are doing the best they can, they are becoming completely frustrated. I would say that the area is suffering because the business is not being conducted in a businesslike way. I believe the sooner that the Minister takes steps now to give the people of Isle aux Morts an opportunity to elect their own representatives, and get the thing set up in a businesslike way, the better it will be for all concerned.

Now, down in Burnt Islands, right next door, the community that is practically next door to Isle aux Morts, the government is just finishing off an industrial water line down to the fish plant, down to Eric King Fisheries. The industrial water line should be finished the end of this month and some people, you know, along where the main line is going down to the fish plant some people have managed to hook into the water line. But generally speaking there will be no water services in that community. The people are still carrying water in buckets.

MR. NEARY

You go down there in the middle of the winter or in the middle of the summer, it does not make any difference, people carry water in buckets, just like they did five hundred years ago when Newfoundland was discovered. I do not know what kind of buckets they had then, but they are still using the buckets.

MR. PECKFORD The same as Margaret used.

MR. NEARY The same as what what?

MR. PECKFORD The same as Margaret used at Habitat the other day.

MR. NEARY Yes well they are using buckets down there in Burnt Islands, and the only thing the industrial water line will do, is it will give people access to hydrants, the fire hydrants, the long line that runs down to the fish plant. So I hope Mr. Chairman, that the minister will be able to resolve this problem, this dispute between the minister and the people of Burnt Islands rather quickly, so then the people down there can get the badly needed drinking water that they need. This is badly needed, it would almost make you feel ashamed of your life when you go down there and see the people having to lug water, sometimes, I would say, a-half to three-quarters of a mile, to lug water in buckets in Burnt Islands.

DR. FARRELL I was wondering, are they being hooked illegally into that water line?

MR. NEARY Well I do not know what -

SOME HON. MEMBERS: Oh, Oh!

MR. NEARY Mr. Chairman, over on Bell Island, I know, Dosco had a water lines for the operation of the mine and we used to have to bootleg the water, we used to hook into the line after dark

DR. FARRELL That is what I meant, they are bootlegging water off the line.

MR. NEARY No, I would not say they are bootlegging. I would say, Mr. Chairman, that in some instances, I will not say in all, but in some instances, the only way that a community could get a water supply is to have it financed by the government of Canada through DREE. What is it a 90-10 arrangement?

MR. PECKFORD: No. 75-25, or 100 percent.

MR. NEARY: percent.

MR. PECKFORD: Industrial Water Lines? No they are -

MR. NEARY 75-25. Well Sir, we have to be thankful for small blessings. If it so happens, Mr. Chairman, that the industrial water line goes through a very thickly populated community, could you blame the people for wanting the stops put there so that they can hook into that water supply? I mean it may be getting domestic water through the back door, but it is not the first time it has been done in a community in Newfoundland, and it will not be the last, I suspect. Wherever you have these industrial water lines running into fish plants and so forth into businesses, I would say nine chances out of ten that Dree and the Dept of Municipal Affairs and the government knew that it was quiet likely that the people who did not have drinking water may tap into that line. Whether it was done under cover of darkness or done with the blessing and the knowledge of the Dept of Dree and the provincial government, no matter how it was done, it was done and it was a good thing. But, the industrial water line that runs down to the fish plant in Burnt Islands comes down the main road, and it does not really go through the more thickly part of the community at all.

Now the people have to lug the water -

MR. J. WINSOR It crosses the breakwater into the-

MR. NEARY Well it goes across the breakwater over to the fish plant. But the people on the other side still have to lug the water. The only thing now is they are lugging it from a hydrant over to their homes, and in this day and age, Sir, I do not think that is quite right, I do not think it is quite good enough.

Then you go from there down to Rose Blanche, Now there is a problem. But before I leave Burnt Islands could I- various ministers have tried to resolve this -

MR. PECKFORD The town council.

MR. NEARY The town council. Well, Mr. Chairman, then we are going to have to stand off, we are going to be almost as bad as the Minister of

MR. NEARY

Finance is with Nape at the present time. That the-

MR. PECKFORD I thought with your rhetoric and ardent persuasion that Burnt Islands would have been a town council three months ago.

MR. NEARY Well, Sir, if the hon. minister would care to come down with me to attend a public meeting -

MR. PECKFORD I sort of sense that that is what is going to have to be done.

MR. NEARY If the minister will come down with me and hold a public meeting and-

MR. DOODY: The minister of Transport might drop in if he is on his rounds.

MR. NEARY Well the hon. member has already promised me that he would come down with me -

MR. PECKFORD: You are on his list. Are you?

MR. NEARY To take a look at the causeway to Grand Bay West, otherwise I am going to have to leave. Mr. Chairman, the situation is really serious in Burnt Islands and I hope that this matter can be resolved at an early date as possible so that they can get on with the job. Because there is no indication even from the minister nor from the government yet that Burnt Islands is even on the list for water and sewerage.

MR. PECKFORD It can not be until they are incorporated.

MR. NEARY Well that is right Sir, it cannot be until they are incorporated and now we are up against a situation, which came first, the hen or the egg. You know, will the Minister give a community council or a town council? And Mr. Gerald Farrell, the gentlemen who spearheaded the-

MR. PECKFORD The infamous situation that we have at Rose Blanche.

MR. NEARY -who is the Joe Carbage of LaPoile, heading up the group of concerned citizens, Sir, will not rest until the Minister resolves this very, very serious dispute. Yes, that is the gentlemen that spearheaded the movement for the water supply in Rose Blanche. And the hon. gentlemen is blind, by the way, and even he could see the need for

MR. NEARY a domestic water supply in Rose Blanche where people, especially, school children, were drinking the polluted water filled with insects.

MR. PECKFORD He moved out of Rose Blanche.

MR. NEARY Mr. Farrell moved from Rose Blanche to Burnt Islands, -but I think he is sorry he made the move. He is very lonely and wants to move back to Rose Blanche again. I cannot say that I blame him for that because his friends - and he could find his way around Rose Blanche whereas in Burnt Islands he cannot. But while he is in Burnt Islands he is going to do the job. He is going to fight the good fight and I am going to help him to fight the good fight. The gentleman is a good friend of mine and a very intelligent gentleman who is completely blind. He may be blind but he sees the need for improvements and progress and along these lines our hearts are beating as one. Now in Rose Blanche Sir, we have a different kind of a situation that the Minister is familiar with, where the water supply is supposed to be financed, well not supposed to be, is being financed on a fifty-fifty basis. Fifty percent cost-share. Fifty percent paid by the province and fifty percent paid by Dree, by the government of Canada. My hon. friend the Leader of the Opposition was talking about the system that the Russians use. Well I would not be a bit surprised by the time we are finished in Rose Blanche that we will be able to teach the Russians a trick or two.

Because the system that we are putting in Rose Blanche is probably the most complicated in the world and it is a system that is being put practically on top of the ground. It is a system that is very complicated in design but apart from that it is very costly and therein lies the problem. Because when the Minister called public tenders for the second phase of the water system at Rose Blanche, Lo and behold! when the public tenders were opened that the lowest bidder, the lowest tender was about, -what?- almost a million dollars? Between three quarters and a million dollars over the estimated, the original estimated cost of the project.

June 1, 1976.

Tape # 3250

AH -6

MR. NEARY

There-in lies the problem Sir, and when the engineers and the various people in authority took a look at it they almost had a stroke. They could not believe that estimates could be so far wrong, could be

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MR. NEARY

so much out. So the **minister** now has to find somewhere between three quarters of a million and a million dollars to do the second phase of that project. The **minister** and his colleagues in the provincial government have taken a decision, that ~~the~~ provincial government would continue, would put up the additional fifty per cent, their fifty per cent of the cost of the project. The matter now rests in the hands of DREE . Last Saturday when I had a meeting with the Hon. Mr. Don Jamieson in Port aux Basques, when he presented my honourable friend with a cheque for a half million dollars - and I am glad to see my honourable friend back in the house, and ~~he~~ did not head for Costa Rica with that cheque for a half million dollars - that I impressed -

DR. FARRELL: It was not a personal cheque?

MR. NEARY No, it was not a personal cheque, It was for the Tourist Information Center at Port aux Basques . Although the hon. gentlemen went into the Big Dipper on the way back with a couple of newsmen, he told the bartender that he wanted to buy the two newsmen a drink and when the bartender served the newsmen the drinks, he said "I am sorry I do not have any cash with me, You will have to take a cheque!" And the bartender said "Oh that is all right Mr. Hickey. I recognize you. You are a minister of the crown , Of course, I will take your cheque." So he slapped the cheque for a half million dollars on the counter and the bartender picked it up and said, "Oh, five thousand dollars. We do not have that much change here!" And, of course, the hon. gentleman reminded him that it was a little more than that and so I think the bartender ended up by saying, "The drinks are on the house," because it was the first time he had ever saw a cheque for that much money, for a half million dollars.

MR. DOODY: But the hon. minister does not drink.

MR. NEARY: No, the hon. minister was having a ginger ale. But I must confess, Mr. Chairman, it is the first time that I have seen a cheque for that much money in my life, a half million dollars.

MR. NEARY:

But anyway, Sir, the province now is prepared to put up their fifty per cent of the additional cost of that water supply for Rose Blanche. So the matter now rests with DREE, with the government of Canada and with Mr. Jamieson. I tried to impress upon Mr. Jamieson, when I was in Port aux Basques, the need for the hon. gentleman to do a little arm twisting when he got back to Ottawa. Because it is urgent now that the tender, that this contract be let and construction get started before the snow comes on the ground again.

The government has acted in good faith, I have to give the government credit. The government in this particular instance have acted in good faith.

MR. DOODY: We better have another look at it if you will agree with it.

MR. NEARY: No, Sir, this government - the Minister need not take another look at it. I told my constituents, when they elected me as an independent Liberal in this honourable house, that when the government deserved a little bit of credit, I would give it to them. And when they deserved to get the flick, I would give them that too, and the same way with the Opposition and that is why I am sitting here as independent Liberal.

So in this particular case, I have to say that the government have acted in good faith. They have done the right thing, and now we hope that Mr. Jamieson will be able to come through and persuade his colleague, the Minister responsible for DREE to put up that extra half million dollars or whatever is necessary to get that contract let, and to get that project started right away.

Now, Mr. Chairman, I am now down to Rose Blanche and I would like to go across -

DR. FARRELL: To Harbour Le Cou

MR. NEARY: No Harbour Le Cou is in pretty good shape. I would like to go across -

DR. FARRELL: To Diamond Cove.

MR. NEARY: I would like to go across to Petites.

DR. FARRELL: Diamond Cove is in pretty good shape.

MR. NEARY: Well, Diamond Cove needs water in the worse kind of way.

MR. MURPHY: They are in bad shape.

MR. NEARY: They have no good drinking water in Diamond Cove. They have to lug the water in barrels and in buckets . But across in Petites, just about only fifteen minutes away by boat, all they are looking for there is a little water system like they have down in LaPoile, that the minister put down in LaPoile about a year or so ago, and that is a water system on top of the ground. By the way, I do not know where the Leader of the Opposition has been all these years. Here you have a water system in LaPoile and I was there during the Winter, I got stuck there for two days.

DR. FARRELL: I heard nothing about that.

MR. NEARY: The only house on that whole system, that is running over the top of the ground because the terrain there is all rock, the only house that used to freeze up during the night, and if the sun came out in the day it would thaw out, was the house that I stayed at, Mr & Mrs. Phil Courtney.

MR. DOODY: That is more than just a coincidence.

MR. NEARY: I do not think it was sabotage, But that was the only house that froze up. And here is a system on top of the ground, I could not believe it. There is the pump house. over by the pond, pumping water down through-

MR. PECKFORD: ; There is a lot of water there, right?

MR. NEARY: There is a lot of water there, yes.

MR. PECKFORD: They got an open-ended system.

MR. NEARY: And so they can leave the taps on, Is that why it does not freeze up? Well anyway there is a lot of water down on the back of Petites, in a pond. And all the people want down there is a little pump house and a couple of pumps and plastic hose to run a line in through the community of Petites on top of the ground, and the people will hook

MR. NEARY

into it themselves. They do not want - they are not looking for any favours of running lines into their -

MR. PECKFORD Have they got a water committee there?

MR. NEARY Beg your pardon.

MR. PECKFORD Have they got a water committee in Petites? I do not think they have.

MR. NEARY No, they have not. But I have been talking to the hon. minister, or I believe I wrote the hon. minister about it.

MR. PECKFORD Yes, I wrote and sent some information to them, but they have to form a water committee.

MR. NEARY Yes, they have to form a water committee. The Minister sent the information out, I am very grateful for that. Because I think I gave the ministers officials the name of the gentlemen down there, who would organize a water committee. And if they have organized or are in the process of organizing, I think I want to put in a plug for Petites. It is not going to cost very much to -

MR. PECKFORD You can do it cheap.

MR. NEARY You can do it cheap, yes Sir. So that takes care of Petites. And apart from that, Al fixed me up pretty good, pretty well all the roads are paved down there. There is a lot of -

MR. ROUSSEAU: Cape Ray is it?

MR. NEARY What?

JOE ROUSSEAU No Cape Ray, wait now, just a second now. Oh first of all I want to get to Grand Bay West,

MR. DOODY: Yes boy, go on.

MR. NEARY Grand Bay West. And if the minister does not do something about this, Dulcis is going to have my hide the next time I go down, and that is a promise, As a matter of fact there was a drill hole, an artesian well, put down in Grand Bay West by the good offices of my predecessor and the cap is even off the pipe now, the case pipe.

DR. FARRELL Are you talking about the twenty-five homes -

MR. NEARY In Grand Bay West.

DR. FARRELL On the new road in?

MR. NEARY Where the causeway goes out, that is right. And so these people are wondering what will happen now to that artesian well. Will the job be complete? I believe there was a commitment to put a pump house there, and to put a pump in and complete that job, because the people in Grand Bay West have no water. And the same thing applies in Cape Ray. I was in Cape -

DR. FARRELL That well is productive though, is it not?

MR. NEARY No, that well is there -

DR. FARRELL But it is productive.

MR. PECKFORD It has the potential.

MR. NEARY It has the potential.

DR. FARRELL The potential, I mean.

MR. NEARY It is full of water, because I looked down in it.

DR. FARRELL Yes it is. There is lots of water there.

MR. NEARY There is lots of water in it, but what is going to happen

Mr. Chairman, is that the kids are going to fill it up with rocks. because the cap that was welded on -

MR. DOODY: Why do they not put a cap on it?

MR. NEARY Well the cap was on. When the election was over -

DR. FARRELL Some one stole the cap.

MR. NEARY There was a cap welded on to the case pipe, and somebody has pried the cap off. The cap was still there but it is just laying on the pipe.

MR. DOODY: Cannot the people down there put the cap on?

DR. FARRELL That was one of your opponents. That was one of your opponents.

MR. NEARY That was why they called their member. They wanted to know -

MR. DOODY : If you would put the cap on.

MR. NEARY Well, they wanted me to speak to the minister, and so I am speaking to the minister now, in my capacity as the elected representative.

DR. FARRELL: Why do you not go down to Margaree and put that cap on?

MR. NEARY: Well Margaree and Fox Roost. They want an industrial water supply in Billards Fish Plant.

DR. FARRELL: And roads.

MR. NEARY: I will tell you what the Minister of Highways can do.

DR. FARRELL: You forgot Fox Roost.

MR. NEARY: Yes, the Minister of Highways can put the yellow -

MR. MORGAN: Put the Yellow lines on.

MR. NEARY: Mr. Chairman, my predecessor paved all the roads for me and now all I want the minister to do is to put the yellow lines on the roads going down to the various communities, and to fix up the shoulders of the roads, because the shoulders --

MR. ROUSSEAU: What about Cape Ray?

MR. NEARY: Cape Ray is paved.

DR. FARRELL: It is paved.

MR. NEARY: Well I want the road out to--

DR. FARRELL: That whole district is paved.

MR. NEARY: I want the road out to the causeway going out to Grand Bay West, I want that paved and the Minister is going to take a look at that for me. But, Sir, getting back to water and sewerage which is primarily what we are talking about here. I suppose there is a lot of paving included in this. But one thing I want to say, and the minister somehow or other, I think, previously misunderstood my remarks about engineering fees, consulting fees and this sort of thing, actually what I was trying to do was to pay the minister a compliment. I was not condemning the minister

Mr. Neary.

for his investigations into consulting engineering fees. As a matter of fact I want to compliment the minister, and this is the first chance I have had to do it now, Sir. Mr. Chairman, there is no doubt about it in my mind at all that the government is being ripped off by architects, consulting engineers. And I understand now that the minister has - that is why one day the minister might have misunderstood me, I might have put it the wrong way, when I talked about turmoil in the department - been making some sweeping changes, as I understand it, and putting the clamps on and rightly so, and I am all for it. I am all for it, Sir. I do not know how far back in the past the minister is going to go, because last session, the minister might recall, I asked some questions about the Burin Inlet water supply, and the minister was going to investigate the consulting engineering fees in connection with that project, and then there were one or two other projects. But, Mr. Chairman, it would stagger the imagination. It would frighten you if you only could see the charges that these consulting firms are sending it to the town councils and sending in to the minister's department and sometimes rubber stamped by the minister's department, as the minister will -

MR. PECKFORD: Not any more.

MR. NEARY: No, not any more, and I am certainly glad to hear that. That is one thing that needed to be cured. They were sending the bills directly to the minister's department, before they were approved by the town council, and then they were being rubber stamped and paid, before the town council even could confirm whether the amounts were correct or not and whether the work was done or not. And I am certainly glad that the minister has taken it upon himself to change this system, because it certainly needed to be changed. Look, I have heard of cases. I do not know if it is true. The minister can probably tell me where, you have consulting engineering firms who will go out and rent a car in connection with the job that they are doing.

