



PROVINCE OF NEWFOUNDLAND AND LABRADOR

HOUSE OF ASSEMBLY

Volume 1

Number 39

5th Session

34th. General Assembly

VERBATIM REPORT

WEDNESDAY, MAY 5, 1971

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

May 5, 1971, Tape 489, Page 1 -- apb

The House met at 3:00 p.m.

MR. SPEAKER IN THE CHAIR:

MR. SPEAKER: Order.

HON. E.M.ROBERTS (Minister of Health): Mr. Speaker, this being the earliest opportunity, I rise on a question of personal privilege with regard to a statement reported on the front page of this afternoon's "Evening Telegram." The headline is: "'Robert's Statement Unfounded'; Says Psychiatric Association Head." It purports to be a report of an interview statement made by Dr. D.T.Paulse, the Chairman of the Newfoundland Psychiatric Association.

I am somewhat surprised by the tone of this, because I have had two conversations with Dr. Paulse, one yesterday afternoon and one just before coming to the House. Indeed, he came up with me in the elevator and we went on and talked here for a few minutes, then he was gone on his way, each of them quite friendly and each of them quite straightforward.

Dr. Paulse took exception to a statement which I made in the House and I think I should set the matter straight. I do not have the Hansard, but as I recall it I said, "we had bills from a psychiatrist for eighty-seven consultations, and I probably said, I think I in fact said; for a four hour period. I think that was incorrect, Sir, and I want to give the House the full facts.

The case in question.

MR. MURPHY: Eighty?

MR. ROBERTS: Well, I said eighty-seven in four hours. The case in question, Mr. Speaker, involved bills we received from a psychiatrist in St. John's. I do not wish to name him, and unless I am pressed I am not prepared to name him, but I have his name. We received bills from a psychiatrist, in respect of treatments and patients he saw in September last. The gentleman billed us for eight major consultations at twenty-seven dollars each, being ninety percent of thirty dollars. Fifty-two follow-up consultations, which were held at an out-of-town clinic. Eight majors, fifty-two follow-ups, those were held at an out-of-town clinic at a hospital within an hour to two hours

drive from St. John's

In addition, on that same day, Sir, the gentleman billed us for seeing nine further patients in St. John's, and in addition billed us for nineteen hospital visits, a total of eighty-eight separate patients.

HON. J.R. SMALLWOOD (Premier): Who would be a fish merchant with that?

MR. ROBERTS: The total bill Mr. Speaker, that the gentleman submitted for his work was \$1,125.00.

MR. SMALLWOOD: How much?

MR. ROBERTS: \$1,125.00.

MR. SMALLWOOD: \$1,125.00 for the day?

MR. ROBERTS: Mr. Speaker, we refused to pay that bill, Medicare.

MR. SMALLWOOD: How many patients?

MR. ROBERTS: A total of eighty-eight.

MR. SMALLWOOD: Not eighty-seven?

MR. ROBERTS: No, it was not eighty-seven.

MR. SMALLWOOD: You were wrong.

MR. ROBERTS: I was wrong, it was eighty-eight, and they were not all...

MR. SMALLWOOD: Eighty-eight, not eighty-seven.

MR. ROBERTS: They were not all at the clinic. Only sixty were at the clinic the other twenty-eight were here in St. John's. We refused to pay that bill, Mr. Speaker, and I may say, and this is part of the chat that I had with Dr. Paulse. I said it before and I will gladly say it again; the psychiatrists themselves took violent exception to the billings submitted by their fellow psychiatrist. We refused to...

AN HON. MEMBER: (Inaudible)

MR. ROBERTS: Well, we refused to pay that bill, Mr. Speaker. We entered into negotiations which led to a change in the psychiatrists fee schedule so that this sort of thing cannot happen again. As a result of our negotiations with the individual physician, he repaid to the Government over \$4,700.

Now Mr. Speaker, I am reluctant to have even brought up this much, affecting an individual, but since I am to be sued, allegedly, for what I have

said in this House, I thought I would set the record straight. I am quite sure of my facts, and I would gladly say them outside the House, Mr. Speaker. I believe they are in the public interest. I regret the whole incident. I regret that I have been forced to go this far. I hope I will have to go no further. The facts have been given to me by my officials, the Medical Care Commission. Eighty-eight consultations in one day. Sixty of them out of town, eight of them major, and the psychiatrist's fee schedule says that a major consultation should be at least forty-five minutes, as Dr. Paulse says in the report in question. Fifty-two follow-up visits which are supposed to be twenty to thirty minutes, another nine follow-up visits and nineteen visits on a per diem basis here in St John's.

MR. SMALLWOOD: Does this mean he is really very efficient?