Mr. Neary.

and then apart from paying the expenses on the car, they will charge you 100 per cent for themselves to put in their own pocket, although the car is not theirs. The car had to be rented from somebody else, and the municipality is paying the rental on the car. They charge 100 per cent. It is cost, plus 100 per cent for the consulting engineer. It is scandalous, outrageous. It is unbelievable some of the things that the consulting engineers have been getting away with, and it is time to put the boots to them, and to put the gears to them. And I am glad to hear the minister say that no longer will bills be rubber stamped by his department unless they are first checked with the municipality or at least somebody in authority who is involved, because they just seem to have a blank cheque to do what they like. And that is one of the changes that I am happy to see that the minister is bringing about - along with a number of other changes. So in this regard I am all for it. I wish the minister well, because I have been at it now for two years talking about the rip offs and during the Question Period the minister will understand that it is very difficult to get a question across sometimes without being misunderstood. All I was doing was fishing for information so that later on when I got a chance, like today, that I would be able to commend the minister for taking that kind of action. And perhaps the minister may wish to participate in this discussion and give us some more information on this matter.

In the meantime, Sir, that is about all I have to say except that I would again like to impress upon the minister the need for doing something about Burnt Islands.

MR. DOODY: Were you in Fox Roost, Margaree?

MR. NEARY: Yes, Mr. Chairman, I was in Fox Roost, Margaree the other day, and I was talking to Gabe Billard of Billard Fisheries and Gabe Billard - I suppose it is the only fish plant in Newfoundland

Mr. Neary.

that does not have an industrial water supply or a government loan. Do you know, Mr. Chairman, that in my district we have one of the biggest fish plants in Newfoundland, and one of the best fish plant operators, T. J. Hardy, who is beholdng to nobody -

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: - who operates independently on his own, who does not want anything from the government. And I might point out for the benefit of the House that Mr. Hardy has mastered the automatic baiter that other people had disgarded it and thrown it aside and said, "It cannot work," and they got discouraged with it. T. J. Hardy is a very stubborn, bullheaded man who never gives up, tantalizing, drive you right out of your mind, and he has spent weeks and weeks and weeks working on that automatic trawl baiter. And I understand that he has got a new hook, and he has gotten the right kind of bait, and he is now using it on one of his boats. And it would be worth-while for Land and Sea if they want to get a good story, a success story, to go down and see Mr. T. J. Hardy, and see that automatic baiter in operation.

But then over in Fox Roost, Margaree, we have Billard Fisheries, another gentleman, beholdng to nobody, shipping fish out. Then we hear in this House about people flying fish out to the Mainland cities and so forth. Mr. Gabe Billard has been doing it for years, shipping it out of Stephenville, flying it out, special little plastic trays, with a plastic cover over it, shipped out to Montreal and Toronto, and we are only just talking about it. It takes us about three years in this House to catch up with what they are doing out in my district.

DR. FARRELL: I know what they are doing.

MR. NEARY: Yes, the hon. member knows, because the hon. gentleman spends a lot of time in that area in the Summertime, and I hope I will be able to join the hon. gentleman before this Summer is over.

MR. NEARY:

But, Sir, what they need in Fox Roost, Margaree, if my hon. friend is interested, is an industrial water supply to take care of that fish plant, because they cannot expand. They can no longer function under the conditions under which they are operating, and they need an industrial water supply. And if they get the industrial water supply - as a matter of fact in Fox Roost they do have a water committee. And Mr. Gabe Billard by the way is chairman of the committee, and they are getting domestic water, but the pressure is not very good. There may be room for improvements along these lines. But I will tell you this, if there is, that Mr. Gabe Billard will not come begging. Mr. Gabe Billard, Sir, I might tell this House, that somehow or other there was a misunderstanding in connection with a pump by my predecessor who told the water committee in Fox Roost, Margaree that the pump would be supplied by the Minister of Municipal Affairs and Supply, and the pump cost over \$1,700. And the bill has been going to the chairman of that water committee ever since. And the chairman was starting to get embarrassed.

I wonder, Sir, would the hon. gentleman for Twillingate (Mr. Smallwood) do me the honour if the hon. gentleman does not mind.

MR. SMALLWOOD: You are talking, are you?

MR. NEARY: Yes, I have been talking for two minutes, Mr. Chairman. The hon. gentleman is right in my line of vision there and besides that he is rather loud.

So the bill was being sent out. I do not know by what firm, but it was being sent out to Mr. Gabe Billard who was chairman of the water committee and the pump was supposed to be paid for by the Water Services Branch of the minister's department. Mr. Billard got so embarrassed about the whole thing that he paid the bill himself. He paid for the pump himself. Now that is the kind of a man that Mr. Gabe Billard is.

MR. PECKFORD: He paid it out of his own pocket?

MR. NEARY: He paid it out of his own pocket. He paid for the pump because when he came back to the department - the hon. gentleman, my predecessor is no longer there to back up the commitment, the obligation that was made - the minister's department said, "No, we did not make you any promise, that if the member did that he acted on his own, and did not have any authority from the department." So rather than be embarrassed or have his community embarrassed Mr. Billard wrote out a cheque himself and paid 1,700 and some odd dollars for that pump. So if they come from Fox Roost, Margaree looking for improvements in there little water system that they have there, I hope the minister will keep that in mind, because they are a fine crowd of people, and they do not come unless they are driven to it. You will find that pretty well the same thing applies all down that coast, that when people look for something, they will almost apologize when they come to you to look for it. And when they are looking for something, it is badly needed just like that water supply in Rose Blanche, full of insects. You go in and turn on the tap in school -

MR. MORGAN: Where do you want the paved roads?

MR. NEARY: I want the paved road, Sir, going from the Trans - Canada Highway over towards Dulcie Kettles in Grand Bay West. It is the causeway.

DR. FARRELL: I have travelled over that area.

MR. R. MOORES: Do he represent that district?

MR. NEARY: No, the hon. gentleman -

DR. FARRELL: I know what you are talking about.

MR. NEARY: That is right. The hon. gentleman knows what I am talking about very well and so I would like to see that road paved, because as a matter of fact I would not be a bit

Mr. Neary.

surprised but it was included in one of the contracts last year, before the election. And they are just setting up the asphalt plant -

MR. MORGAN: I saw it the last time I was out there.

MR. NEARY: Well the asphalt plant is now being set up in Cape Ray and so I think the minister should finish off these jobs, fix up the shoulders of the roads, put the yellow lines on the roads going down in all the communities.

MR. MORGAN: The yellow lines are needed.

MR. NEARY: Oh, absolutely, because if you get a foggy night, and a real dark night there, it is pretty dangerous with the black asphalt going down some of these steep hills and around some of these curves. And I do not know if the minister - I am sure the Minister of Public Works and Services has been in Rose Blanche in Big Bottom, Little Bottom in the Wintertime and down in Burnt Islands in the Wintertime, very hazardous.

Mr. Neary:

and I think we should have the yellow lines. We should have it done at once before somebody gets injured or killed.

And, so, Sir, having made these few remarks I look forward to a rendezvous with my hon. friend, the Minister of Public Works and Services, probably we could meet on neutral ground in the Codroy Valley somewhere and we would talk over -

DR. FARRELL: Anywhere you suggest.

MR. NEARY: No, down in Grand Bruit. And we could talk over some of these matters. But, Sir, I do hope that the Minister of Municipal Affairs will give us the benefit of any improvements that he has made over the last year or two.

SOME HON. MEMBERS: Hear, hear!

MR. F. ROWE: Mr. Chairman, -

MR. CHAIRMAN: The hon. member for Trinity-Bay de Verde.

MR. ROWE: Sir, I would like briefly to speak to this particular bill, and point out to the minister the need, Sir, for - in spite of the financial restraints, and in spite of the continuing study of the Whelan Royal Commission Report, I would like to re-emphasize as I have done in the House previously - the need for incorporating some of the larger towns and communities, well throughout the Province basically, although I am thinking specifically of the district of Trinity-Bay de Verde.

Sir, there are a number of large communities, and to take two as an example, Greens Harbour and New Harbour, quite large communities that are unincorporated. And to make matters even worse, Sir, we have a situation there where we do not even have a water committee to look at the needs of the particular community. What we got - and this came a bit of surprise to me after I got elected, because in the former district that has now been wiped out that I served, St. Barbe North, where you did not have incorporated communities, where you had unincorporated communities, there was one water committee that looked after the needs and made representation to the government

Mr. Rowe:

on behalf of the community for water services. And there are a number of communities in Trinity-Bay de Verde such as Grates Cove, New Harbour and Greens Harbour, and I could name others, that do not have any water committee, but have water committees, five or six water committees all basically working in competition. And instead of having a sort of a well defined plan for establishing artesian wells and what have you in these particular communities, what we are getting is representation from these various committees almost arguing for a well in their particular area by negating if I can use the word, the arguments of other water committees. And this is a most unhealthy situation. I was wondering if the minister, where you have unincorporated communities, whether he can do something, through the Water Services Division, to co-ordinate the efforts of these various water committees and form a water committee per community so that the community -

MR. PECKFORD: It only happened in your district.

MR. ROWE: Well the minister should stick his nose back in here, if he wants to carry on a dialogue, because that would leave one with the impression that probably since it is only happening in my district I am responsible for it. I inherited that particular problem, Mr. Chairman. If that is the only district I would love to hear from the Minister of Municipal Affairs the reason for that. If Trinity-Bay de Verde is the only district in this Province that has unincorporated communities with a multiplicity of water committees rather than one central water committee, I would like to know the reason why, number one. And number two, what the minister - I hope he is listening - what the minister intends doing about it? Because it is a most uncoordinated, and awkward and clumsy way of trying to get water to these particular communities. And the obvious answer is to as quickly as possible incorporate these communities, because they are badly in need of incorporation. And the minister can talk all he wants to about the

Mr. Rowe:

restraint programme, and the studying of the Whalen Royal Commission. But I can suggest to this minister now, Mr. Chairman, that if these communities were incorporated, and even if they did not get the money that they would expect to get immediately, within the next year or two, that they would have a period in which they can plan

MR. ROWE:

the logical development of the community whether it is the development of a water system or the paving and upgrading of local roads or the setting up of enclosures to keep the cattle from roaming around these communities and this type of thing. So I do not necessarily think, Sir, that this argument holds up. That because of the restraint programme and because of the lack of money, which we all have to concede is a problem, I do not think that is a powerful argument for not setting up or incorporating communities. I do not think it is a logical argument at all.

The one about further study with respect to the Whalen Royal Commission, well we have heard that for so many years now it has just worn itself out. So I would like for the minister to relate himself, when he speaks to this bill, Sir, to the possibility of incorporating more communities even if we are in a period of restraint.

Now, Sir, another thing that I would like the minister to relate to is this problem. An amazing phenomenon occurred last Summer. That is that every drill rig in the Province was put to use and there were more artesian wells being drilled in Trinity-Ray de Verde, and I understand other districts as well, than had been experienced for some years. It was like -

MR. MOPGAN: For what?

MR. ROWE: I will not get into that. But, Sir, the problem is this, that the water services division overspent, ran out of money in the drilling of these artesian wells, and there was no money left to install pumps or pump houses or to supply the water lines to bring the water to the homes.

I think my friend from LaPoile (Mr. Neary) mentioned one specific case in his district. Well I can name - well not hundreds - a few dozen cases where the wells have been dug and capped in some cases. The wells have been drilled in other cases, the pump has been installed, the pump house put on and the people still have to run down across the fields in the Winter and the Summer and the Fall and the

MR. ROWE:

Spring and fill up the bucket with water and trot back with it.

MR. MORGAN: In my area there is the same thing.

MR. ROWE: Well two wrongs do not make a right, Mr. Chairman. And the fact that some poor little old lady, who is living by herself, in the middle of the Winter has to put on her boots, put on her coat and walk a quarter of a mile to the well, in the middle of Winter - and pay an electrical bill, by the way, for the running of that pump - whether she is doing this in the member for Bonavista South's (Mr. Morgan) district or my district does not alter the fact -

MR. MORGAN: You cannot do it all in one year.

MR. ROWE: - that these pumps, these wells should be completed. Now the minister says you cannot do it all in one year. Well, Sir, the phenomenon was, of course, that this was done all in one year. The wells were all drilled in one year and the people were given every indication that the pump and pump houses would be installed.

MR. MORGAN: I think all the pumps were installed.

MR. ROWE: All the pumps were not installed. There are still some capped -

MR. MORGAN: They are all in.

MR. ROWE: There are still some capped wells. They were also given every impression that the lines would be installed to their homes. Now there might be some confusion on that. If the minister is within hearing distance I would like for him to answer this question. What is the government's policy with respect to the installation of water lines to homes? Now I know the government will drill the well, will provide the pump and will provide the pump house in time, sometime I suppose, and I understand will also provide the materials. But what I would like the minister to indicate is who is responsible for the actual installation of these water lines from the well to the homes. Is this the responsibility of the citizens involved or does the water services division of his department take care of that. Did the minister get the question?

MR. PECKFORD: No.

MR. ROWE: Well at the risk of carrying on longer, Mr. Chairman, I was just relating to the Committee the problem with the artesian wells that were drilled and were not completed or were partially completed. Then I was getting on to this final question. I will not go over all that again because I have spoken to that before during this session. But what I wanted to know from the minister is, who is responsible for the actual installation of the water lines from the well to the house.

MR. PECKFORD: The water committee.

MR. ROWE: The water committee. Who is responsible for the installation of the water pump and the building of the pump house?

MR. PECKFORD: The water committee with technical assistance from the water services division.

MR. ROWE: Who finances all this?

MR. PECKFORD: The material is from the water services division.

MR. ROWE: That is what I am getting down to. Am I correct in saying that the government will supply the materials but the -

MR. PECKFORD: Yes, yes.

MR. ROWE: I could probably say anything and he could say yes at this point, Mr. Chairman.

MR. PECKFORD: I was being extremely attentive.

MR. ROWE: The government is responsible for providing the materials including the water lines, the hoses?

MR. PECKFORD: Yes.

MR. ROWE: And the connections and valves and what have you.

MR. PECKFORD: Yes.

MR. ROWE: But the people and the water committee in the community are responsible for the labour and the installation or the labour with respect to the installation?

MR. PECKFORD: Yes.

MR. ROWE: Okay. Well that is cleared up in my mind. But I would

MR. ROWE: like to remind the minister that there are still a great number of communities namely; Grates Cove.

MR. PECKFORD: Yes.

MR. ROWE: I think where the minister is, he sounds very familiar with it. Well probably the minister could indicate when he is replying when the people of Grates Cove are going to get the material to put those lines to their homes. Because they were told last Summer, and it happened just before the election, that the hose and the pumps and all the materials for the pump houses were sitting here in St. John's ready to be brought out in trucks. And there is neither sign yet, Sir.

MR. PECKFORD: There is nary sign yet, Sir.

MR. ROWE: Narn a sign yet. And the same thing goes for a number of other places in the district.

Sir, I would like to relate briefly to the need for the continuation of water service projects that are already in progress in the district.

MR. PECKFORD: This had nothing to do with the Act we are talking about now.

MR. ROWE: Well I think - now if we want to get sticky now I suggest, Mr. Chairman, we should have gotten sticky two speakers ago because we have really been quite general on this and I would ask that I be given the same privilege of speaking, rather broadly I realize. As a matter of fact I have been quite irrelevant thus far because I have been talking about unincorporated communities.

MR. PECKFORD: That is what I just said.

MR. ROWE: Now I am getting back to incorporated communities and now the minister is worried that I am going to be irrelevant.

Sir, there are a number of communities like Heart's Delight, the home of the previous member for the district, and Hant's Harbour and Old Perlican, and I am probably leaving out a few communities but the minister has the list down in his office, that have started the installation of a water system and are obviously hoping desperately for more money this year to continue on with the installation of the second phase. In some cases they wish to install a sewage system now that they have a water system. The

MR. ROWE: community of Old Perlican, Sir, are extremely worried because of the fact that the fish plant has burned down and of course, the fish plant contributed significantly to the economy of that particular community and the people are worried. The council is worried about whether they are going to have the same financial basis they had last year and therefore, they are concerned as to whether or not the government will be willing to provide them with the necessary funds to continue with the second phase or the next phase of the water system in that particular community and the same thing is true for Hant's Harbour and Heart's Delight.

But, Sir, I would like to talk about the communities that have not yet started water systems or sewerage systems. Now with the restraint programme that is on the go, it is my understanding that those communities that have not yet started water and/or sewerage systems probably got a pretty weak chance of getting started this year and some of the communities that have actually started, they obviously will be given first priority. Now I do not know if that is the only factor, the only variable that the minister is considering when he thinks about the distribution of funds for water services, whether the sole factor is, you know, those who started first and then we would have a look at those who have not started.

But, Sir, the community of Bay de Verde is fast becoming a colossal cesspool or septic tank. Decades of accumulation of human waste is just piling up in the basin of Bay de Verde. It is a saucer shape community as the minister well knows. And there have been, and there is, and there will be more cases of hepatitis and gastroenteritis in that community. As a matter of fact I was speaking with a number of people this morning in Bay de Verde and they tell me that now they got a number of cases of intestinal

MR. ROWE: flu, I just forget the word, I just mentioned it a minute ago.

MR. COLLINS: Gastroenteritis.

MR. ROWE: Gastroenteritis, which can be attributed directly to the water that they are getting from their wells in that particular community.

Now, Sir, just listen to the minutes of a meeting of the Town Council of Bay de Verde. Sir, this proves to be very, very interesting and I will read a section of the minutes of a meeting of the council of Bay de Verde. "The next item was the report of the delegation to St. John's. The delegation was given a good welcome by Premier Moores."