MR. ROBERTS: Mr. Speaker, I do not know if it means the gentleman is efficient or not. It certainly means he knows how to send bills to Medicare. With the full cooperation of the psychiatrists, the matter has been set straight. In view of the fact, as I said, Sir, that the "Evening Telegram" printed the statement by Dr. Paulse, I hope they will set the matter straight. I think it is a Point of Privilege. Thank you Sir.

HON. S.A. NEARY (Minister of Social Services and Rehabilitation): Mr. Speaker, as the minister, for the time being in charge of reporting to the House of Assembly the progress of Human Rights Legislation in our Province, I am privileged to announce the formation of a special volunteer panel of women, representative of various occupational social and geographical segments throughout Newfoundland and Labrador, to study the recently released Royal Commission report on the status of women in Canada, giving special attention to the 167 formal recommendations which it contains.

Each member of this panel, Mr. Speaker, will be asked to state her personal evaluation of such individual recommendations including that of its urgency, applicability, and general impact on the women's and general population of this Province. It is anticipated that the panel's reaction to the report's recommendations, once they have been tabulated and properly weighted in a statistical sense, will form a valuable guide in establishing

priorities for the introduction in future session of the House of Assembly, new measures recognizing and establishing in legislation, laws and regulations effecting the status of women.

It is my pleasure and privilege, Mr. Speaker, to be able to announce that we have been able to secure as chairman coordinator of our Provincial panel, a lady who has personally been able to exemplify a new dimension in women's rights activism in our Province, and who has distinguished herself by her devotion to the causes, not only of women's rights, but also plain, common sense. A citizen of St. John's, and at present a sitting member of our capitol City's Council, councillor, Mrs. Dorothy Wyatt.

HON. W.J. CALLAHAN (Minister of Mines, Agriculture and Resources): Mr. Speaker, I wish to announce on behalf of my colleague the hon. the Minister of Education and Youth, that a school to train loggers will open on May 10th. this year at Barachois Brook on the West Coast. The significance, Mr. Speaker, of this is that the school is in line with the recommendation of the Royal Commission on Forestry. It states that qualified personnel at the professional, technical and skilled labour level are considered imperative for the proper management of both Crown and private forests, and that it specifically meets the recommendation for logger training to both increase productivity and lower wood costs.

As I think the House is aware, productivity and high wood costs or lower than desirable productivity and higher wood costs are one of the difficulties which face the forest industry, and the forest based industries in this Province today.

Initially, twenty-four students will be accepted for the course, and another twenty-four will be registered after the school has been in operation for one month. The course will be of eight weeks duration, and will teach the students safety in woods operations, maintenance of equipment including the operation of 'D6' dozers, tree farmers and indeed, the latest equipment available so that in fact, Mr. Speaker, we can do some catching up in training terms with automation in the forest industry.

The course is divided into two parts. During the first four weeks the men will be exposed to all phases of logging operations, and in the last

four weeks the students will be assigned to specific tasks in woods production. Prospective students should have grade VIII or its equivalent, and be between eighteen and fifty years of age and physically fit.

The school will provide a permanent service to the forest industry by training approximately 250 loggers annually. The school staff will consist of a coordinator, four field instructors, a mechanic, a scaler, a clerk and two watchmen. The students will be billeted in a dormitory in the Harmon complex at Stephenville, and will commute by bus to the training site. The school is a joint project of the Government of Newfoundland and Labrador, and the Canada Manpower, with the latter agency financing the training. I have copies Mr. Speaker.

MR. SMALLWOOD (J.R.): Mr. Speaker, the Minister of Fisheries and Forestry of Canada, Mr. Jack Davis, announced the other day his appointment or the Canadian Government's appointment of a special commission to look at the seal hunt, with a view to recommending to the Government of Canada a course of procedure that might be followed by the Canadian Government, spread over a period of years into the future. In other words Sir, a commission to take a very hard look in depth at the seal hunt. The minister has written me informing me of this fact, and asking me if the Newfoundland would recommend someone from Newfoundland to be a member of that commission.

I believe that the commission is due to arrive in St. John's today, if they have not already arrived. The Government this morning approved the appointment, as Newfoundland's representative on that commission, of a gentleman who has become one of the best informed men in our Province on the prosecution of the seal hunt, on conditions at the seal hunt, at the icefields, conditions aboard ships, the state of mind of the seal hunters, of the crews of the ships including the captain, and is today I think one of the most thoroughly well informed men in our Province on the seal hunt, from the point of view of the men and the operation at the icefields. I refer to Mr. Robert Parker, a well known announcer or commentator on the C.B.C. I think his name is Robert, at any rate he is known as Rob. Mr. Rob Parker.

He spent six or seven weeks or whatever it was at the icefields last year on the "Crosbie." This year he spent a week or ten days again on the same ship. I think he know every seal hunter we have in our Province. He is well known and very, very favourably known to all our seal hunters. He is not a Newfoundlander by birth, but he is what is in some ways better, not a Newfoundlander by birth, a Newfoundlander by choice. He choose Newfoundland out of all the countries of the world to live in. He has married a Newfoundland girl, and he has a Newfoundland family. He is as much a Newfoundlander today as any of us, with a deep love of Newfoundland and a deep and abiding love and compassion for the seal hunters and an understanding of the seal hunters and how they see things. I think that they, the seal hunters, will be well represented on this commission by Mr. Rob Parker.

Sir, he is not a scientist. He is not a historian of the seal hunt. There are lots of things he does not know about the seal hunt and we were rather worried about that in Cabinet. To remedy that lack in him, we have appointed Dr. C.W.Andrews, our famous Newfoundland biologist at the university, native of Wesleyville, son in law of the late Capt. Sid Hill, the great seal hunter, and first cousin of Capt. Andrews, and a man

MR. SMALLWOOD: and with the sealhunt in his very blood, being a northside of Bonavista Bay-man and who for ten years past has been gathering data on which he will base a history that he is writing of the history of the seal hunt, a book that he is writing giving that history. So that a scientist and biologist, a native born Newfoundlander from the northside of Bonavista Bay, the son-in-law of one of the most beloved sealing captain's we ever had, he has been appointed Advisor and Consultant to Mr. Rod Parker. We believe that the combination of these two men will give Newfoundland and the seal hunt and the seal hunters the best possible representation that they could have. If it is argued, Mr. Speaker, that Mr. Parker is biased in favour of the seal hunt, that he wants it to continue I answer, yes, and that is one of the principal reasons why we asked him to accept the appointment. Because in that he reflects the feeling of the Government, We too want the seal hunt to continue, We, too want protection for the seal hunters and in that point of view, Mr. Parker will truly, well and truly represent the Government's view, which is what we want. We want a man who will represent our views, buttressed and supported by a scientist and historian in the person of Dr. C. W. Andrews.

MR. SPEAKER: Before we take up the matter of presentation of petitions, I would like to draw the attention of the House to the fact that we have in the Galleries today some forty students, Grade VIII students from Morris Academy in Mount Pearl. They are accompanied by their teacher, Mr. Raymond Keats, and I know that when I bid them welcome I am speaking for all members of this House of Assembly.

ANSWERS TO QUESTIONS

HON. J. R. SMALLWOOD (PREMIER): Mr. Speaker I have answers to two questions, I think, it is, each of them addressed to the Minister of Municipal Affairs. Question No. 485, on the Order Paper of April 15, in the name of the hon. the member for St. John's West. The answer to (1) is "yes," with certain minor modifications. The answer to (2) is "no," it is not yet in effect. The target date forest implementation is July 1 next.

MR. SMALLWOOD: Question No. 528 on the Order Paper of April 20, in the name of the hon. member for St. John's East. The answer to (1) is, forty-seven. The answer to (2) is, ninety-seven percent. The answer to (a) in the third part is, \$13,886.00 and to part (b) \$17,019.00 for a total of approximately \$31,000. Actually it is \$30,905.00 round it out at \$31,000. The answer to the second part is as follows: (a) \$1648. (b) \$9,424. (c) \$4,770.69. (d) \$1,609.00 square. (e) \$1,460.08. (f) \$415.22 for a total of \$19,326.00.

MR. J. C. CROSBIE: Mr. Speaker, there is a supplementary question in connection with the last answer. Could the Premier tell us whether other is \$415.00, if other includes interest on the \$4 million in bank loans, and interest on the other loans in connection with Elizabeth Towers?

MR. SMALLWOOD: Well, I would be only interested only one hundred part of one percent, the answer would be, "yes, if that is the rate of interest."

MR. CROSBIE: The Public Accounts show the interest eight percent or nine percent on \$4 million.

MR. SMALLWOOD: Is this a question or is it information?

MR. CROSBIE: This is a false answer.

MR. SMALLWOOD: Is it a question?

MR. CROSBIE: It is a false answer.

MR. SMALLWOOD: Is it a question?

MR. SPEAKER: Order, please!

MR. CROSBIE: Interest is not included.

MR. SPEAKER: Order, please!

MR. CROSBIE: To show a profit, when there is a loss.

MR. SPEAKER: Order, please. This is not permitted, as the hon. member knows very well, a comment on the question, He has to take the answer that is given.

A supplementary question is permitted, if it only pertains to further elucidation of the answers that have been given.

MR. SMALLWOOD: And without giving any information. Ask, not give.

MR. CROSBIE: So it is completely false. Interest is not included.

MR. W. MARSHALL: Mr. Speaker, could the hon. the Premier inform what portion of, now-of these rentals are paid by Government, Government agencies or Crown Corporations to the Elizabeth Towers?

MR. SMALLWOOD: Order Paper.