The following are the items that were discussed: Number one, pavement from Bay de Verde to Old Perlican." Now that is not the main road. That is that new section coming up around to the cliff that was blasted out some years ago." Mr. Moores assured the council that this section of road would be paved. He called Mr. Joe Rousseau and requested him to do this road."

"Water and sewer number two; Mr. Moores called Mr. Peekford on this and was informed that the project would cost \$2 million, and would have to be done in two phases. Mr. Moores promised that the first phase would be let this year." The first phase would be let this year.

Now, Sir, this little meeting took place between the Town Council of Bay de Verde and the Premier at a rather unusual time, inconspicuous time, June 5th. June, July, August, three months.

MR. NEARY: What year?

MR. ROWE: '75, I am sorry - three months before the election.

So \$2 million it was going to cost. It was going to be done in two phases and Mr. Moores promised, in consultation with his Minister of Municipal Affairs and Housing, that the first phase would be let this year, That was last year.

MR. ROWE: Roads in the community: Mr. Moores promised that \$50,000 would be made available for this. He notified Mr. Peckford on this. Pavement through the community: the Premier asked Mr. Peckford to make money available for this. Hydrants: the Premier instructed Mr. Peckford to have this done without delay. I can say one thing for the hon. the Premier, Sir, he sure knows how to cut through red tape. Roads to Island Pond - we will have to forget that one. That is not a priority. And Mr. Peckford was just notified on that one, the road to Island Pond. Fire equipment: the Premier asked Mr. Peckford to put Bay de Verde on the list for a fire truck for this year.

All of these things, Sir, a fire truck, this year, That was last year, three months before the election, "Housing: the Premier got the opinion of the councils as to where they would like the new houses to be built up on the hill, on the main road running out of the community or down in the community itself and the town council felt that at a top of the hill would be better. But since we have been trying to get houses built on the top of the hill we cannot get building permits because it is considered ribbon development. Although there are a few houses built by certain individuals out there and certain people are wondering why these certain individuals can build on that end of the road out in Bay de Verde and not build on the other end of the road in Old Perlican area."

\$50,000 for community roads, a \$2 million water system, the first phase was going to be let in 1975. And the pavement was going to be done immediately.

Sir, nobody can convince me that the Premier of this Province - and that is just one example, one community. I have correspondence but it will be just duplication of the same thing, different examples of the same situation.

The Premier of this Province and the Minister of Finance

MR. ROWE: and the President of Treasury Board knew back there in June 1975 what the situation was with respect to the fiscal situation of this Province. They did not suddenly discover the day after the election that they would have to bring in a restraint programme. It was not just a few hours or a few days before the emergency mini-budget and then the major budget. It was not just before these budgets were brought before this House that the Premier of this Province, the President of Treasury Board and the Minister of Finance discovered that we had to entrench with respect to spending. And there, of course, is some talk as to whether the government has actually entrenched or not.

MR. PECKFORD: Entrenched.

MR. ROWE: Well entrenched or retrenched, There is a difference in the two words.

The member for Twillingate (Mr. Smallwood) argues, and he makes a good point that the government have done anything but restrain their spending. They have gone hog wild, \$250,000,000 more than last year. And he asks the questions: If that is restraint, what would happen if we did not have a restraint programme? How much more borrowing will we do?

But the point I am trying to make, Sir, is this, is that the Premier of this Province did go around the Province, did receive delegations and did give the people the impression, responsible people, town councils, some of them elected, some of them appointed by Lieutenant-Governor in Council, but responsible citizens who are working without pay and coming in sometimes at their own expense to meet with the Premier of the Province and they were received graciously on June 5th., and they were given every indication that in this case Bay de Verde would get all of these things that they were asking for.

Sir, it is an utter crime to tell the people that sort of a thing and then to hear the minister say this year

MR. ROWE: that communities that have not started a water system have virtually next to no chance in having it started. Because there is only enough money left in the budget for continuation of the ongoing projects.

Mr. F. Rowe: I am not criticizing. I wish the Premier was in his seat, Sir. I am not criticizing the Minister of Municipal Affairs and Housing. It is the kind of a job, personally, that I would not like to have. If I were invited to become a Cabinet minister and they put Municipal Affairs and Housing on the plate for me, I do not know whether I would be able to digest it, because it is a most difficult department. You are dealing with groups of people and peoples on an individual basis. And the minister has an enormous problem. I think, his predecessor suggested that it would cost something in the order of \$300 million or \$400 million to provide water needs to all the communities in this Province? Is that a reasonable guesstimate, \$300 million or \$400 million to provide just the water needs to all the communities in this Province? The minister has a very difficult task, Sir.

But for the Premier of this Province, three months before the election - and I will say it again, because I think it bears repeating in case the hon. Premier is sitting down in his office with his speaker on - that the Premier of this Province did call Mr. Peckford - I am quoting from the minutes of the meeting, on this, namely, the water and sewer system - and was informed that the project would cost \$2 million and would have to be done in two phases. "Mr. Moores promised that the first phase would be let this year." A fire truck promised. "Put Bay de Verde on a list for a fire truck for this year." That is, for 1975. They got a little portable pump out there now, Sir, and they are looking for more hose. And I think the minister is aware of that. Again I am not criticizing the minister. The minister did not make these promises. It was the Premier of this Province to a town council or to a council. "Hydrants, the Premier instructed Mr. Peckford to have this done without delay," without delay. "Mr. Moores promised us that \$50,000 would be made available for roads in the community, that is the upgrading of roads, that is the taking back of fences, expropriation of land, and the widening of the roads so you can get a car there." There are still roads in

Mr. Rowe:

Bay de Verde, Sir, that you cannot put a car through, left over cow paths, It is not wide enough to get a car through, And if it was wide enough you could not get a car up over it anyway, Some extensive grading and cutting and filling would be required. As far as paving through the community is concerned the Premier asked Mr. Peckford to make this money available for this.

So, Sir, it was a massive misleading on the part of the Premier to the poor people of Bay de Verde, and that went down through the district and right throughout the Province. Sir, I thought it was my responsibility in speaking to this bill to bring this to the attention of the Committee. And I commend the minister for being relatively straight on this. When a delegation comes into his office he gives it to them right between the eyes, Sir. He does not pussyfoot, He does not sweet talk them. As a matter of fact the minister is considered by some to be very arrogant in these meetings. Maybe the minister is arrogant, I do not know. But the hon. minister, you know, even earlier when I was speaking, reflected arrogance, He cannot help that, you know, He was born with it, I suppose, unless he consciously developed it. I cannot imagine a person consciously developing arrogance. But whether it is arrogance or not, Sir, I can say one thing for the minister, it is honesty. He tells the councils, you know, "Well, it is no good for you guys to come here to see me, I have only got so much money. Pack it up and go back home. It is not his fault he was left holding the bag. It was the Premier's fault that the aspirations of these people, the expectations of these people, were raised falsely prior to the election. And it is my responsibility, Sir, to bring this before the Committee, and ask the minister to become a little bolder and instead of socking it to them in delegation meetings, levelling with them not pussyfooting around, but telling them as it is, which is a phrase used by the Premier, which has not been used recently I notice. Probably the Minister of Municipal Affairs and Housing should go public.

MR. PECKFORD: I have gone public.

MR. ROWE: You have gone public, semi public .

MR. PECKFORD: In delegation meetings I have gone public.

MR. ROWE: Not with quite the vigor that he does in delegation meetings, Sir.

MR. PECKFORD: Ask anybody who attendd the last annual meeting of the Federation of Mayors and Municipalities.

MR. ROWE: Well I cannot be responsible for the news reporting of what the minister said to the last meeting of the Mayors and Municipalities. The press covers that, and I cannot remember how well the minister was reported. But there is nothing stopping the Minister of Municipal Affairs and Housing from putting out ministerial statements and putting out press releases, and telling the Province what the situation is right as it is told to the delegations that come in, because, Sir, people are travelling in here, They are coming in t
visiting their members, or visiting me, or visiting the minister in the hopes that something will come true. Everybody feels they have a good argument. They come in in the hope that they will be able to convince the minister, through rational arguments, to provide some funding for these projects. But the minister is stuck, Sir, he has not got any money to spend. Well that is an exaggeration. The minister has a limited amount of money to spend. And instead of -

MR. SMALLWOOD: Mr. Chairman, the Minister of Transportation and Communications is talking to his district without using the phone, If he would use the phone we would not hear him in here.

CAPT. E. WINSOR: He must be on T.V.

MR. SMALLWOOD: He is talking to his district, long distance.

MR. ROWE: Without the phone.

CAPT. E. WINSOR: He must be doing a T.V. programme.

MR. ROWE: Oh, my! Shall I continue then, Mr. Chairman?

MR. CHAIRMAN: The hon. member may continue.

MR. ROWE: So I would like, you know, for the minister to speak to that when he speaks to the particular bill, and I brought up the matter of necessity for incorporation. My own feeling - the minister was outside when I was speaking to it - briefly and in summary was this, is that even if the money is not available to provide newly incorporated communities with the money they would expect to get as a result of being incorporated, it might be an idea to have incorporation of communities on a relatively massive scale throughout the Province, and let them at least organize, let them organize themselves. But before doing so inform them that incorporation will not necessarily mean the opening of the flood gates of money for these councils because we are in this particular period of restraint. And I am sure if councils, newly formed councils, were told this that, you know, this is a period where we are limited on the amount of money we can provide, but this can be a period where you can get organized, where you can plan, you can assess the needs of the community in an organized way, then in two or three years time, when money becomes available, I am sure that these councils would have drawn up relatively good plans for the future of the community - whether it is roads, housing developments, water services or what have you.

And the last thing that I would like the minister - again in summary - I would like the minister to answer is, why in the name of Heavens is it that the district of Trinity-Bay de Verde is the only district that has communities with a multiplicity of water committees? You know, it struck me rather peculiar when I got elected there, and it strikes me even harder now when the minister informs me that it is only that district that has that situation.

MR. PECKFORD: No, there is another district or two with very, very, limited -

MR. ROWE: Right. But I would like to, number one, indicate what was the reason for that? I can make a guesstimate, but it would be a very partisan one. But the more important thing is, what does the minister and his Water Services Division intend doing about

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Mr. Rowe:

rectifying that particular problem, because it is a ~~problem~~ when
you have, you know, six or seven water committees in a community
fighting

Mr. Rowe.

against each other instead of working together in unison and planning out in a logical way the water needs of the community, and then going to government for the money. And also could the minister bring us up to date on what is going to happen to all these wells that have been drilled with respect to the provision of materials, pumps, pump houses and water lines. And I understand from the minister that it is a citizen's problem or responsibility to get the stuff installed, their own labour in other words which, I think, is reasonable because there are plenty of people without employment at the present time. And probably they can get together and collect money and pay these people in order to install these particular water systems. If not, if a person wants water badly enough they could install the water lines themselves just like I, and I imagine a number of members in this House of Assembly, managed to concrete their own driveway, concrete their own walks around the House and landscape. So what is the difference, you know, between that and digging a little ditch to bring a water line from the pump, the wellhead sort of speak, into the House. That is about it, Mr. Chairman.

MR. CHAIRMAN: The hon. minister.

MR. PECKFORD: Mr. Chairman, before the hon. Minister of Finance gets into the debate, and closes, I guess, the debate on it, I would like to say a few words seeing the act does directly affect the Department of Municipal Affairs, because it is through this act that we confirm the guarantees that have been made by the Province to various municipalities who are into major capital works primarily, specifically water and sewerage. To address myself very quickly to the points that have been made, I am dealing first of all with the Leader of the Opposition on some of his comments, where he mentioned the business of these guarantees by the Province to ensure that these loans will be paid off by the Province if the municipality cannot find the money. Now on many occasions, Mr. Chairman,

Mr. Peckford.

I have indicated publicly through the media and in this hon. House that in about ninety per cent or more of the municipalities in this Province right now, the government of this Province pays 100 per cent of the interest and 100 per cent of the principal repayments on these guarantees. There are only around ten or twelve municipalities in this Province right now who are independent in the sense that they pay almost 100 per cent of the interest and principal. And some of them would be Stephenville, Springdale, Lewisporte, Labrador City, Wabush for obvious reasons, because the loans are guaranteed by the companies. The city of St. John's, of course, and Corner Brook and Grand Falls and Gander, too, perhaps eight or ninety per cent of what they owe, both interest and principal they pay. Botwood tries diligently to pay a fair amount. But in the majority of cases ninety and ninety-five per cent of the 300 municipalities, the government pays 100 per cent of the interest and the principal repayment on these loans.

MR. SMALLWOOD: Are those councils violating their undertakings?

MR. PECKFORD: No, no! No, they are not, because the guarantee is there, and the subsidy is provided through the department.

But what the Leader of the Opposition failed to do when he indicated that some better mechanism must be found, rather than do it through the guise of the Newfoundland Municipal Financing Corporation on these guarantees, that we should come right out and say, "Here is a capital grant towards the installation of a major water and sewer facility." What is more to the point and what the Leader of the Opposition did not address himself to, and I had hoped that he would, is should there not be a greater responsibility, financial responsibility, on the municipalities to help provide some of the repayment of interest and some of the repayment of the principal for these installations. That is the question, and that is why the Department of Municipal Affairs and this government have for the past number of years insisted, number one, that where any capital

Mr. Peckford.

projects are going to be initiated, a \$12 water and sewer rate should be imposed before they get this capital funding, which is guaranteed by the Province; and secondly that they try to immediately get into property tax in their municipalities. Now a property tax in this Province has been a pretty dirty word for a long time, and it is about time for it to change, Mr. Chairman, in my opinion. The Whalen Royal Commission, for example, recommends that any municipality that has got a water and sewer facility that it should be obligatory that they have property tax. And I do not think that the day is too far off when the government is going to have to insist that some greater responsibility, fiscal responsibility, is going to have to be taken over by the municipalities. The financial burden is weighted too heavily on the government side, the provincial government side. That is not to say that in a lot of municipalities the majority of the costs for these installations are still going to have to rest with the government, but not 100 per cent. How about ninety/ten? How about eighty/twenty, depending upon the size of the community, depending upon the economic circumstances in a community? Surely, there must be some leverage and some flexibility built into the system whereby there are municipalities in this Province now where the government is paying 100 per cent of the cost of the systems that they have in the ground when they could quite realistically contribute at least twenty per cent towards the cost of the repayment and the interest. And that would make it possible for government to do something else in some other municipality that does not have anything. It is fair and reasonable and people who talk about the property taxes being a curse are mistaken.

There was a trend afoot nationally a couple of years ago and a study was done indicating some people where they had property taxes for the last century, like in Quebec and in parts of Ontario, the property tax is not the most equitable, and trying to devise other mechanisms for raising money, and they ended up

Mr. Peckford.

right back where they were in the beginning. As it stands now property tax is the only proper vehicle that municipalities have at their disposal. And until such time, which is in the far distant future when the provinces are going to be in a position to say, "We will give you income tax points, which the CFM are crying out for this present day - as a matter of fact I have a conference called at 6:30 this evening with Mr. Danson and with Mr. Godfrey of CFM to discuss just that point - until such time the provinces are willing - and this Province cannot start giving income tax points to the municipalities. We are just not able to do it fiscally. We can only budget for it as we see fit, and still have the flexibility built into our own system. If we started to give up income tax points as a Province to municipalities directly in saying, "Two percentage points or three percentage points will be the municipalities," it takes away the discretionary power, out of the hands of the Province, which the Province must have for all the other kinds of services that the Province must provide.

MR. SMALLWOOD: Is there anybody advocating any action of that kind?

MR. DOODY: Yes.

MR. PECKFORD: Yes.

MR. DOODY: And the federal government is.

MR. PECKFORD: And the federal government is giving -

MR. DOODY: The tri-level system they are talking about.

MR. PECKFORD: That is right. The tri-level, it has already started. And I can get all uptight about this, because I am chairman for all the provinces in my dealings with the Canadian Federation of Municipalities and Mr. Danson. I handle the negotiations for all the provinces. And I know from whence I speak, and I know on what I speak in this particular instance. And it is just a crazy situation.

MR. SMALLWOOD: "Oh reason, thous has fled to brutish beasts."

MR. PECKFORD: And in the last meeting that we had the hon. Mr. Danson condoned the position taken by the CFM on this new report that was done by the late Mr. Deutsche on the Task Force on Public Finance. That is now available to all the provinces and to the CFM on which they want a tri-level meeting before October of this year.

MR. DOODY: That is a nice Summer's reading.

MR. PECKFORD: And it is just a crazy situation. And the next day in the paper on the Mainland after that meeting, where I presented the Province's position, in the paper was, "CFM says, federal government satisfied to yield task force." Because Mr. Danson implied in the meeting, but he never said directly, but he implied enough to indicate that he was speaking on behalf of his government saying that they were even willing to go along with it. I do not see why Mr. MacDonald and Mr. Trudeau has not put somebody else into that portfolio, because it is a very dangerous step that Mr. Danson was taking without, I would say, Mr. MacDonald or Mr. Trudeau knowing about it.

MR. SMALLWOOD: If the minister will allow me? The brutal fact is, brutal, down to earth, bare, naked, brutal, truth of the matter is that every government in Canada, federal, the ten provincial governments, most of the municipalities, are all spending more money than they have.

MR. PECKFORD: Right.

MR. SMALLWOOD: The whole of Canada is living too high on the hog.

MR. PECKFORD: Right.

MR. SMALLWOOD: We are spending money that we have not got. We are spending wealth that we are not producing, and so the burden on each government to collect money to pay for the things is so

Mr. Smallwood.

terrible and terrifying that each government is trying to push off on to another level of government the burden and the responsibility of collecting what is not collectable. It is not in Canada. We are not producing that kind of money in Canada. And we are living as though we were, and we are not. We are living as though we were Americans. We are living as though we had an economy similar to the economy of the United States. We want a standard of living equal to theirs. We want to live as high on the hog as they are living, but we have not got as much hog, put it that way. We have not got the wealth. We cannot live at their scale. Is that not the brutal truth of the matter?