ORDERS OF THE DAY

MR. AL J. MURPHY: (LEADER OF THE OPPOSITION): Mr. Speaker, before we get into orders of the day, unfortunately the Minister of Education is not in his seat, and I cannot very well direct a question to him, if he is not here to answer me, so I will just have to let it go. But, the question now, it is direct to someone who must know what is happening. I would like to ask the minister under what arrangements with his department has billeting being provided at The Recreational Centre in Torbay for accommodating of certain people for the holding of a Hockey School sponsored by a commercial firm, when Associations such as the Baseball League etc., must pay hotel bills? The thing is happening now, I would like to have the information. I think, it is rather unfair that a local organization have to go out and raise money.

MR. SPEAKER: The hon. member knows he must just ask a question, he must not make a speech.

MR. MURPHY: The question has been asked.

MR. CROSBIE: Mr. Speaker, before orders of the day, I would like to ask the hon. the Premier whether he has heard the statement by Mr. Arthur Laing, the Minister of Public Works, that negotiations are proceeding with Provincial Building Company and Provincial Refining Company in connection with a guarantee from them of the monies to be expended by the Government of Canada at Ottawa, on the wharf at Come-by-Chance, and that no agreement has concluded? Is this a correct statement, or has the Premier any comment? Have these Crown Corporations been asked to guarantee repayment of the amounts to be expended on the wharf? And, if so, would the Premier tell the House why negotiations have not concluded or what the position is?

MR. SPEAKER: This question is more appropriate on the Order Paper, in my opinion.

HON. F. W. ROWE, (MINISTER OF EDUCATION AND YOUTH): Mr. Speaker, I believe the hon. gentleman addressed a question to me, while I was on a long distance telephone call. I wonder if he would be kind enough to repeat the question?

MR. MURPHY: The question was, Mr. Minister, under what agreement or what arrangements have been made for the billeting of persons at the Provincial Recreation Centre for the holding of a Hockey School sponsored by a commercial firm, when various local organizations must go out to a hotel to pay for such accommodations?

MR. ROWE, F.W. Mr. Speaker, I would like to have note of that question for two reasons, one is that I am not able to answer it right now, the second is that our Director of Recreation is today on the West Coast of Newfoundland and he will not be back, I do not think, until the weekend.

I would prefer to contact him in order to give the answer to my hon. friend. I wonder if he would be good enough to table that question?

MR. MURPHY: Is this not notice enough, I mean?

MR. ROWE, F.W.: I would prefer, if it is not too much trouble, for him to put it in writing, because when one person has to give it second hand to another person, and maybe to a third person, there is always a danger that the question can be balled up in one way or another.

MR. MURPHY: Mr. Snow is in Grand Falls getting ready for the big do Friday Night?

MR. CROSBIE: On Orders of the Day: Could the hon. the Premier tell the House whether or not agreement has yet been concluded with Ottawa on the construction of a wharf and related facilities at Come-by-Chance? Or whether or not negotiations are still proceeding and what stage they are at? Apparently the Premier will not, so I will try again, Mr. Speaker. There is a question to the hon. the Premier.

MR. SMALLWOOD: I heard it. Are we going to hear it again?

MR. CROSBIE: No.

MR. SMALLWOOD: It is out of order. Order Paper.

MR. CROSBIE: Oh, the Premier jumped the gun, this is a different question entirely, Mr. Speaker. Has the Premier or the Government any comment to give the House, as to what action, if any they are taking with reference to the extra three weeks of close down of the Bowater's Mill, and other information announced by Bowater's yesterday, the layoff of one hundred men in connection with the operation in the Bowater's Mill? And could the Premier tell the House whether the Government are considering the suggestion by the Deputy Mayor of Corner Brook that some of the contract for the supply of newsprint that Mr. Shaheen is suppose to have for the third mill would be transferred to Bowater's?

MR. SPEAKER: Order, please. I think it is reasonably well founded that this is information, I would not say an attempt to start a debate, in the guise of questions. The series of questions in the one, well, the hon. member standing once, and then a doubled barrel question such as this; I think, it is intending to engender debate on a question which is not appropriate on Orders of the Day.

MR. CROSBIE: What could be more important to this Province than the situation at Bowater's? And whether the Government have taken any steps. The question is, are the Government taking any steps in connection with the situation?

MR. SPEAKER: Order, please, will the hon. member please put the question on the Order Paper, because I do not think this is a question that is appropriate at this particular time on Orders of the Day.

MR. MURPHY: Mr. Speaker, I want to address a question to the hon. the Minister for Economic Development, I think it comes under his department. Have any agreements been reached between Government and AMICO and other oil exploration companies concerning the employment of Newfoundlanders in their operation? I understand there are quite a number of outsiders?

MR. SPEAKER: That question would also be a matter for the Order Paper.

MR. MURPHY: No fear of creating a debate, you cannot even get an answer.

MR. H. COLLINS: Mr. Speaker, I have a question which I would like to direct to the Minister of Mines, Agriculture and Resources. He might be in hearing range. He is not, maybe the Premier would like to respond? Will the minister or the Premier confirm that the Rosseau Report on Forestry, as tabled in this House a short time ago, was that Report complete in all aspects and was the Report, the Report which was submitted by the Commission?

MR. SMALLWOOD: The answer is; wrong. The answer is "yes."

ORDERS OF THE DAY

On Motion of the hon. the Minister of Justice
a Bill, "An Act Respecting The Attainment Of The Age Of Majority."
Read a first time, ordered read a second time on tomorrow.

On Motion of the hon. the member for Burin. (Motion No. 4)
"BE IS RESOLVED that the Government appoint a Royal Commission of three members with all necessary powers to investigate the purchases by the Government and agencies of the Government of property during the last five years and the rental of property by the Government and agencies of the Government during the last five years and, in particular, to investigate and report upon leases entered into by the Newfoundland Liquor Commission for the rental of buildings at Grand Bank, Placentia and St Lawrence for use as Newfoundland Liquor Commission Stores, the said investigation to be carried out immediately and the report thereon to be released to the public immediately upon receipt thereof by the Government, the said Royal Commission to report on the identity of the owners of the said buildings at Grand Bank, Placentia and St Lawrence, to report on the reasons for the entering into of the transactions involved and the reasonableness or otherwise of the rentals and other terms and conditions agreed to and the said purchase price paid, the said Royal Commission to hold public hearings and to report by the 1st day of September, 1971."

MR. SMALLWOOD: Mr. Speaker, I was not here on Thursday passed, I was in Ottawa, as I was also on Friday. So I missed the debate on, I think, both days, I am not sure, anyway it was on one of those days, so I did not hear the debate, and I have not yet had the opportunity to read the Hansard, I do not know, if the Hansard has come along yet. So, actually, I do not know what was said on that day, but I have the firm impression that there is strenuous objection to rates of rentals charged to the Liquor Board for some of the rentals they have. I was talking to the Chairman of the Board this forenoon and he tells me they have got thirty-three rentals altogether in the Province. They have thirty-three stores rented. I understand that there is a feeling

MR. SMALLWOOD: feeling on the parts of some hon. members opposite us, especially the mover of the resolution, that the rentals on at least four of them were too high. The four being Grand Bank, Marystown, St. Lawrence and Placentia. The rents are too high and the conditions too onerous, this is the argument of the hon. member for Burin.

I asked the Chairman of the Board what his impression was of these allegations and he said that he thought perhaps the rates were too high in those four so I have instructed him, as Premier of the Province I have instructed him, to institute a review of these rents and these conditions of these four. The others seem to be unobjectionable, these four do seem to be high, to institute an enquiry, a review of them to call in the people involved, with a view to a revision, downward, of the rates that are being charged. We do not think for one moment here that there should be a sort of general fishing expedition. I do not see the need of it. I do not see the point of it, to vote for it, on this side of the House, would be virtually to admit that we feel some sort of sense of guilt that in these thirty-three leases, not only those thirty-three but in all kinds of other leases and rentals that the Government have entered into within the last five years. I do not see why it is five, but it says five, why should it not be ten, why should it be not only rentals why should it not be everything, so we just do not see it, and we are not going to support it, but I can give the House and the hon. member the assurance that an enquiry will be made at once into the possibilities of downward revision, in the cases of the four, out of fifty, that do seem to be high. Now I do not know whether they are high or not, I have had the statement made to me by people who, I believe, know what they are talking about, that if these were the bona fide, the building should be worth \$1 00 thousand each and that the mortgage should not exceed

MR. SMALLWOOD: two-thirds of the value. Whether that is so or not, I do not know, I am not a Real Estate man, but I think there is a prima-facie case for looking at these four rentals that seem to be high, four out of maybe fifty all together and so a review is to be made, with a view to a revision downward, if that is possible.

Now the contracts have been made by the Liquor Board, under the Act they have full and ample authority to do so. I asked the Justice Department to report to me and they did report to me on that, namely that the Liquor Board has absolute authority. The Board itself has absolute authority to make binding contracts and they have made contracts in these four cases. I do not know what success they will have in getting a downward revision but they are going to make a strenuous attempt to do so. An if it turns out that the rates are too high or the conditions too onerous, I hope strongly that they will get a revision. The private Real Estate investors, who have put the money in them, have I understand, put money into all kinds of real estate all over the Province, houses, buildings, shops, all kinds of real estate and these real estate mortgages are only a few of the many that they have put money into that there are funds available for this kind of investment and that they have invested money all over the Province in all kinds of things, some of them Government some of them not. Far more not Government than Government, and that the Government mortgages are just a small number of the total and that they are anxious to put money into the Province and that they will put more money into the Province but certainly if they are not willing to be reasonable in this matter, I would doubt that they would have very much opportunity to put much more money, if any, into the Province. However, I give the hon. member this, my assurance that I have, if the newspapers report it, they would say I had order, but I never order, they might even modify it and say that I had instructed, a word that I use . . . say that I

MR. SMALLWOOD: request a Minister or a colleague to do this, or a Deputy Minister to do it, or a Board, I always make a request and a request from a Premier is usually treated with a certain amount of respect, I think that the Board will treat my request with considerable respect.