MR. PECKFORD: Yes. I could not agree with you more. I could not agree with you more.

MR. SMALLWOOD: Not with me.

MR. PECKFORD: The degree to which you want to bring -

MR. SMALLWOOD: You could not agree with the hon. member for Twillingate (Mr. Smallwood).

MR. PECKFORD: I agree with the hon. member for Twillingate (Mr. Smallwood),-

MR. SMALLWOOD: Right.

MR. PECKFORD: - the former Premier.

MR. SMALLWOOD: If the hon. minister says "you" he is talking to the Chairman.

MR. PECKFORD: I am sorry. I shall regret. You become so informal when you ask a question that it becomes contagious and then I reply in sort of kind. So I apologize to the House for not addressing the hon. member in the normal, usual, formal and proper manner that is laid down in this House. So I am rather disappointed, Mr. Chairman, that the hon. Leader of the Opposition when he started to try to attack the business of the kind of financial mechanism that would be needed to help finance these capital projects of water and sewer that he really did not go all the way and attack it right down to its bare bones where the action is and how you are going to get the money.

Now this twelve dollars a month that we often refer to is an attempt by government to try to ensure that municipalities will have sufficient revenue to maintain the system that they are requesting to maintain. That is all it will do with the revenue grants derived therefrom. The collection of twelve dollars a month in just about every municipality in the Province it will mean simply that they will be in a position to properly maintain that sophisticated system which takes a lot of money to maintain if you are getting into sewerage at all and sewerage lift stations, sewerage treatment plants. and even if you are not just the treatment of water and the electricity bill and so on and having the maintenance man on for breaks which are going to happen even in the best of systems. In any case I think he should have addressed himself to that and also the business of municipal taxation as it relates directly to the paying off of capital loans that are provided for by the Province.

In my opinion - and we are looking at it very closely now - there must be some scale where municipalities become involved in some of the capital retirement that is provided under the guarantees. The criteria used in the establishment of installation of water and sewer services remains, that the municipality must show that they are going

MR. PECKFORD:

to charge a rate of twelve dollars a month. It involves the health of the area and it involves the population of the area. That is the three main points that are looked upon when we are talking about funding projects in the Province. These are the three main ones. Of course, there are other ones come in.

On the business of consulting engineers. Because we have increased the staff in the engineering division of the department, because now we have a regional engineer at Gander as of last week with another technician going with him, a regional engineer at Corner Brook and a number of regional engineers for the East Coast station right here in St. John's, we are much better able to scrutinize the invoices coming in from consulting engineers and to ensure that their charging is proper on the project that they are working on. So we have a better, a far better mechanism for supervision of consulting engineers and the work that they do. Most of the consulting engineering firms are finding that out because in letters I get from them now fairly daily, they are wondering how come they did not get paid three months ago. It is primarily because the engineers have serious questions to ask and we are going back to them with these questions and refusing to pay the invoices until we are absolutely sure that what they have charged is proper and right. So I think we have tightened up a lot on that score.

The water services business and the artesian wells, there are a lot of holes around the Province right now, artesian wells. What the priority is this year is to try to develop as many of those artesian wells as possible. We do not want to get into new artesian well development this year in any big way. It is going to be very, very small. The far bulk of the money, up to seventy-five per cent of the money is going to go into the development of existing wells around the Province. All we have committed ourselves to date on the money that was allocated in the estimates, that has been approved, is money for development of wells. We have not approved any

MR. PECKFORD:

money at all for any new wells in the Province. We are waiting to see what kind of cash flow, what we have already committed, is going to mean. Our approximation is one thing. What it actually costs after you start development is another. So before we even get into starting to drill new wells we are holding back and saying we are going to do these many wells in development, start the work, get on with the work and in a month or so reassess and see are we in that approximate cost or are we over it. Then when we have done that by the end of June, July 1, we are going to decide whether there are crucial areas in the Province that need wells because of the kind of weather it is and that they just got to have it even though we developed one three or four miles away. But the one three or four miles away has a pump on it or something. At least, the people there can get water. People over here cannot so, therefore, we need to put a well there now even though our policy is that we will not unless absolutely necessary.

MR. SMALLWOOD: If the minister is kind enough again to allow me to put a point to him or ask him a question. This policy which is so sensible that there is no way to attack it even if one wanted to do it, which one does not, but is so reasonable, provided it is applied, you know, honestly, honourably -

MR. PECKFORD: It will be.

MR. SMALLWOOD: - impartially.

MR. PECKFORD: It will be.

MR. SMALLWOOD: For instance, if I do not make a complete nuisance of myself, as the elected representative of the people of Twillingate district, clamoring and hounding the minister and other ministers, hounding them and tormenting them to get this, that or the other thing for my constituency, I will not lose by it which means to say that the district will not lose by it. So Twillingate district will get a square deal -

MR. PECKFORD: Right.

MP. SMALLWOOD: - even if I do not make a nuisance of myself -

MR. PECKFORD: Right on.

MP. SMALLWOOD: - and bore the ministers to death.

MR. PECKFORD: Right on.

MP. SMALLWOOD: Because I know how the ministers must be -

MR. PECKFORD: Your Herring Necks and your Tickle Arms.

MR. SMALLWOOD: - oppressed, must be tortured with the demands that are universal throughout the Province to take \$200 million or \$300 million this year -

MR. PECKFORD: Right.

MP. SMALLWOOD: - to do what people want to be done. I know the government have not got the \$200 million or \$300 million. So long as Twillingate does not suffer from it.

MR. PECKFORD: Right. Precisely.

So all we have done on the water services aspect for the benefit of hon. members is commit funds for development of existing wells. We have committed no funds for any new wells and we are not going to until we see how the programme of developing the wells we have has worked in the next four or five weeks. In the Port au Port area we have a problem. I had to send out an engineer to assess the wells out there and the crucial ones that need to be developed. That has not been decided on yet. As soon as it is then we will commit funds there for the development of some of those wells that are already drilled.

On the business of incorporation. For the benefit of the hon. member for Trinity-Bav de Verde (Mr. Powe), it is not simply a matter of saying that if we incorporate place A, that we are afraid to incorporate them because of all the capital funds they are going to be coming after. I agree with him in theory that if you incorporate them they will have time to plan, etc., etc., etc. But what you are doing is you are committing current account funds. That is the problem. You are committing additional funds on current account for revenue grants which is a sizeable amount of money. You are committing funds on current

MR. PECKFORD:

account for fire fighting protection because we have a fifty-fifty programme that is in effect. You are committing funds for paving and reconstruction of roads in the community. You are committing funds for the maintenance of roads in the Summertime, for the maintenance of roads in the Wintertime and that is the problem with incorporation.

MR. SMALLWOOD: That is yearly.

MR. PECKFORD: That is yearly and immediately if you incorporated ten places tomorrow morning, immediately the Minister of Municipal Affairs and Housing will have to go to his friend in Treasury Board and the Cabinet and ask for a number of hundreds of thousands of dollars to cover what would naturally come in from those new incorporated municipalities to cover their revenue grant that they automatically qualify for as soon as they are incorporated.

MR. POWE: In other words instead of road repairs maintenance coming under the jurisdiction of the Department of Highways, it would come under the jurisdiction of the Department of Municipal Affairs and Housing.

MR. PECKFORD: That is right.

MR. POWE: But there is only one little sensible thing there. Both departments are in the same government.

MR. PECKFORD: Yes but it is still more money. That is all I am saying. It is still more money. When you do your budgets up you estimate them based on the number of municipalities you have. And in a normal year a department can take five or six incorporations; if you know what I mean, perhaps can handle it with just a small amount of additional money from Treasury Board or from the government to add to your subhead. But in this present year with twenty-five -

MR. POWE: Would the minister permit a question?

MR. PECKFORD: - or twenty-six places looking for incorporation there has to be some sane policy worked out.

MR. POWE: I thank the minister for yielding for one second. I am not trying to get into an argument with him but I am trying to reason

MR. ROWE:

this thing out logically. If for example a community that is un-
incorporated now has its roads maintained by the Department of
Highways, the Department of Highways pays one hundred per cent of the
shot. Is that correct?

MR. PECKFORD: Maintenance.

MR. ROWE: Maintenance, right. Now if a community is incorporated and it gets a road maintenance grant for Summer and/or Winter, there is a formula I believe involved here.

MR. PECKFORD: \$800 a mile for the first five miles and \$600 a mile for each mile thereafter.

MR. ROWE: But what I am trying to say is usually there is local input into that as well, is there not? I mean it is not necessarily -

MR. PECKFORD: No, there is no local input in to that.

MR. ROWE: Yes, in some cases there are because the councils collect money, and they do not necessarily collect it for specific purposes and they get almost a kind of a - if I can use the wild expression-general revenue of a town council which can be applied in road maintenance.

MR. PECKFORD: Yes, but you are simplifying a very complicated matter and therefore not being completely valid and not only that you are using one particular instance to justify the spending of monies. You did not mention the revenue grant vote that additional money was going to be need for. You did not mention the fifty-fifty programme of fire fighting that they are all going to be looking for. You did not mention the sixty-forty programme for major reconstruction of paving that they are going to be looking for.

So I agree with you. Perhaps something could be worked out as far as the local roads go. Sure. If that was the only problem. Besides that, as each settlement becomes incorporated, it automatically qualifies for an initial grant to help them get started in addition to all the rest. But in any case those are the problems inherent in any incorporation policy at this time, especially in a time of restraint.

As far as the Capital Works Programme for incorporated areas in the Province, this present week the government hopes to be in a position to contact the municipalities indicating to them

MR. PECKFORD: what projects are going to be going ahead this year. And no doubt the members concerned will not be long hearing anyway about the programmes from the municipalities because they will be calling them.

But in any case the municipalities will be informed this week. Most of, if not all, just about all the funds committed this year will be going into ongoing projects and deferred projects, that word deferred from last year. That is quite a number. And very little new work, but there will be a lot of work because it will be into the second phase or the third phase of this or that system. So there will be a lot of new work in the sense as contractors know new work. But in the sense of extending a new system into another municipality that does not have one there will be very, very little, almost zero on that score.

And this is sensible, Mr. Chairman, from a number of points of view. We are getting to the stage that we almost have too many projects on the go. And unless we start getting some of these finished, there is no way we are ever going to be able to get into new projects. We have got to get some of these projects finished off and get the systems rolling so that we can move on to other places and other systems. So this is extremely important.

So there will be a fairly - I would say that most people in the Province will see a surprising amount of work done on municipal projects this year, much more than most hon. members would think will be the case.

I do not think there is anything else I have to say, Mr. Chairman. I think that covers most of the points and it has been a very useful and worth-while afternoon.

MR. MORGAN: Mr. Chairman, just a few words on this subject. With reference to the artesian well programme administered by my colleague in the Water Services Division, I am getting

MR. MORGAN: to be very concerned over that programme and the way it is working out. Because I know in my own district we have had situations where because a community was not incorporated, there was no form of local government there, they formed water committees and got grants from this division, the Municipal Affairs and Housing Department to establish a water supply system. Now this in my view takes away the initiative of that community to get organized into some form of local government, community council, local improvement district council, hopefully town council, but usually it is the former two, because they look at the situation and say, "Well we can get a grant from government, they will come and drill our well for us, put the well down in the ground, artesian well, put the pump house on, the pumping equipment on, put the lines to the homes." This has been going on in many communities over the years. in fact prior to this government taking office.

It was a programme that was initiated by the Community and Social Development Department. And I recall that programme in 1969 and 1970 was used extensively in my district. In some places there were wells went down in the ground for the sake of drilling a well. There was no need for water. The water supplies were adequate from shallow wells but these artesian wells were still drilled in these communities.

My point I am making is the fact that if a community can get an outright grant from government to put the artesian well in, to put the pumping equipment on it and the pump house and all the supplies of equipment at no cost to the taxpayer, at no cost to the people living in that area, simply because they do not have a local government, that takes away the initiative of a neighbouring community which has a community council and cannot get money without going to the bank to borrow it. And that is happening in my district and I am sure it is happening all over rural Newfoundland. I think it is quite unfair to a community council to have to go to the bank and borrow money and collect a fee from these people using these

MR. MORGAN: artesian well systems in an organized community to pay off the system, which is rightly so, to pay off the cost of maintaining the pump, the cost of the light bill, etc..

So I am very much concerned over the fact that this programme is going to be and has been abused. And I would like to see some kind of a system where the residents concerned are going to have to make an investment on their own, rather than the government go in. We just cannot afford to put the water systems in these unincorporated communities, no local government around the rural parts of our Province that need water supplies at no cost to them. We just cannot afford it. The taxpayers of the Province just cannot afford it. As a government we cannot afford to do it. It has to stop somewhere.

So the people who are without - now I agree there are some areas of the Province where there is an absolute emergency, where there is no water whatsoever in a community. So if we go in there with one well and we drill a well and put a pump on, even if it is a hand pump, at least the families there got water. So an emergency situation no longer exists. At least they have a water supply. But to put down wells and put the pumps on, the pump house and lines to the homes at no cost to the people concerned, that programme cannot be carried on. We just cannot afford it as a Province. And also it takes away the initiative to get organized into some kind of government.

MR. SMALLWOOD: Does the minister not agree that if a government are going to give out, make gifts, contributions to communities, they could not do it for a better cause than pure, wholesome, clean water, if they are going to give gifts?

MR. MORGAN: Mr. Chairman, if we are going to give gifts, sure, but we cannot afford to continue on giving gifts of that nature. Because like I mentioned earlier, if you have a community - for example, I mentioned one in my district, Plate Cove East, it is an organized community,

MR. MORGAN: it has been organized for the past number of years, they need a water supply system. They cannot afford to go to the bank and borrow the money. The tax base is limited. But a neighbouring community can get an artesian well supply system because they have not got a form of local government. They formed a water committee and they are getting grants from government. So the council is saying to me, as their M.H.A., is saying, "What is the use of us being organized if we cannot even get a government guarantee loan to put our system in but a neighbouring community who has got no form of local government can come to the Water Services Division and get grants so much each year to put artesian well systems in."

So I would like to see the minister give consideration to, in future, some kind of a system whereby if we are going to put these water systems in, as the hon. member for Trinity - Bay de Verde (Mr. Rowe) referred to, putting in lines to the homes, go to that limit, that there must be some input from the people concerned, some investment at their level and not for us to supply all the facilities and all the services and for even then after that for us to continue to maintain the equipment. This Province cannot afford it. That is my only comment, Mr. Chairman.

MR. SIMMONS: Mr. Chairman.

MR. CHAIRMAN: The hon. member for Burgeo - Bay d'Espoir.

MR. SIMMONS: I am glad the Minister of Transportation raised the point he did about the need for local input. Perhaps I can illustrate and reinforce what he said by drawing on a particular example in my own district. I come to the community of Francois.

The Fall of 1973, about the time of the Hermitage by-election, a coincidence I assure you, the need for a water system was recognized by the government. A commitment was made and nothing was done about it in 1974. But that is another story. In 1975 the Department of Municipal Affairs made available an amount of money - I forget

MR. SIMMONS: the amount but I think we are talking \$30,000 or so, \$35,000 probably. money to provide materials on the specific understanding that what the minister suggested a moment ago, the Minister of Transportation and Communications, would apply, namely that if the government laid out the cost to purchase the materials the people ought themselves locally to take the responsibility of installing these facilities.

MR. SIMMONS:

Well, Mr. Chairman, when that was first communicated to the community I must say there was a bit of an uproar. I think the Premier or the minister of the day wrote the letter. There was a bit of an uproar I must say. But I shared very strongly what the Minister of Transportation has just said, the concern about the need for local input. I could have played rather smart, short-term politics with it. Instead I went to Francois, and I chaired a public meeting and elected a committee and explained to them that what was in the letter from the Premier or the minister, I am not sure whom, was not all bad. It was probably from the present minister as a matter of fact. How long has the minister been the minister of the department?

MR. DOODY: The Fall of 1974.

MR. SIMMONS: 1974, that is right, yes, sure, yes exactly. So it would have been under the signature of the present minister. I explained to the meeting, as the minutes of that meeting will show, a copy of which I have in my possession, that what the minister was saying was not at all bad because indeed other communities, incorporated communities, were asked through local taxation to have local input into their water and sewer systems. I convinced the meeting that it was the least that the minister and the government could ask, that they either install the materials of free labour with supervision that the minister promised to give from his department, or alternately they could raise funding to pay for the labour locally.

We eventually got the materials and about July or August the work began. We had a number of men. Indeed at my suggestion they sent a sheet around the community which got people to sign their agreement so there would be no dispute after. All but two people, all but two identifiable workers in the community of Francois signed the sheet, and they were prepared to give their quota of free labour as long as the other fellow did the same thing. They drew up a schedule and so on. Work began and they punched in a week of free labour. Then one day we had another election called. Then one day

MR. SIMMONS:

we had a candidate go in there, not I, who said, "What are you doing you stupid people? You are doing this free labour. I will fix it for you." And he did. In forty-eight hours he fixed it, and they had a telegram from that candidate saying, "I am pleased to inform you I just got \$15,000 for you to pay labour." So the people who had been duly convinced by the minister's efforts and the member's efforts that there ought to be some local input had undertaken by signing their names to commit themselves to that local input, and it actually worked for a week on the project free labour, were then handled around in the interests of political expediency and the government indirectly, that is to say, actually directly, the local committee, the water services committee, paid out the money but, of course, money that had been issued to it by the water services division of the Department of Municipal Affairs. So the people who were willing to have local input were then given cheques for the first week of their endeavours and subsequent weeks.