MR. HICKMAN: Mr. Speaker, in concluding the debate on this resolution, the statement just made by the hon. the Premier, in my opinion is not an answer to this resolution and is not a satisfactory reply to the issue that is presently before this House.

It is not sufficient to say that a review of the rentals will now take place. What this resolution is all about, to try and convey to this House, some rational explanation as to how any arm of the Government, any Institution of the Government, could ever reach the position where it would enter into an agreement paying rents that are exorbitantly high, creating investments that are unprecedented in this Province and creating investments that go much further than simply attracting money into the Province of Newfoundland. I do not even know whether or not money came into the Province of Newfoundland for the purpose of building these stores.

I suggest, Mr. Speaker, that when you look at the whole list of investments in liquor stores throughout this Province, that were tabled in the House, that the strong indication is that the money did not, and I repeat, did not come in from outside this Province for investment in the liquor stores at Grand Bank, Marystown, Placentia and St. Lawrence. It is not an answer for the Newfoundland Liquor Commission or anyone else to say that this is how we are going to attract money into the Province of Newfoundland for investment. This is not invested money. It is pure unadulterated extortion. Pure unadulterated highway robbery and nothing else! Because, Mr. Speaker, if you will recall the rates that are being charged at these stores, \$7.22 sq. foot at Grand Bank, \$7.22 sq. foot at St.

MR. HICKMAN: Lawrence, \$7.34 sq. foot. at Placentia, \$6.53 at Marystown. That these buildings will be paid for in a maximum three years, probably two years is closer to the mark and, Mr. Speaker, it means that the next eighteen years, clear profit and that profit comes close to \$200,000. Now you do not need, Mr. Speaker, that kind of investment to attract investors, be they within or without Newfoundland. No, Mr. Speaker, that is not an answer to this resolution that is before this House because obviously there is something wrong with the rental policy of Government, an arm of Government, to allow these leases to be negotiated and to allow these leases to be signed and entered into as binding contracts with the Newfoundland Liquor Commission. The cost of these buildings, Mr. Speaker, I submit that the cost of the building at Grand Bank did not cost in excess of \$22,000 and I submit that the cost of the building at St. Lawrence did not go in excess of \$21,000, indeed as one Councillor from St. Lawrence said to me last week, the building in St. Lawrence is in such a state of repair that they are scared to flush the toilet now because the building may collapse under the strain. But yet, Mr. Speaker, under this lease, the two things, the two features of these leases, which are of equal importance (1) the exorbitantly high rent, the unconscionably high rent and (2) is that in the leases you will find responsibilities on the tenant, on the Newfoundland Liquor Commission, that you will not find in any other leases in this Province, where will you find an obligation on a leasee to do exterior repairs, if and when, they become necessary. Where would you find an obligation on the leasee to pay all operating costs? Nowhere, no leases, no matter how generous they are, no matter what the market demands. Even in Centres such as the city of Wabush, where the rent is considerably high, and in Labrador City, high rental areas, Stephenville, you do not find any

MR. HICKMAN: of these, onerous on the part of the tenant or on the part of the Newfoundland Liquor Commission. There are just a few facts that I want to refer to in summary, Mr. Speaker, that arose out of this debate as it transpired last Thursday.

Number (1) the liquor store, and I refer to the documents that were tabled in the House, during this current Session. Originally the property which is leased covering the liquor store in Placentia and owned by the Royal Trust Company and hon. members will recall that in reply to questions tabled in this House last year we were told that the lessors were the Royal Trust Company and that the leases, my recollection is and I would be subject to correction on this, that the leases were then not completed and ready for tabling in the House. In any event, there was a refusal last year to table the leases in the House. In any event, Mr. Speaker, the property at Placentia, for some unknown reason, was transferred from the Royal Trust Company to its Montreal subsidiary, The Bankers Trust Company, and then in turn The Bankers Trust Company leased it to the Newfoundland Liquor Commission. Now Mr. Speaker, that transfer took place on September 30, 1966. This is unusual. The Bankers Trust Company leased the property in 1966 to the Newfoundland Board of Liquor Control in Placentia and then on September 30, 1966, assigned it to The Royal Trust Company. Now what reasonable, logical explanation can be given for that type of transaction and that type of unusual negotiation.