The status of that programme now, Mr. Chairman - there are some immediate problems which I do not think are germane to the discussion that we are having right now so I will not get into that. There are some problems but they are quite apart from the point I am making. But insofar as the payment of wages are concerned, the situation at the moment is this, the \$15,000 which is a round figure made available through the intercession, I presume, of the candidate for the P.C. Party at the time, that money has been expended and there are now four gentlemen, three hourly employees and a person who made some materials available for the project, four people who have been waiting for about six months for their wages because the \$15,000 was exhausted and she overran about \$800 or \$900 altogether. These figures are off the top of my head. The \$15,000 is not. It is accurate. But the excess, the overrun is off the top of my head. It is something under \$1,000. They have been waiting ever since.

Now, Mr. Chairman, I just raise that because it is one thing to stand in this House and mouth principles but it takes more than the

MR. SIMMONS:

ability to mouth principles to be able to put your money where your mouth is as it were. I can subscribe fully to what the Minister of Transportation is saying but I think I would be, not only naive but very remiss if I did not ask the question, where was he last August when all this was going on.

DR. FARRELL: The obvious exception.

MR. SIMMONS: Yes, obvious exception the Minister of Public Works says. I hope he is right, Mr. Chairman, because you see we are all - I am not naive enough to think that we are not all going to play some politics with this game but, Mr. Chairman, there has to be a limit. I believe the example I have quoted is well outside the limit. I think all of us, I think the minister and I put the partisan considerations aside. There was a lot of short-term politics to be made on the situation from my advantage point. But the overall need was to have a water supply there. As soon as the immediate problem can be corrected - and the minister is aware of the problem as I say, it is not permanent to what we are talking about now - then the people in Francois will have a water system.

But they have been taught during the election campaign, they were taught in no uncertain terms that "Buddy, local input aside, if you want to hold the treasury at ransom, you just pick the right time and you can do it and you can get your \$15,000, and you can have the gifts that the Minister of Transportation is saying you cannot have. Now, Mr. Chairman, I think I have made my point. There is something drastically wrong with that, something very, very wrong with it.

I want to come very quickly to another issue which is, I believe, related to the bill. I certainly hope so. But I would invite the minister first to respond to the matter I have raised insofar as the payment of wages is concerned. I am not against people getting paid. Let us not get red herrings into this. I want him to respond in the context of he and I having first convinced the people there ought to

MP. SIMMONS:

be local input and then somebody, for obvious political expediency reasons coming in and saying, "Look do not be fools. Do not do it free labour. Here is the money. I will get it for you." Now there is something wrong with that, Mr. Chairman. You cannot have one code of integrity between elections and another code that is operative for the three weeks of elections.

Mr. Chairman, I come to another point which is raised, I believe, to the bill and to the provision of water systems and other community services. I was delighted to hear the Minister of Rural Development today refer to the fact that in the next few days his friend behind him, the member for Placentia (Mr. Patterson) and he would be out looking at a matter of interest to the department concerned but of interest to the member for the district in which the enterprise is located. Now, Mr. Chairman, again I recognize that during elections certain things have to take place and we have to recognize what banner we are carrying and that kind of thing and take the consequences. But it seems to me that between elections we are now not candidates for our party, we are members for a district. I have to say, Mr. Chairman, that I believe with hardly any exceptions - perhaps the exception of the Minister of Forestry and Agriculture - have I ever since I have been in the House, since I have sat representing a district, either Hermitage or Burgeo-Bay d'Espoir, have I ever gotten a copy of a letter sent by a minister to a body such as a council or a committee of my district except in those cases where the minister was responding to an item the original of which I had received a copy to.

For example, if the community council at Morrisville writes the minister and sends me a copy then inevitably I will say that when the letter comes back, I will get a copy as well. As it happens, Mr. Chairman, I have managed to stay in fairly close contact with the various committees and councils and so on and so forth so that if the minister, whether of Municipal Affairs or Transportation or whatever, writes a council or wires a council or committee today I know about it usually by nightfall or tomorrow anyway. But it is a rather

Mr. Simmons.

awkward way of getting information to have to take it down by phone from Francois or Grey River or Burgeo, when the minister is sitting a floor or two below me and could have sent me up a copy. And I do not know, Mr. Chairman, if it is just my small mind at work again, but it seems a bit ridiculous to me that I have, as I say, to get the information that is contained in routine communications from the various ministers, to take it down in long hand from Burgeo, and as I say the minister is a floor or two below me. And it would be a very simple matter and certainly a courtesy in the circumstances to allow me to have a copy of that information. And I would hope that the minister - the Minister of Municipal Affairs I am speaking about now, but he is by no means the particular culprit - I think what I say generally applies to ministers of government, and I was just asking if they would undertake to, as a matter of courtesy -

MR. NOLAN: Not the Minister of Forestry and Agriculture.

MR. SIMMONS: No, I have mentioned the Minister of Forestry and Agriculture as the exception. I regularly get copies of correspondence from him, copies that he sent to various organizations in my constituency. I will say that, but the others I cannot say the same for, Mr. Chairman. And I am sure the minister will. The fact is that my people have very little correspondence with the money man in the cabinet.

MR. SIMMONS: Now I think my point is made, and I would hope that the Minister of Municipal Affairs, with whom a fair amount of the dealings or organizations in my communities take place, I would hope that he would undertake to send us correspondence.

The Minister of Public Works.

DR. FARRELL: It seems there was trouble with the installation of the water system.

MR. SIMMONS: Well I steer clear of that, but I will mention it since the Minister of Public Works has raised it. There were some problems probably related to the installation. And I do not think, as I say, it

Mr. Simmons.

is germane to what we are talking about here. But the minister and his officials, including Mr. Withers, whom I see in the gallery, have taken initiatives to have someone go in there. And they are either in there today or will be some time this week is my understanding. So these people - I should mention Mr. Philpott and Mr. Dominey - have taken initiatives to have somebody in there. And I still think it is a workable system. But there were some kinks. The frost got to them too fast, let us put it that way, and the system never really worked last Winter. I still think it can be a workable system, and that is the reading I get from officials of the Water Services Division. So I believe in time it will be a reasonably good investment for under \$50,000. I understand the division is making available about \$4,000 to correct the deficiencies in the system. So, as I say, it is certainly a worth-while investment considering there are fifty families or so there.

Perhaps the minister might want to respond to the points that I have made about - I think he has got both points anyway. I can repeat them, but I believe he has got both of them.

MR. CHAIRMAN: The hon. Minister of Municipal Affairs and Housing.

MR. PECKFORD: To the problem brought up by the Minister of Transportation and Communications and sort of confirmed by the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons), in a number of places in the Province now this is of real concern where you establish a new community council, and then next door, because a group of citizens are interested they get together, the Water Committee, and get together the Waste Disposal Committee, and two years down the road they are in ten times better shape than is the community council itself. This happens. It does not happen that often, but it does happen, and it does cause some concern. But in those unincorporated areas where they get into a water system, they have, first of all, the free labour aspect. A lot of them are involved in that. Secondly, they do have to maintain the system. Once the system is in place they have to - and it is a fairly

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high electrical bill on some of these wells. And usually they will charge whatever it will take to maintain that system. So sometimes it might be \$2 or \$3 a month and sometimes it might be \$6 or \$7 a month depending upon how expensive the system is or how expensive it is to operate.

MR. NOLAN: Is there any more economical way to operate these wells other than by electricity?

MR. PECKFORD: I doubt it very much.

Now I will come back to that problem again in a few minutes. But, so I do not forget it, what the hon. member for Trinity-Bay de Verde (Mr. Rowe) mentioned about this multiplicity of water committees in one settlement, now that is a real, real problem. That is a major problem. And I think we are going to have - and I agree with him whole-heartedly that we are going to have to insist either by regulation or by changing whatever we have to change to do it, that there will only be one water committee for a community. You know, it just causes strife within a community. There is a fight on between one water committee that has five or six houses to it and down the road a hundred yards there is another water committee with another six or seven houses, and they are fighting over who is going to get the money this year for the well.

MR. ROWE: It is crazy and nonsensical.

MR. PECKFORD: Yes, it is a crazy, nonsensical way of operating.

And how it happened out in his area, I do not know. I really do not know. And to be fair and to be sort of non-partisan it did not occur just through the former member or anything like that. It really did not. And I know of places where - you know, it really did not. There was a group of people who got together - I will tell you how easily it happened, and it happened also in Portugal Cove and in Bay Bulls. One day a lady completely frustrated, because she has got to go and carry water or something, and she is trying to wash, she calls in to the Minister of Municipal Affairs - this has happened in my time down there - "How can we get water in such and such a place?" "Do you have a council or whatever?" "Oh, no, no!" "That is right, you do not have a council." "Well under the regulations madame, if five or six families sign

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a petition and send it into the department, your name will be put on the list and then we will try to provide you with a well." So the lady goes around to her next door neighbours, gets the petition done up and gets it in the department and lo and behold six months later sometimes, or even shorter, there is a well put down for those five or six families. Then along comes the seventh or eighth family just down the road, "How come you got this well? Can we come in on this one?" "No, here is what you got to do." This old lady gets on the phone, the second lady the same thing, and before you know it, you got two or three. I know that has happend in a number of places. So, you know, it is a real difficult problem, and I agree that there should only be one water committee servicing that settlement, not this multiplicity in water committees that has occurred in a number of areas in the Province.

The business of correspondence that the member for Burgeo - Bay d'Espoir (Mr. Simmons) mentioned, ministers get complaints of this sort from our own members, because very often when a council writes in, the officials in the department consider the piece of correspondence and very often prepare letters for me, as minister, to sign, and just without thinking we just go ahead and let the letter go on out to the responsible organization, usually a council in the area and do not think about sending a copy to the member, And we are just as guilty of that for our own members as we are for members across the way. So, you know, I will take that under consideration in future that anything affecting the districts of members on all sides of the House that we send the appropriate correspondence also to the member, And I appreciate that, because I know that it is pretty frustrating if you have been working, especially really diligently on some problem for a council, and then all of a sudden the council

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phones you three or four days later or even a day later and says, you know, we got this solved -

MR. MORGAN: Some councils do not want their M.H.A.'s involved at all. There are quite a number of them like that.

MR. CALLAN: Is it a fact that - I just got off the phone just now from a municipality where I was told by the mayor that M.H.A.'s know what money has been allocated to the various municipalities in the district. Of course, all I could tell the mayor is that it is untrue. I do not know what amount of money is going to be spent in my district by way of municipalities or anything else.

MR. PECKFORD: We are in the process now of doing up the telegrams and the letters to the various municipalities on it. And like I said earlier, when I spoke, that we will be contacting them before the week is out. Now how anybody would know -

MR. NEARY: Are there any copies?

MR. PECKFORD: I do not know.

MR. CALLAN: Perhaps you could permit another question. You know, the statement has been made, I do not know if it has been made by the Minister of Municipal Affairs or the Minister of Transportation and Communications, that the Province cannot afford, you know, this and that and something else. How long will the M.H.A.'s be the scapegoats for what happens in the district and in particular the councils or, you know, the municipal government? Let us face it, they are the scapegoats for the provincial government no matter what the government happens to be. What time will government decide to inform the Province that, you know, we cannot spend money like that, and let everybody know, so as we will not be wondering?

MR. PECKFORD: It is not as black and white as that. I mean, you know, we are going ahead with an artesian well programme this year again. I mean the tap for money has not been cut off completely. We are trying to be reasonable. And there is going to be additional work done to develop artesian wells where they have been drilled, there is going to be additional work done on

Mr. Peckford.

municipal projects, water and sewer projects around the Province in line with the amount of money that we are able to borrow, and this kind of thing. So it is not a matter of saying, you know, "Forget coming to St. John's or forget talking to your M.H.A. or forget writing letters to the Department of Municipal Affairs, you are not going to get any capital works for the next five years." But it is reduced in its flow. The rate of development in the municipal service sector is going to be reduced for the next couple of years. That

Mr. Peckford:

is different than saying that there is going to be no work. You know, I think it would be irresponsible of any government to take that position. There are too many very crucial areas that water and sewer has to be delivered to immediately. And look at the hon. member for Conception South there (Mr. Nolan) who has one of the major problems anywhere in the Province right now, the area in Conception Bay South. It is absolutely phenomenal, the cost, and at the same time it is something that, you know, something must be done there very soon. And, you know, every member I am sure got places in his own district where it is very critical that a start be made on some kind of a municipal service installation. So it is not black and white. Government is not saying there is no funds for municipal servicing. What government is saying, is that the rate of growth in the municipal service sector is going to be reduced from what it has been over the last couple of years. In this present year there is going to be several, you know, quite a few million dollars spent on municipal servicing, but it is going to go primarily in those areas where projects are already underway, to get those done, because we are trying to level off a bit. And, you know, it is not a simple matter of just saying, municipality- I would be irresponsible if I told municipalities not to keep fighting for their services, because government is going to continue to finance services each year, ongoing with tens of millions of dollars. But the rate at which it is going to go ahead will be reduced for the next few years until the Province feels it is in a more comfortable position with the bond market to borrow an additional amount of money. Because all this money for capital funding for municipal projects is borrowed on long-term through the Newfoundland Municipal Financing Corporations, so a bond issue has to be issued. The guarantee stays in the bank for a year then it is transferred to NMFC for long term financing, and then you borrow to cover the amount outstanding, to cover the service, the total amount.

Mr. Peckford:

I do not know, the Minister of Finance, but there is close to \$100 million now outstanding in bond issues through NMFC.

MR. DODDY: Sixty-eight million.

MR. PECKFORD: Sixty-eight million is it? A good \$68 million.

MR. DOODY: With the amount of \$30 million -

MR. PECKFORD: Yes it is around \$95 million or \$96 million perhaps outstanding. And then let us see now, how much does it take each year to retire that, you see? So you are always adding to your total. So this year if we spend \$15 million or \$20 million on municipal services, that is all new money, so that puts \$20 million on top of the \$90 million which gives you \$110 million, so next year we have to service \$110 million, so it will take more to service \$110 million than it will to service \$90 million, right? So therefore you have to increase your borrowing next year to a bit more in order to cover it. So you have got to be very careful because you are dealing with a very touchy mechanism here, because you have to go on the bond market, and who knows, you might get on the bond market and not be able to borrow the amount you need to service the amount that has been outstanding through the sale of bonds. So it is a pretty serious piece of business. So the Minister of Finance and his officials have to guide the Department of Municipal Affairs in its - what shall I say? - outlandish demands that it makes upon Treasury Board and Cabinet. The Department of Municipal Affairs and all departments are just scrambling as if there were no restraint programme. We go up, I went up with a programme as Minister of Municipal Affairs on every request that was in the department, on going, deferred and new requests. It is just a fantastic -

MR. ROBERTS: That must have been something.

MR. PECKFORD: You know, it is about this thick, and it shows everything, and all the demands that are in for this present year. And it is frightening. It is absolutely frightening.

MR. MURPHY: Is it \$100 million or something?

MR. PECKFORD: Well that is it in dollars for this year. On just immediate requests that it were around \$57 million. So I think I covered most of the points that hon. members have mentioned to me.

MR. ROWE: Would the minister undertake to send copies to the people of South Arm?

MR. PECKFORD: Well I will consider that, Mr. Chairman.

MR. SIMMONS: Well, Mr. Chairman, the minister has certainly responded to all points, but one. I will raise that one again very briefly. Before doing so let me comment again on the matter of correspondence. The Minister of Transportation interjected a moment ago, that some councils do not want their MHAs to be involved. Well those councils and those MHAs are going to have to sort it out. I can say, for the record, that I have been asked by each incorporated council in my district to have discussions with the departments concerned on, I believe, just about every matter is of concern to them now. I refer to the communities of Conne River, Morrisville, Milltown, the Head of Bay d'Espoir, St. Alban's, Ramea, and Burgeo. All of these have asked me quite regularly, and indeed there is correspondence in the Department of Municipal Affairs to substantiate that. So I am not concerned with getting involved in the argument about councils who do not want their MHAs involved, because I am not in that particular situation. And perhaps a way out of it for the Minister of Municipal Affairs and for other ministers, if I might suggest, is the officials are drafting the letters any way as we know, it would be a simple matter to say to these officials -

MR. PECKFORD: Not all of them, but -

MR. SIMMONS: No. -but it would be a simple matter to say to the official concerned, "Well, look where the MHA has been involved on this matter continue to keep him involved." What I find is I am involved in a particular matter, say, the matter of an extension to the water and sewer services in Ramea. And, I say, I take the delegation in, or in this case I write a letter, I meet with Mr. Withers and Mr. Keeping during the Spring, we discuss the matter, we exchange

Mr. Simmons:

correspondence, the council writes Mr. Withers and sends a copy or writes the minister and sends a copy. It is clearly evident to everybody concerned that the member is involved in that particular problem. And yet at some point the minister wires off a telegram or writes a letter, and of course within the hour or the day I get a call from the Town Clerk in Ramea saying, "Look, we just got a letter from the minister!" So I am in a position of writing down, taking over the phone what could just as easily have come to me in an extra copy from the minister's office. That is my point, and it is exactly that.

Now, Mr. Chairman, back to the other point. We are not in the election campaign, so the matter I raised about the payment of wages in Francois was not raised to make political points. What I want to know, Mr. Chairman, what is the status now of the guidelines set down for Local Water Services Committees, because the guidelines are clear and they are specific, that we will give you the materials, you provide the labour. Now we went a step further in Francois and we got them to agree to that way of operating. They agreed to it in writing, and they had actually undertaken the project, and then in the middle of the game, and I say without fear of contradiction, because an election was on, the exception was made, and \$15,000 was dumped in their lap, and dumped in their lap by the candidate for the government party as it turned out, for the P.C. Party. Well he did not dump it physically, but he was the person who made, who called or wired the telegram and said, look you will get the money. And on his behalf the government kept their word and they did get the money. But there is no question about how it was initiated. Now I am not fighting the campaign, the election is over, the MHA has been elected. So I am not raising it for that kind of reason. I do not want to get into that kind of a discussion. But I want to know what happens now in terms of, one, the terms of reference for Water Service Committees?