Mr. Speaker, the debate here, the documents that have been tabled in this House, indicate quite clearly (1) the building at Placentia is not owned by the Bankers Trust Company, nor the Royal Trust Company, (2) the building at Grand Bank is not owned by the Bankers Trust Company nor the Royal Trust Company (3) the building at St. Lawrence is not owned by the Royal Trust Company nor the Bankers Trust Company. These leases are dated, one in September 1966, and another,

MR. HICKMAN: the St. Lawrence one, February 1, 1969, and the Grand Bank one, February 1, 1969. The fact that these leases were dated February 1, 1969, does not necessarily prove that this was the date, or that these were the dates the leases were signed because, as your Honour is fully aware, when leases are negotiated, quite frequently tenants go into occupancy long before the formal lease is signed but when the formal leases are signed, the leases dates back to the date of occupancy. I suspect, this is the reason why we did not have the leases tabled last year in the House as they had not as yet been signed and the fact that they were signed in February, 1969 and September 1, 1966 is not really relevant. The relevant thing, Mr. Speaker, that these leases were entered into by an arm of the Government and were not, and this too is very relevant, the Newfoundland Liquor Commission reports to the Government of the Province through the Minister of Finance. The then Minister of Finance told this House, Thursday past, that he was totally unaware of the existence of these leases, that the Newfoundland Liquor Commission did not ask his permission to execute these leases.

Now regardless of what the Liquor legislation provides, it is unthinkable to me that any competent Chairman of the Newfoundland Liquor Commission and any competent members of that Commission would ever dare enter into leases of this nature, which depart completely from the leases that they have usually entered into and which call for rent considerably in excess of what they normally pay, without first going to the Minister to whom they are responsible, asking his permission, unless they had received orders from someone to go ahead and sign these leases. And if they did, Mr. Speaker, if they did do this without consulting their Minister, and the then Minister tells us that they did not, then Mr. Speaker, this cannot simply be left to a statement that they are to review the leases. They should either come before the Bar of this House

or they should come before the Royal Commission and explain as to what their rationale was, what their thinking was, who ordered them to do it and why. Mr. Speaker, again, and the Hon. the Minister of Justice can confirm this. These leases of Crown Corporations and leases of commissions that operate as arms of the Government or any other documents are referred to the Department of Justice for approval before authorization is given to them to sign. These leases did not come before the Provincial Department of Justice nor were they even seen by any lawyer working in the department of Justice. Again, is not this House and the public of Newfoundland entitled to an explanation as to why that course of procedure, laid down course of procedure, was not followed in this particular case. The simple fact is Mr. Speaker, that if you look very closely and carefully at the leases you will find that the lease of February 1, 1969, between the Banker's Trust Company and the Newfoundland Liquor Commission was signed by the manager of the Corporate Trust Department and the assistant secretary of the Banker's Trust Company and witnessed by a gentleman named Crewe, I presume one of their employees, that the Newfoundland Liquor Commission was signed by Mr. B. J. White, Chairman, Mr. S.F. Vincent, member. Mr. W. J. Banfield, member of the commission, and their signatures were witnessed by Mr. Ralph G. Fagan, of Messrs, Curtis Dawe, Fagan and Mahoney.

It is obvious that these leases were prepared by the solicitors for the lessor and never referred to the Department of Justice. The Newfoundland Liquor Commission did not take any legal advice on this and followed an unthinkable practice of signing a lease prepared by the lawyers for the lessor without consultation with any lawyers to protect their interest. The lease of February 1, 1969, covering the Grand Bank lease was signed by precisely the same people and witnessed by precisely the same lawyer.

The lease and the assignment of the Placentia lease, the Placentia lease was signed by the Banker's Trust Company by Mr. Curtin and Mr. D. Ross, witnessed by Mr. Barry Cook and signed by the three, by Mr. A. Maloney, Chairman of the Board and by Mr. Vincent and Mr. Banfield as members and the signature of the witness is difficult to define but it looks like W. I. LeGrow. Mr. Speaker, this cannot be dismissed by a simple request of the Liquor Commission Chairman or the members to review a binding document to see whether or not these unconscionable rents are too high and whether or not they can be reduced.

The thing is that we are entitled, this House is entitled and I would think, because I say categorically that members of Cabinet are not aware of these leases or how they were entered into or what, I would think that all hon. members of this House would be equally anxious to have the Royal Commission that has been set up for a comparatively minor scandal, the Lundrigan land, have its term of reference expanded to look at these three leases and report back so that we can get a rational explanation, if there is one possible,

I submit Mr. Speaker, no rational explanation is possible for this type of conduct, at least it clears every one who is not involved and it provides some story as to why this type of lease was entered into and it discloses the names, because Mr. Speaker, this is vitally important. Any responsible Government seeing these leases, in my opinion, will not wait for any enquiry by the Chairman of the Liquor Commission, who signed two of them, the Commission itself.