Mr. Simmons:

And, two, in terms of the implications of the incident that I have just mentioned, the implications on nearby communities. Because as soon as I try and sell the idea to MacCallum that they should have local input, they say, "Nonsense buddy, let me tell you what happened up in Francois." Or as soon as I try to sell the idea in Grey River or as soon as the Member for LaPoile (Mr. Neary) tries to sell the idea up in Grand Bruit or LaPoile, or wherever, or as soon as the member for Fortune-Hermitage (Mr. J. Windsor) tries to sell the idea in some of the smaller communities, which are without a water system - I think you will see the problem I have raised.

And I would hope that -

MR. NEARY: The best water on the Southwest Coast is in Grand Bruit, boy.

MR. SIMMONS: Is that right? Do they have a system though?

MR. NEARY: No. Wells.

MR. SIMMONS: No. Wells. Yes.

I think the problem is pretty clearly explained. Perhaps the minister might choose to respond to it. What is the future now of these terms of reference? Do we change the rules? Do we follow the Francois pattern, and have the whole thing paid for? Or do we try now, as hard as it is going to be, but I am willing to try again to convince the people they should have local input. I do not mind having the rug pulled from under me once, Mr. Chairman, -

MR. NEARY: Except in an election.

MR. SIMMONS: - but I would be an awful fool if I stood by and had it pulled on me repeatedly. And, you know, what is past is past, all right? But let us have a firm policy that people can go out and support, because they know it is a continuing policy, and if it gets changed, it will be changed because of need, not because of political expediency.

MR. PECKFORD: I had already answered it earlier, but I thought you know, the hon. member was present that is why I did not make reference to it any more, and I was just going to leave it as was. But the policy as articulated earlier by the hon. member for Trinity-Bay de Verde (Mr. Rowe) had asked me whether the policy remained that of providing the materials and so on, and that they would provide the labour. And that is the policy right now. That is definitely the policy.

There are cases, not the particular one that the hon. member mentioned, which I do not want to address myself to, in which there has been -

MR. SIMMONS: Is the minister aware of how it happened?

MR. PECKFORD: I am not going to address myself to that question whatsoever, and if the hon. member will try to look upon me as a colleague of some years past, we will let sleeping dogs lie on that one.

MR. SIMMONS: You are really getting perfect.

MR. PECKFORD:

But there have been cases and I must be truthful with you, there have been cases where that policy has been broken primarily because the water committee said, "We are not going to work unless we get paid". You know, people in the community said, "No way, we are not going to do it. The government should be giving us a water system and we want to get paid." And we have been caught in a very awkward situation where we were in the process of doing the project and had our technical man out putting up the little tank and the pump house and so on and here we would have to evacuate from the community with things half done and it would really look awkward. We have provided some financial assistance, partially, at least as we could into those kinds of communities.

A very interesting example, one that I know real well, that the hon. member knows and I will say it very quickly, I have said it before. St. Patricks, Green Bay, they got the welfare people and people on able-bodied relief involved in digging the ditches to put the pipe in, got them off welfare into the ditches, dug the ditches and seventeen families there have water all the Winter from an artesian well. In Harry's Harbour in Green Bay they went around and got \$100 from each household, collected their money and then they came to me as member and said, "Okay, here is the money we got. Where is yours?" We got twenty-one houses hooked up last Fall -

MR. R. MOORES: Fantastic.

MR. PECKFORD: - and there are still some additional houses to do up. But they collected their own money, Of course, as you know in Harry's Harbour, they would if they are home long enough to collect it from, because they are usually away working and you cannot find them. But when they did get home somehow or another somebody squeezed \$100 out of each family.

DR. FARRELL: Hear, hear!

MR. PECKFORD: They collected the money and then they came to me and said, "Okay, here is ours. Where is yours?"

DR. FAPPELL: Hear, hear!

MR. MORGAN: We need more like that, boy, around the Province.

MP. SIMMONS: Would the minister let me because I am not sure he heard my example. He says "Hear, hear!" to Harry's Harbour and I do to. I know the character and the motivation of the Harry's Harbour people and they would do that. In the case of Francois they did not have the \$100 but they had the time and they agreed in writing to give the time which is just as laudable as the Harry's Harbour example.

MR. PECKFORD: The same thing. The same thing.

MR. SIMMONS: All right, the same thing. Of course the rest is history. You know what went wrong. I am saying I hope it does not go wrong again. If it does then I am prepared to get out and support the minister's letter as I did the first time around. That is what I am saying.

MP. CHAIRMAN: The Minister of Finance.

MR. DOODY: I am all lit up again.

MR. NOLAN: You are going to be on the record, eh?

MR. DOODY: Yes. Now, Mr. Chairman, in the opening comments of the hon. the Leader of the Opposition he asked if I could be more explicit in describing some of the projects which are not described in the bill itself. He asked me if I would undertake to let him know what the amounts were used for. In most cases they are indeed for water and sewer systems. Some of them are for stadium construction grants or guarantees rather, and some of them are for the upgrading and paving of roads. Some of them are to complete partial water systems and to upgrade existing systems. Some of them are to retire debentures. I see one here from Corner Brook which is a retirement of a debenture for the town of Corner Brook.

I do not think that all these guarantees have been taken up particularly in the stadium areas. If hon. member will note the bill they will see there are quite a few \$200,000 amounts. Well this is the standard guarantee which the Department of Municipal Affairs under

MR. DOODY:

this act makes available to various communities or groups who have fulfilled the other criteria of the stadium policy. I know that the \$200,000 guarantee for the town of Conception South, for instance, has been taken up because the stadium is just about completed up there now. On the other hand I notice there is a \$200,000 guarantee in here for the town of St. George's for the same purpose, for a stadium. I gathered from the hon. member for St. George's (Mrs. MacIsaac) on several occasions, Sir, that there has been no progress made on the stadium in that area. So obviously the other parts of that pattern have -

AN HON. MEMBER: But what is the reason?

MR. DOODY: Well the community itself has to raise so much money and apparently they have not been able to raise it. So unless this amount is used -

MR. NEARY: The impression we got from the member for St. George's (Mrs. MacIsaac) was that the government wretched on the deal.

MR. DOODY: I am not quite sure whether the hon. member is over there or not. It is getting near House closing time and the paper is starting to pile up.

MR. NEARY: I am going to get Dotty up to clean up the litter. I got the impression from the hon. member for St. George's (Mrs. MacIsaac) that the government had wretched on its deal but apparently not from what the minister says.

MR. DOODY: No. You see this is a misapprehension that a lot of the hon. members of the House are under. Perhaps if I run through the list here quickly -

MR. NEARY: Yes, boy, give us the list.

MR. DOODY: - it may be worth the Committee's while. Appleton, \$440,000 to complete water and sewer system; town of Bishop Falls, \$200,000, stadium construction. These are either forty years or twenty years. The years are in there anyway in front of you. The town council of Bishop Falls, \$200,000, stadium construction. Well

MR. DOODY:

I think that the town of Bishop's Falls has got that stadium underway. There is nobody here from Exploits unfortunately. The town council the town of Bonavista, \$300,000, upgrading and paving of roads. The town council the town of Bonavista \$1 million to complete phase three of water and sewer system. Town council, town of Brigus, \$300,000, partial sewer system. Community council of the community of Cape St. George, Petit Jardin, Grand Jardin, Degras, March Point, Loretto, Sheaves Cove, \$250,000, water and partial sewer system.

Town council, town of Catalina, \$125,000 to complete water and sewer system. Town council of Clarendville, \$200,000, that is for paving and not for a stadium. The town council, the town of Clarendville, \$700,000 water and sewer system. Town council town of Clarendville another \$150,000 paving. Town council the town of Colliers, \$175,000 for paving.

MR. NEAPY: How did that get in there?

MR. DOODY: The community of Harbour Main, it is the first time I have -

MR. NEAPY: Just imagine, Colliers!

MR. DOODY: - ever seen it on any of the lists, a community in the district of Harbour Main-Bell Island.

MR. NEAPY: No more homebrew in Colliers.

MR. DOODY: The town council the town of Conception Bay South, \$250,000 for paving. The town council the town of Conception Bay South, \$200,000 stadium construction. But that guarantee has been taken up as I said a few minutes ago. The city of Corner Brook, \$415,000 upgrading and paving of roads. The city council city of Corner Brook, \$500,000, that is to redeem a debenture issue which the town council of Corner Brook had outstanding. Now it has been converted into another forty year debenture.

The city council, City of Corner Brook, \$200,000 stadium construction. Well that is the Corner Brook stadium and that is underway. The city council the City of Corner Brook, \$165,000 water and sewer system. Community council of Coxes Cove, \$340,000 water

MR. DOODY:

and sewer. Town council town of Deer Lake, \$150,000 paving. Dover, \$350,000 water and sewer. Local improvement district, Fleur de Lys, \$120,000 water and sewer. Town council town of Freshwater, \$65,000 to complete a pumping system. Well that is obviously a community water supply system which ran into the needed extra funds to complete. The town council town of Gander, \$165,000 for paving. The town of Gander, \$500,000 phase one of the water supply. The community of Gillams, \$100,000 water and sewer system. The town council town of Glovertown, \$300,000 water and sewer system. Coulds, \$170,000 for upgrading and paving of roads.

Grand Falls, \$450,000 for paving. The town of Grand Falls \$2 million water and sewer system. The town of Grand Falls, \$300,000 water supply. Community council of Grand Le Pierre, \$60,000 for a water system. The community of Hampden, \$40,000 water and sewer. That seems like a small amount of money for a water and sewer system anywhere. Board of Trustees of the local improvement district of Hant's Harbour, \$200,000 water system. Town council of Harbour Grace, \$200,000 for paving. Hawkes Bay, \$200,000 water and sewer. Local improvement district, Heart's Delight-Islington, \$600,000 for water and partial sewer system. Indian Bay, \$65,000 for water and sewer. Isle aux Morts, \$100,000 for paving. Isle aux Morts, \$250,000 for a water system. The community of Lourdes, \$150,000 for water and partial sewer system. Marystown, \$100,000 for a water system. Marystown, \$300,000 street paving and reconstruction. Marystown, \$200,000 for stadium construction. That is another one that is just about completed.

The community council of McIver's, \$100,000 for water and sewer. Mount Moriah, \$400,000 water and sewer. Mount Pearl, \$400,000 for paving, paving project Park Avenue. Local improvement district of New Perlican, \$90,000 for a water and sewer system. Nippers Harbour, \$50,000 for a water system. Norris Arm, \$72,000 water and sewer system. Old Perlican, \$200,000 water and sewer system.

MR. NOOBY:

Parkers Cove, \$78,000 for partial sewer system. Pasadena, \$500,000 for a sewage disposal system. Petty Harbour-Maddox Cove, \$625,000 for water and partial sewer system. Point of Bay, \$50,000 for a water system. Point Lemington, \$250,000 for water and sewer system. This goes on. Port Blandford, \$200,000 water and sewer system. Port au Port West-Aguathuna, \$100,000 for a water system. Town of Port Union, \$100,000 for a water and sewer system. Town council town of Roberts Arm, \$475,000 for a sewer system. Town of Poddickton, \$370,000 for water and sewer system. Harbour Le Cou-Pose Blanche, \$625,000 for a water and sewer system. Rushoon, \$100,000 for a water system. Town council, town of St. George's, order in council 99775, \$200,000 to construct a stadium.

MR. MURPHY: Is there anything there for St. John's at all?

MR. DOODY: Look you pray, pay and obey. There is nothing for St. John's. The Minister of Rehabilitation's Department makes available \$225,000, I think, over five years but he gives them a commitment for that amount which they can borrow on then they get five equal installments and then there is another programme which augments it.

MR. NEARY: Would that guarantee -

MR. DOODY: So that guarantee is there. Now the community itself has got to make available a set amount of money also in order to qualify under this plan. But the Town Council of St. George's has got that, that money is sitting here. Now I understand that if it is not taken up after a certain period of time the Department of Municipal Affairs will simply instruct that particular bank with whom they have made the arrangement you know to cancel it and I guess they will have to come back and apply again later on.

Anyway the others, St. Stephens and so on, yes there is the Local Improvement District of Wabush - \$200,000 for a stadium and that one is under construction or maybe it is finished. The Town Council, the Town of Whitbourne - \$200,000 for a stadium. It is here, the Order-in-Council, is here the guarantee is out, Order-in-Council MC 997-75, the Town of Whitbourne - \$200,000. Now the Town Council, Town of Windsor - \$200,000 to construct a stadium. So you see the commitments are there. The government has honoured the commitments insofar as this policy is concerned.

MR. CALLAN: Is it not a fact that the Town of St. George's turned back a \$91,000 LIP grant because the provincial government would not - you see you do not have to take up the \$200,000, you take up whatever proportion you want to. And the Town of St. Georges, because they could not get any satisfaction out of the provincial government, turned back a \$91,000 LIP grant. Is it not also a fact that these same nine stadia that you are mentioning were also

MR. CALLAN: included in the 1974 budget and not one copper was spent.

MR. DOODY: I cannot say whether that is correct or not Your Honour.

MR. CALLAN: Well I can. I know. That is a fact.

MR. DOODY: The hon. member says that it is correct then I accept it as being correct. I simply know what is covered under the Local Authority Guarantee Act here and what money was made available.

Sir, these amount as they add up are huge. \$21 million. It sounds as though we made a big impression on the water and sewer problems of the Province. We have got a long ways to go. We hope that this year we will be in a position to do as much. We cannot buy as much for the dollars today as we could before. The amount of money that is necessary to subsidize them, as is shown in the budget - I think it is \$9.5 million for subsidies this year. It will be more next year. These things are necessary. They have to be done and it has been suggested that you cannot find a better way of spending the Province's money over a long period of time than on water and sewerage projects. Unfortunately we cannot do more.

Sir, with these comments I would move that we adopt the resolution and pass the bill and I ask that we rise the committee and report progress.

On motion resolution carried.

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 have considered the matters to them referred and directed me to report that they have adopted a certain resolution and recommend that a bill be introduced to give effect to the same.

MR. SPEAKER: The Chairman of the Committee of the Whole reports that they have considered the matters to them referred and have directed him to report progress and ask leave to sit again.

MR. SPEAKER:

On motion Committee ordered to sit again presently.

The Chairman of the Committee reports that they have adopted a certain resolution and recommend that a bill be introduced to give effect to the same.

On motion resolution read a first and second time.

On motion, a bill, "An Act To Amend The Local Authority Guarantee Act, 1957;" read a first time, ordered read a second time presently by leave. (Bill No. 38)

On motion, a bill, "An Act To Amend The Local Authority Guarantee Act 1957;" read a second time, ordered referred to a Committee of the Whole House now by leave. (Bill No. 38).

On motion that the House resolve itself into Committee of the Whole, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE:

MR. CHAIRMAN: Order, please!

A bill, "An Act To Amend The Local Authority Guarantee Act 1957." (Bill No. 38).

Motion that the Committee report having passed the bill without amendment, carried.

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 have considered the matters to them referred and have directed me to report Bill No. 38 without amendment and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of the Whole reports that they have considered the matters to them referred and have directed him to report Bill No. 38 without amendment.

On motion report received and adopted.

On motion Bill No. 38 ordered read a third time now by leave.

On motion, a bill, "An Act To Amend The Local Authority Guarantee Act, 1957;" read a third time, ordered passed and title be as on

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the Order Paper.

MR. DOODY: In the absence of my learned colleagues I move that the House at its rising do now adjourn until tomorrow, Tuesday at two o'clock.

MR. SPEAKER: It is moved and seconded that this House do now adjourn until tomorrow, Tuesday at 2:00 P.M., those in favour "aye", contrary "nay", carried.

This House is now adjourned until tomorrow, Tuesday, June 8, 1976 at 2:00 P.M.

I N D E X

ANSWERS TO QUESTIONS

TABLED

JUNE 7, 1976

Answer to Question No. 722 asked by Mr. Neary (LaPoile),
directed to the Honourable the Minister of Public Works
and Services appearing on the Order Paper of March 10, 1976.

- QUESTION:
- (1) What contracts either oral or written were awarded to James Reid, or any company with which he is known to be a shareholder, by various Government departments during the years 1972, 1973, 1974 and 1975?
 - (2) List details of all work or services provided by department and the cost of each individual project.
 - (3) Were public tenders called for any of this work, if so, did the lowest bidder get the job?

ANSWER:

The records of this department indicate that no contracts, either oral or written, were awarded by the Department of Public Works and Services to James Reid, or any company with which he is known to be a shareholder, during the years 1972, 1973, 1974 and 1975.

Answer to Question 143 on Order Paper of Monday, November 24, 1975
asked by Honourable Mr. Smallwood directed to the Honourable Minister
of Finance.

Question: For the estimated total amount received and to be
received by the Government from the Government of
Canada in the current financial year.

| | | |
|----------------|-------------------------------|---------------|
| <u>Answer:</u> | Gross Current Account Revenue | 350,609 |
| | Gross Capital Account Review | <u>60,950</u> |
| | Overall Total | 411,559 |

Answer to Question 148 on Order Paper of Monday, November 24th, 1975, asked by the Honourable Mr. Smallwood directed to the Honourable Minister of Finance.

Question: For a statement showing, for each financial year commencing in 1964-65, the total current account revenue arising from the taxes imposed by the Legislature, the total amount arising from fees and charges (such as Motor Vehicle Licenses, etc.), the total amount arising from profits on goods sold (such as Liquor, wine, beer, etc.), total amount of money received from the Government of Canada, and the percentage of each.

Answer: See Following Table:

| | Taxes | Licenses | Sales of Goods and Services | Govt. of Canada | |
|-------------|---------|----------|--------------------------------|-----------------|---------|
| 1964-65 | 39,843 | 5,379 | 11,802 | 59,271 | 116,295 |
| % | 34 | 5 | 10 | 51 | |
| 1965-66 | 50,131 | 5,618 | 11,948 | 68,840 | 138,537 |
| % | 36 | 5 | 9 | 50 | |
| 1966-67 | 54,363 | 8,288 | 14,507 | 85,029 | 162,187 |
| % | 34 | 5 | 9 | 52 | |
| 1967-68 | 62,971 | 9,264 | 16,785 | 126,599 | 215,619 |
| % | 29 | 4 | 8 | 59 | |
| 1968-69 | 80,914 | 9,420 | 17,452 | 136,899 | 244,685 |
| % | 33 | 4 | 7 | 56 | |
| 1969-70 | 91,637 | 10,512 | 13,942 | 155,950 | 272,041 |
| % | 34 | 4 | 5 | 57 | |
| 1970-71 | 104,540 | 10,572 | 18,310 | 169,079 | 302,501 |
| % | 35 | 3 | 6 | 56 | |
| 1971-72 | 117,358 | 12,287 | 20,218 | 207,052 | 356,915 |
| % | 33 | 3 | 6 | 58 | |
| 1972-73 | 142,606 | 13,616 | 25,299 | 196,704 | 378,225 |
| % | 38 | 3 | 7 | 52 | |
| 1973-74 | 178,235 | 12,863 | 30,823 | 249,271 | 471,192 |
| % | 38 | 3 | 6 | 53 | |
| 1974-75 | 224,619 | 15,598 | 32,652 | 301,546 | 574,415 |
| % | 39 | 3 | 6 | 52 | |
| Not Audited | | | | | |
| 1975-76 | 287,592 | 21,667 | 37,607 | 334,065 | 680,931 |
| % | 42 | 3 | 6 | 49 | |
| Estimated | | | | | |

Answer to question 149 on Order Paper of Monday, November 24th, 1975, asked by Honourable Mr. Smallwood directed to the Honourable Minister of Finance.

Question: (i) For a statement showing, for each financial year since the coming of Confederation, in parallel columns, the amount paid in interest on the Public Debt and the amount paid in sinking fund.

Answer: This information is available in the Public Accounts for the respective years.

Answer to Question 154 on Order Paper of Monday, November 24, 1975
asked by Honourable Mr. Smallwood directed to the Honourable Minister
of Finance.

Question: For a statement showing the dollar value of the Province's
invisible imports for the latest year available.

Answer: The dollar value of invisible imports into Newfoundland
is not available.

Answer to Question 155 on Order Paper of Monday, November 24, 1975
asked by Honourable Mr. Smallwood directed to the Honourable Minister
of Finance.

Question: For a break-down of the Gross Provincial Product for the
latest year available showing how much for goods and
how much for services.

Answer: The non-availability of data prohibits a precise statistical
breakdown of Gross Provincial Product between goods and
services. For the latest year available, 1973, the G.P.P.
was \$1,754 million, of which approximately \$763 million
was estimated to be commodity production and \$991 million
to services.

Answer to question 162 on Order Paper of Monday, November 24th, 1975,
asked by the Honourable Mr. Smallwood directed to the Honourable
Minister of Finance.

Question: The total capital cost of the Fish-Processing Plant at
Marystown (known as Atlantic); how much of this amount
has been paid off.

Answers: (a) The total capital cost of the Marystown fish-processing
plant was \$9,600,000.00.

(b) Of the total capital cost an amount of \$1,310,045.00
has been paid off.

Answer to question 170 on Order Paper of Monday, November 24th, 1975,
asked by the Honourable Mr. Smallwood directed to the Honourable
Minister of Finance.

Question: The amount of the Funded Public Debt owed within the Province
and the total amount of interest paid thereon in the latest
year available.

Answer: \$1,315.5 million - Public Debt
\$ 84.8 million - Interest in latest year

QUESTION #172

"The number of taverns, clubs, hotels, etc., and the brewers' agents in each financial year 1970-75?"

LICENSEES

| | <u>TAVERN</u> | <u>LOUNGE</u> | <u>CLUB</u> | <u>RESTAURANT</u> | <u>MOTEL, HOTEL TOURIST HOME</u> | <u>AIRPORT</u> | <u>MILITARY MESS</u> | <u>TRANSPORTATION SERVICES</u> | <u>BONDED WAREHOUSE</u> | <u>CATERING</u> |
|-----------|---------------|---------------|-------------|-------------------|--------------------------------------|----------------|--------------------------|------------------------------------|-----------------------------|-----------------|
| *1970 | 13 | 86 | 297 | 16 | 111 | 1 | 20 | 2 | 6 | |
| *1971 | 8 | 303 | 143 | 45 | 89 | 1 | 18 | 2 | 6 | |
| *1972 | 5 | 281 | 152 | 43 | 99 | 1 | 19 | 2 | 6 | |
| **1973-74 | 4 | 322 | 159 | 80 | 90 | 1 | 21 | 8 | 6 | |
| **1974-75 | 2 | 358 | 169 | 91 | 107 | 1 | 21 | 9 | 6 | 3 |

* Calendar Year

** Fiscal Year

BREWERS, AGENTS, DISTRIBUTORS

| | <u>BREWER'S AGENTS</u> | <u>BREWER'S DISTRIBUTOR</u> | <u>BREWER'S RETAIL</u> | <u>BREWERY</u> |
|-----------|----------------------------|---------------------------------|----------------------------|----------------|
| *1970 | 566 | 124 | | 3 |
| *1971 | 560 | 108 | | 3 |
| *1972 | 725 | 116 | | 4 |
| **1973-74 | 846 | 110 | | 3 |
| **1974-75 | 924 | 131 | 7 | 3 |

Answer to Question 173 on Order Paper of Monday, November 24, 1975
asked by Honourable Mr. Smallwood directed to the Honourable Minister
of Finance.

Question: The amount of revenue collected by the share transfer tax
in each financial year 1970-75.

Answer: The Province did not levy a share transfer over the period
1970-1975. Consequently no revenue was collected.

Answer to question 178 on Order Paper of Monday, November 24th, 1975,
asked by the Honourable Mr. Smallwood directed to the Honourable
Minister of Finance.

Question: Whether any fire insurance is in effect on the Cement Mill
at Corner Brook, if so, how much and with whom and what
premium payment is made and by whom.

Answer: Yes. Amount - \$8,594,800. Insurance is with Allandale
Mutual Insurance Company, Allandale Park, P.O. Box 7500,
Johnston, Rhode Island, N.Y. Premium - \$36,730 for three
year period.

Answer to question 180 on Order Paper of Monday, November 24th, 1975, asked by the Honourable Mr. Smallwood directed to the Honourable Minister of Finance.

Question: Whether any fire insurance is in effect on the Shipyard at Marystown; if there is, in what amount, and with whom and what premium payment is paid.

Answer: Yes. Amount - \$19,425,000. Insurance is with Allandale Mutual Insurance Company, Allandale Park, P.O. Box 7500, Johnston, Rhode Island, N.Y. Premium - \$108,300 for three year period.

Answer to question 182 on Order Paper of Monday, November 24th, 1975,
asked by the Honourable Mr. Smallwood, directed to the Honourable
Minister of Finance.

Question: Whether any fire insurance is in effect on the Gypsum Plant
at Corner Brook; if there is, in what amount and with whom,
and what premium payment is made.

Answer: Yes. Amount \$1,938,500. Insurance with Marsh & McLennan
Limited, 5161 George Street, Halifax, Nova Scotia.
Annual premium - \$19,385.00.

Answer to question 183 on Order Paper of Monday, November 24th, 1975, asked by the Honourable Mr. Smallwood directed to the Honourable Minister of Finance.

Question: Whether any fire insurance is in effect on the Plywood and Veneer Mill at Donovan's; if so, with whom, how much, what premium payment is made.

Answer: Yes. Insurance is with Johnsons Limited. Amount - \$1,350,000. Premium - \$25,697.65 for three year policy.

Answer to question 184 on Order Paper of Monday, November 24th, 1975,
asked by the Honourable Mr. Smallwood directed to the Honourable
Minister of Finance.

Question: Whether any fire insurance is in effect on the Particle
Board Plant at Donovan's and if so, with whom, how much,
and what premium payment is made.

Answer: Yes. Insurance is with Johnsons Limited. Amount -
\$2,270,000. Premium - \$12,635.13 annually.

Answer to question 185 on the Order Paper of Monday, November 24th, 1975, asked by the Honourable Mr. Smallwood directed to the Honourable Minister of Finance.

Question: Whether any fire insurance is in effect on the Government's Industrial Plants at Clareville, if so, how much, with whom, what premium payment is made.

Answer: Yes. Amount - \$2,225,000. Insurance is with Johnsons Limited. Premium - \$47,957.40 for three year period.

Answer to question 186 on Order Paper of Monday, November 24th, 1975,
asked by the Honourable Mr. Smallwood directed to the Honourable
Minister of Finance.

Question: Is there any fire insurance in effect on the Government's
"cut and sew" plant in James Lane, St. John's, if so,
with whom, in what amount, and what premium payment is
made.

Answer: Yes
With Whom: Steers Insurance Agencies Limited
Amount: \$202,500.00
Premium: \$3,027.57 annually

Answer to question 187 on Order Paper of Monday, November 24th, 1975,
asked by the Honourable Mr. Smallwood directed to the Honourable
Minister of Finance.

Question: Is there any fire insurance in effect on the Shoe Plant at
Harbour Grace; if so, with whom, how much, and what premium
payment is made.

Answer: None

QUESTION 194

"What are the numbers of members and employees, and total salary cost of the Liquor Commission for each financial year 1970-75?"

| <u>Year</u> | <u>Number of Employees</u> | <u>Total Salaries</u> |
|-------------|--------------------------------|---------------------------|
| 1969-70 | 254 | \$1,161,200 |
| 1970-71 | 256 | 1,332,700 |
| 1971-72 | 272 | 1,411,000 |
| 1972-73 | 285 | 1,668,800 |
| 1973-74 | 272 | 1,960,332 |
| 1974-75 | 272 | 2,418,247 |

NOTE: The above figures include overtime and Northern Allowance.

QUESTION #225

"What authority sets the prices at which beer may be sold at retail in taverns, hotels, lounges, clubs, etc.?"

Section 42 of the Liquor Corporation Act (1973) states:

42(2) "Subject to the approval of the Lieutenant-Governor in Council, the Board may prescribe the prices at which beer shall be sold

(a) by the Corporation, to licensee and to any other person; and

(b) by a licensee to the Corporation and to any other person,

and different prices may be prescribed under this subsection in respect of beer sold to the Corporation, to a licensee and to the public."

The Corporation has not made rulings under this section of the Act as it relates to taverns, hotels, lounges and clubs respecting the pricing of beer sold to the public. The pricing levels have been set by the individual license holders to date.

Answer to question 226 on Order Paper of Monday, November 24th, 1975, asked by the Honourable Mr. Smallwood directed to the Honourable Minister of Finance.

Question: When is the final payment due to be made on Confederation Building to complete the buy-back agreement.

Answer: The final payment is due April 15th, 1985.

Answer to Question 228 on Order Paper of Monday, November 24, 1975
asked by Honourable Mr. Smallwood directed to the Honourable Minister
of Finance.

Question: Is a pension being paid out of public funds to Mr. William
Saunders of Carbonear; if so, in respect of what service
and by what authority, the amount of such pension, and the
date on which such payment commenced?

Answer: Any action taken was within the ambit of relevant legis-
lation - any personal information should be obtained from
Mr. Saunders himself.

QUESTION #234

"If customary Government policy will permit an answer, how many bottles of intoxicating liquor, bottles of wine, and bottles of beer were sold in each of the financial years 1970-75 inclusive?"

The information compiled is done so on the basis of gallon units. This figure is deemed to be more accurate because of the different bottle sizes.

| | 1970-71 | | 1971-72 | |
|------------------|--------------|--------------|--------------|--------------|
| | <u>Gals.</u> | <u>Value</u> | <u>Gals.</u> | <u>Value</u> |
| Spirits | 403 | \$15,085 | 469 | \$17,963 |
| Wine | 82 | 1,173 | 120 | 1,640 |
| Beer (N.L.C.) | 325 | 1,473 | 430 | 1,921 |
| Beer (Breweries) | 4,991 | 21,298 | 5,908 | 25,206 |

| | 1972-73 | | 1973-74 | |
|------------------|--------------|--------------|--------------|--------------|
| | <u>Gals.</u> | <u>Value</u> | <u>Gals.</u> | <u>Value</u> |
| Spirits | 555 | \$21,398 | 625 | \$25,182 |
| Wine | 154 | 2,225 | 201 | 3,118 |
| Beer (N.L.C.) | 517 | 2,226 | 592 | 2,687 |
| Beer (Breweries) | 7,090 | 30,252 | 8,289 | 36,466 |

| | 1974-75 | | 1975-76 | |
|------------------|--------------|--------------|--------------|--------------|
| | <u>Gals.</u> | <u>Value</u> | <u>Gals.</u> | <u>Value</u> |
| Spirits | 707 | \$31,227 | 695 | \$31,553 |
| Wine | 228 | 3,806 | 220 | 4,194 |
| Beer (N.L.C.) | 644 | 3,155 | 520 | 2,732 |
| Beer (Breweries) | 9,209 | 40,929 | 10,277 | 48,194 |

NOTE: 000's omitted in above figures.

Answer to Question 236 on Order Paper of Monday on November 24th, 1975
asked the Honourable Mr. Smallwood directed to the Honourable Minister
of Finance

Question: How many veterans of World War I are receiving war pensions,
total amount of such pensions, which Government pays them?

Answer: The War Service (Pensions) Act, in one Act, effectively credited
war service as pensionable service under a number of Provincial
Pensions Acts. Statistics are not kept as to the number of such
pensions which include war service awarded under the above ment-
ioned Act, or under an earlier piece of legislation.

QUESTION #246

"What were the purchases of liquor and wine in each financial year 1970-75 giving the names of the companies or persons from whom they were purchased, amount and dollar value of each?"

| <u>Year</u> | <u>Purchases (Freight included)</u> <u>Dollar Amount</u> |
|-------------|---|
| 1970-71 | \$ 9,197,572 |
| 1971-72 | 11,138,643 |
| 1972-73 | 12,691,407 |
| 1973-74 | 15,456,598 |
| 1974-75 | 19,740,891 |

Currently the record-keeping system does not summarize purchases according to suppliers and/or suppliers' agents.

Answer to question 247 on Order Paper of Monday, November 24th, 1975
asked the Honourable Mr. Smallwood directed to the Honourable Minister
of Finance.

Question: What is the consumer tax on gasoline in each of the 10
Provinces of Canada?

Answer:

| <u>PROVINCE</u> | <u>CENTS PER GALLON</u> |
|----------------------|-------------------------|
| BRITISH COLUMBIA | 17 |
| ALBERTA | 10 |
| SASKATCHEWAN | 12 |
| MAINTOBA | 18 |
| ONTARIO | 19 |
| QUEBEC | 19 |
| NEW BRUNSWICK | 20 |
| NOVA SCOTIA | 21 |
| PRINCE EDWARD ISLAND | 21 |
| NEWFOUNDLAND | 27 |

Answer to question 597 on Order Paper of Monday, November 24th, 1975,
asked by Mr. Heary directed to the Honourable Minister of Finance.

JUN 7 1976

Question: Total provincial contributions made to the capital and operating expenses of the Stephenville Linerboard Mill since April 1, 1975, to date, and the number of dates of meetings held by the Mill's Board of Directors for the same period.

Answer: Total provincial contributions made to the capital and operating expenses of the Stephenville Linerboard Mill since April 1, 1975 to March 31, 1976 totals \$28,000,000. There were seven Board of Directors' meetings held in the same period, on the following dates:

June 4, 1975
August 8, 1975
October 8, 1975
October 28, 1975
December 10, 1975
December 29, 1975
March 26, 1976

Question 268

Williams

Mr. Smallwood to ask the Minister of Agriculture and Forestry how many commercial hot-houses are now operating; how many of them have artificial heat facilities; what was the value of the crops produced in them in the latest year for which the Government have the figures; what kinds of crops were produced.

1974

No. of Greenhouses = 48

All are heated artificially

Total value for 1974 = \$1,690,000.00

TOMATOES = \$ 53,340

NURSERY PRODUCTS = \$1,636,660.00

NOV 19 1975 *Wills*

Question 267

Mr. Smallwood to ask the Minister of Agriculture and Forestry whether the land-freeze is still in effect; how many acres were frozen; how many have since been unfrozen; what are the Government's plans in this matter.

Land freeze is still in effect.

53,080 acres were frozen.

8,107 acres have since been unfrozen.

Question 277

Walsley

Mr. Smallwood to ask the Minister of Agriculture and Forestry

for the figures of vegetable production in each of the financial years 1965-75.

VEGETABLE PRODUCTION

(ACRES)

| COMMODITY | 1965 | 1966 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Potatoes | 1,067 | 1,817 | 1,247 | 1,247 | 1,400 | 1,194 | 1,300 | 1,047 | 1,173 | 1,140 |
| Turnips | N/A | 683 | 985 | 788 | 805 | 587 | 570 | 588 | 534 | 570 |
| Cabbage | 600 | N/A | 639 | 533 | 610 | 391 | 320 | 348 | 316 | 311 |
| Carrots | N/A | N/A | N/A | 144 | 167 | 92 | 80 | 62 | 76 | 76 |
| Others | N/A | 101 | N/A | 211 | 212 | 633 | 270 | 202 | 144 | 222 |

Question 282

Wilson

Mr. Smallwood to ask the Minister of Agriculture and Forestry for the volumes of blueberries and lingon (partridge) berries shipped out of the Province, and their value, in each of the financial years 1960-75.

Blueberry Production for Export 1960-75

| <u>Year</u> | <u>Pounds</u> | <u>Value *</u> |
|-------------|---------------|-------------------|
| 1960 | 2,712,791 | Unavailable |
| 1961 | 2,934,382 | " |
| 1962 | 1,194,795 | " |
| 1963 | 1,311,660 | " |
| 1964 | 1,036,133 | " |
| 1965 | 2,272,680 | " |
| 1966 | 2,379,616 | " |
| 1967 | 1,745,340 | " |
| 1968 | 586,730 | " |
| 1969 | 798,638 | " |
| 1970 | 3,250,000 | \$455,000.00 |
| 1971 | 1,272,858 | \$241,851.00 |
| 1972 | 1,835,310 | \$394,589.00 |
| 1973 | 2,595,893 | \$623,016.00 |
| 1974 | 662,355 | \$139,095.00 |
| 1975 | 3,500,000 | \$675,000.00 est. |

- * This figure is the sum per lb. paid to picker, agent and collector for their services.

Partridgeberry

As this fruit is not subject to inspection for export, no production figures have ever been obtained by the Provincial or Federal Governments. Best estimates indicate the normal crop picked to be about 140,000 pounds. The 1975 farm price is estimated at 43¢/lb. This is the price per pound paid to the picker, agent and collector for their services.

The Dept. of Forestry and Agriculture has now asked the Canada Dept. of Agriculture, Production and Marketing Branch to obtain rough figures on partridgeberry production, commencing with the 1975 crop, from the processing plants. The 1975 crop figure is not yet available.

December 30, 1975

Question 283

Walter

Mr. Smallwood to ask the Minister of Agriculture and Forestry how many blueberry farms there are in the Province, their aggregate area, the volume of berries harvested, their sale price; what help does the Government offer to help start such farms.

Number of commercial blueberry farms - 3

Aggregate area * 525 acres

Volume of berries harvested in 1975 - approximately 92,000 pounds.

Average sale price from farm in 1975 - 25 cents/pound.

*This is total land under lease or outright ownership. Part of this total includes blueberry land that has not yet been developed and land that is other than blueberry.

GOVERNMENT ASSISTANCE:

- a. Capital Assistance Program - DREF - see attached.
- b. Blueberry Land Development Bonus - This is available to those who do not qualify under the Capital Assistance Program. Companies are also eligible under this program as they are not eligible for assistance under the Capital Assistance Program.

A basic grant of \$25/acre is paid to those who develop commercial blueberry land satisfactorily. Minimum acreage required for eligibility is five acres. 50 acres is the maximum acreage that will be considered at any one time. application must be dealt with first before consideration can be given to subsequent applications.

BLUEBERRY PROGRAM
under
CAPITAL ASSISTANCE PROGRAM

A. Objectives:

The program objective for blueberries is to increase the value of sales of blueberries by improving production and marketing methods.

B. Assistance Provided:

- 1) Assistance provided to an applicant would be as outlined by the Capital Assistance Program subject to this section, subsection 3.
- 2) Assistance will further be provided by personnel from the Provincial Agriculture Branch to assist the individual on an approved system of management.
- 3) Assistance provided to an applicant will not exceed the basic grant up to \$6,000 and will not normally exceed \$100 per acre for land clearing.

The clearing of blueberry land will be taken to mean removal of brush, cutting and chemical treatment of stumps, initial burning of the land and weed control.

C. Eligibility:

- 1) The applicant will have to meet the basic qualifications as outlined in the Capital Assistance Program.

- 2) The applicant initially must have a minimum of fifty acres of land suitable for blueberry production.

D. Procedure:

- 1) The applicant will follow procedures as outlined in the Capital Assistance Program.

E. Administration:

This policy is administered by the Agriculture Branch of the Department of Forestry and Agriculture.

This policy may be altered, or discontinued, on any time without notice.

Question 291

Mr. Smallwood to ask the Minister of Agriculture and Forestry ^{inquiry} for the acres of boglands reclaimed, where, when, and the use made of the said land, in each of the financial years 1960-75.

Two thousand four hundred and twenty-five acres of bogland have been developed in various parts of Newfoundland between 1960 and 1975.

The bogland is used for pasture and hay production by farmers and on regional pastures.

| | | |
|-------------------|---|------------|
| Regional Pastures | - | 1900 acres |
| Farmers | - | 525 acres |
| | | <hr/> |
| Total | | 2425 acres |

Question 304

Mr. Smallwood to ask the Minister of Agriculture and Forestry ^{Wilkens}

if the Government have active plans to engage in future bog-land reclamation and what help if any the Government of Canada will give.

Bogland will be developed for farmers under the Capital Assistance Program which is cost shared under the ARDA 111 by the Federal Government.

Question 312

Answer to question asked by J.R. Sealwood, directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 312 What is the Government's estimate of the acreage of merchantable timber presently growing on Crown land (a) in Newfoundland, (b) in Labrador.

| | | | |
|--------|----------------------------|---|-------------------|
| Answer | (a) Island of Newfoundland | - | 59,000,000 acres |
| | (b) Labrador | - | 139,000,000 acres |
| | | | <hr/> |
| | Total: | | 198,000,000 acres |
| | | | <hr/> |

Question 317

Answer to question asked by J.B. Hallwood, directed to the Honourable the Minister of Forestry and Agriculture.

Questions No. 317 (a) what steps, if any are his officials required to take to prevent the effects of logging operations in such a way as to block or impede passage on motorable roads, paths or well-defined foot trails through Crown land; (b) what procedure is followed by his officials, when granting cutting permits, to ensure that such officials know precisely where each person granted a permit actually cut, trees, and what steps are taken by his officials to ensure the removal of each such cutting permit to a central office; (c) what are the cutting procedures or methods used in each cutting by the Permit holder; (d) what steps are taken on the expiration of each permit to ensure that the proper cutting methods have been used; (e) is a good cutting Permit-holder required not to cause the fouling of ponds, lakes, puddles or other bodies of water or rivers, brooks and streams or roads paths or well-defined foot trails with tree-stumps or wood; (f) what steps are taken by his officials when a Permit holder is found to have caused such fouling, have any prosecutions been taken against such wood-cutting Permit-holders since 1976, and if so, how many?

Question 745

MR. NEARY (LaPoile) - To ask the Honourable the Minister of Forestry and Agriculture to lay upon the table of the House the following information:-

QUESTION:

(1) Location of forest access roads constructed for the use of the Stephenville Linerboard Mill.

ANSWER: - Roads were built in the Cold Brook, Stephenville area; Southwest Brook, St. George's area; Robinsons River, Robinsons area; and the Goose Bay area.

QUESTION:

(2) Amount spent on forest access roads for the Linerboard Mill for the fiscal years 1972-73, 1973-74, 1974-75, 1975-76. Indicate provincial share of the cost for each year and the amount of the Federal contribution.

| | | | |
|---------|---------|----------------------|--------------|
| ANSWER: | 1972-73 | Total Spent | 0 |
| | 1973-74 | Total Spent | 534,678.43 |
| | | Federal Contribution | 0 |
| | | Provincial Share | 534,678.43 |
| | 1974-75 | Total Spent | 1,308,576.53 |
| | | Federal Contribution | 1,199,373.10 |
| | | Provincial Share | 112,653.43 |
| | 1975-76 | Total Spent | 1,308,576.53 |
| | | Federal Contribution | 1,199,373.10 |
| | | Provincial Share | 159,977.43 |

QUESTION:

(3) In calculating the cost of a cord of wood for the Linerboard Mill state formula used excluding cost of transportation?

ANSWER:

The question is not clear. Normally when one states the cost of pulpwood it is the total cost up to the door of the Pulp Mill.

Question 746

QUESTION 746 - MR. NEARY (LaPoile) - To ask the Honourable the Minister of Forestry and Agriculture to lay upon the Table of the House the following information:

- (1) Proven results in forest management in Newfoundland and Labrador since the Government introduced The Forest Land (Management and Taxation) Act?
- (2) Areas of the Province to which the twenty (20) additional foresters were assigned?

ANSWER 746 -

- (1) The Bowater and Price companies have started to take inventory of their forest resources. This is a five (5) year program. They are in the second year of this work. The new inventories have been designed to draw up Forest Management Plans. In the meantime both companies are drawing up management plans based on the available inventory data. These plans will be provisional and will be revised as the new Forest Inventories are completed.

Both the Price and Bowater Companies have two provisional management plans completed and will complete the balance of their provisional plans before the end of 1975.

The Province levied taxes for the 1975 calendar year as follows:

| | | |
|----------|---|--------------|
| Bowaters | - | \$544,323.75 |
| Price | - | \$326,592.45 |

| (2) | <u>Foresters</u> | <u>Areas</u> |
|-----|------------------|-------------------------|
| | 6 | St. John's Headquarters |
| | 1 | Avalon Peninsula |
| | 1 | Bonavista Peninsula |
| | 2 | Bonavista North |
| | 2 | Lewisporte |
| | 1 | Springdale |
| | 2 | St. George's |
| | 4 | Corner Brook - Humber |
| | 1 | Labrador |
| | <hr/> | |
| | 20 | |
| | <hr/> | |

Question 747

QUESTION 747 - MR. NEARY (LaPoile) - To ask the Honourable the Minister of Forestry and Agriculture to lay upon the Table of the House the following information:

All surveys, mapping and other pertinent information, completely independent and unrelated to the Reid submission, showing what the Province received in return for 4.5 million dollars paid so far to Reid Newfoundland Limited?

Name of independent surveyor or firm, if any, who documented detail information for the Government? If information departmental, table copies of all plans and mapping to date and indicate whether or not any actual field work was done in connection with such documentation?

ANSWER - In the fall of 1972, officials of the Forestry Branch of the Department of Forestry and Agriculture and the Department of Justice were asked by Cabinet to prepare a confidential evaluation of the Reid Properties which were being offered for sale by Reid Newfoundland Co. Ltd. for \$36,120,793. The evaluation was prepared on the basis of:

- (a) a thorough review of the terms of tenure held by the Reid Co.
- (b) former sales of large blocks of Reid property to the pulp and paper industry.
- (c) commitments and agreements that Reid had with other parties with reference to timber, water and mineral rights.
- (d) forest resources (present and potential) determined by the recently completed Provincial forest inventory and the Canada Land Inventory (Forestry Sector). These estimates were modified through photo interpretation techniques and field checks. Area calculations were based on forest inventory maps at a scale of 1:15,840.
- (e) potential hydro power as determined by officials of Newfoundland and Labrador Hydro.
- (f) recreational potential of the land for cottage development determined by the Canada Land Inventory (Recreational Sector).
- (g) potential for mineral development as determined by officials of the Department of Mines and Energy.

The Province purchased 44 individual lots from the Company, excluding mineral rights. These lots contain approximately 528,500 acres of which 28% has the timber leased to the pulp and paper industry on a long term basis.

Answer

This government has introduced a new system whereby cutting areas for permits are clearly identified on large scale maps so that permit holders are more closely regulated. There are regular inspections by Forest Rangers, and any infraction of the Timber Cutting Regulations are brought to the attention of the permit holder.

Emphasis is placed on co-operation rather than prosecution, and in some cases, new permits are refused until previous cutting operations have been cleaned up. Occasionally a permit is revoked if the permit holder refuses to follow the regulations.

By 1975, there was no field organization with direct responsibility under the Crown Lands Act for roads or right-of-way, so that little if any action was taken with regard to the clearance of rights-of-way unless there was a specific complaint filed. Hence field organization brought into being in 1975 include lands staff and places a clearer responsibility on all staff to enforce Crown Lands regulations and road laws.

Offences under the Crown Lands Act and Cutting of Timber Regulations are prosecuted and while the number of convictions since 1970 are not readily available, a number of prosecutions have been recorded each year.

Question 748

Mr. Neary (LaPoile) - to ask the Honourable the Minister of Forestry and Agriculture to lay upon the Table of the House the following information:

All information involving discussions with Bowaters and Newfoundland Forest Products in an attempt to solve the problems of the mill at Hawkes Bay?

Answer:

It is not in the best interests of the Province to table such information at this time. We are continuing with discussions with Bowaters, Forest Products Limited and Lundrigan's in an attempt to resolve the problems at Hawkes Bay. I am confident the matter will be resolved.

Question 749

Mr. Neary (LaPoile) - to ask the Honourable the Minister of Forestry and Agriculture to lay upon the Table of the House the following information:

(a) All correspondence, reports and any other information in connection with discussions with Bowaters in respect to the question of exporting of wood from Newfoundland & Labrador?

(b) How much wood has the Bowater company exported since January 1, 1972 and name the countries to which this wood has been shipped?

(c) Is it compulsory for Bowaters to export a certain amount of wood each year? If the answer is yes, how much of the wood cut has to be for export?

Answers:

(a) Due to the delicate nature of these discussions, it is not in the best interests of the Province to table the information requested. As soon as we have an agreement, the relevant documents can be tabled.

(b) Nil.

(c) Bowaters must export 50,000 cords per annum, unless prevented by "force majeure", or alternatively be liable for penalty.

STATEMENT MADE IN
HOUSE OF ASSEMBLY

May 20, 1976

by

HONOURABLE JOSEPH G. ROUSSEAU, JR.
MINISTER OF FORESTRY & AGRICULTURE

I am pleased to announce the signing of an agreement with Price (Nfld.) with respect to timber rights to the Mooney Block on the Great Northern Peninsula.

The agreement represents nearly two years of discussions and negotiations with Price officials, and was signed last night at Grand Falls House at a press conference. Signing on behalf of the Price Company was the President, Mr. Charles Tittlemore, and the newly elected Chairman of the Board, Price (Nfld.) Mr. Frank Ryan of St. John's. The agreement grants to Government exclusive cutting rights to 400,000 cords of timber which may be cut over an eight year period. Government has agreed to pay Price stumpage at the rate of \$1.50 per cord for softwood pulpwood, and \$3.00 per thousand board feet of softwood sawlogs and the stumpage for hardwood will be one-half the stumpage rate of softwoods.

The Mooney Block which is located in the central part of the Great Northern Peninsula, consists of 120,000 acres of productive forest land and contains nearly 2 million cords of timber.

The agreement exemplifies the sort of cooperation that can be achieved within the spirit of the Government forest policy. Essentially, the agreement came about because the timber in question is surplus to the present needs of the Price Company, and while the agreement is for 8 years only, the Company has indicated to me the agreement may be extended as long as the timber is not required by the Price Company Pulp and Paper Mill at Grand Falls.

The timber on the Mooney Block in the vicinity of Hawkes Bay represents one of the options available to the Department in developing a long term solution to the wood supply problems of the Newfoundland Forest Products mill at Hawkes Bay. The pulpwood in the area represents a source of wood supply for the Labrador Linerboard mill in Stephenville. Agreement has been reached with

Bowaters with respect to the sharing and use of the existing forest access roads in the Hawkes Bay area, and my officials are preparing tender documents for new forest access roads which will open timber on the Mooney Block.

This is the first agreement achieved as a result of the Government forest policy on management and utilization of the forest resources, and my Department is involved in intensive discussions and negotiations with Bowaters on other areas which may be surplus to that Company's needs. I expect to be making an announcement on this in the very near future.

Question 750

Mr. Neary (LaPoile) - to ask the Honourable the Minister of Forestry & Agriculture to lay upon the Table of the House the following information:

All correspondence and information concerning discussions held with Price (Nfld.) Limited involving a transfer of certain cutting rights on the Island part of the province and the results of such discussions?

Answer:

This information is contained in a statement made by the Minister in the House of Assembly, May 20, 1976 (copy attached).

Question 751

Mr. Meary (LaPoile) - To ask the Honourable the Minister of Forestry and Agriculture to lay upon the Table of the House the following information:

Report of the Federal-Provincial Task Force on Forestry established in 1972?

Answer:

The published report has already been tabled by the then Minister of Forestry and Agriculture, the Honourable Ed Maynard.

Question 752

Mr. Neary (LaPoile) - To ask the Honourable the Minister of Forestry and Agriculture to lay upon the table of the House the following information:

(1) What steps, if any, have the Government taken towards the establishment of a commercial forest corporation which was recommended in the Rousseau Royal Commission Report.

(2) Indicate date of implementation of recommendation that one company to do all the cutting of our pulpwood requirements for companies operation paper mills and sawmills in Newfoundland and Labrador.

Answers:

(1) The Government is thoroughly reviewing the concept at the present time. While we have not held formal meetings with Price, we have written and met with Powaters officials and Labrador Linerboard officials on this concept. Discussions with Bowaters are continuing.

(2) This is not possible as indicated from the answer of part 1 of the question.

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| Query as to a housing development near Oliver's Pond. Mr. Neary, Mr. Peckford. | 10152 |

Orders of the Day

Committee of the Whole (Motion 4)

"That the House resolve itself into a Committee of the Whole to consider certain Resolutions relating to the Guarantee of the Repayment of Bonds or Debentures issued by and the Guarantee of the Repayment of Loans made to certain Local Authorities." 10153

On motion, the resolution carried. 10254

The Chairman of the Committee reported they have adopted a certain resolution and recommend that a bill be introduced to give effect to same.

Bill No. 38 read a first, second and third time, ordered passed and its title to be as on the Order Paper. 10255

Adjournment 10256