They will not wait for any enquiry, they will look simply at these leases and look at their information, the information that was tabled in this House by the Government, setting forth the rentals paid all over Newfoundland and showing that rentals in St. John's, for instance, which is a high rental area, at Churchill Park it is only four dollars a square foot, in the Government's Housing Corporation.

You do not need any enquiry to see that these are unconscionable transactions and any responsible government without any hesitancy would introduce a Bill in this House forthwith to cancel these leases and at the same time would instruct the commission to find out who is behind this nefarious scheme, who are the true owners of the buildings that are in St. Lawrence.

Mr. Speaker, in answer to another question that was tabled in the House quite recently we see some other leases that have been signed by the Newfoundland Liquor Commission quite recently. To give you an indication as to how far out of line these leases are: Recent leases signed were for Snelgrove's Supermarket, two dollars and fifty cents a square foot. Mifflin's properties Limited, Catalina, two-ninety. Albert C. Little, three dollars. Hickman Motors Limited, St. John's, high rental area, three dollars and twenty-five cents a square foot. Then Mr. Speaker, we have a list of total rentals paid and again in Happy Valley the term of the lease, five years for a total of \$7,200. Catalina is five years. Bonavista is one year for a total of \$2,400. The Topsail Road is five years at \$7,200 a year \$23,400. Now these leases are for reasonable terms, five years is not an unreasonable term for a commercial lease. Most people, if they are renovating or putting up buildings, will demand a five year lease to cover the cost and cover their investment. But these leases in Grand Bank and St. Lawrence and Marystown and Placentia are for twenty years. No provision for review of these rents just one simple provision that after the first two years you pocket the hundred and eighty to two hundred thousand dollars.

We are talking now public funds: We are talking about a liquor store that is situated in St. Lawrence, we are talking about the people who use that liquor store who have been pleading for four years to try

and get \$200,000 of public funds to set up a fund for dependants of deceased miners and they cannot get any action out of the Government but they will watch \$200,000 of their money come out of St. Lawrence and go into the pockets of somebody in this Province. They are entitled to know, and they are entitled to have that lease cancelled and if Government wants to be benevolent and sign the lease to the committee of widows and dependants in St. Lawrence and say you can have the money because it is your money. You cannot escape Mr. Speaker, you cannot escape the terribleness of this type of transaction simply by saying we are going to instruct the commissioner of the Newfoundland Liquor Commission to review these binding leases -

AN.HON.MEMBER: With whom?

MR.HICKMAN: Who are they going to review them with, the Banker's Trust Company they cannot say anything. Because the Banker's Trust Company do not own the building they have to take their instructions from the owner. This is what we want to know who is Mr. White going to sit down and talk to, not the Banker's Trust, not the Royal Trust, he has to sit down and he has to talk to the true owners of these buildings and we are entitled in this House and the people of this Province are entitled to know who they are.

Mr. Speaker, as was said time and time again yesterday, or in the last sitting when this motion was debated, that if Government has nothing to hide they will vote for this Bill, delighted to vote for this Bill and when you bear in mind the Government, of its own initiative, as soon as the hon. member for St. John's East brought to the attention of the House the price paid for land in St. John's, to Lundrigan's, of its own initiative created a commissioner to look at a transaction, which on the face of it leaves a great deal to be desired, but it is only a Sunday School picnic compared to what we have in St. Lawrence and Grand Bank and Placentia, pin money, that is all it is compared to what we find down there.

Mr. Speaker, in conclusion, may I draw the attention of this House to a statement made by the hon. member for St. John's West during the debate. He said, "that no members of Cabinet are aware of the owners. The only man that can clear this up, and tell us who the owners are, is the Hon. the Premier." I ask him now to tell us the names of the owners of these buildings, right now, out of deference to his colleagues in Government. I call on the members of both sides of this House to support this resolution.

Mr. Speaker, may I conclude my closing remarks and winding up this debate by a rather delightful poem that appeared in today's issue of the St. John's Daily News related to this. It is headed: "Liquor Store Leases." It is not any news, there is money in booze All the clubs seem to make a fast buck. The money in liquor will come in much quicker, If a store renting is your good luck. With your twenty year lease all the public you will fleece and the Government coughs up the dough. Help them out in a pinch and the rest is a cinch, Just turn over the key and then go. You forget management, all you do is get rent, just endorse your cheque you receive, You can overlook talk, as you happily walk, to the bank, and just laugh up your sleeve." I say Amen to that Mr. Speaker.

MR. SPEAKER: Is the House ready for the question on the resolution before this House. Those in favour of the resolution please say "aye" contrary "nay" On Division: Those in favour of the resolution please stand. the Hon. Leader of the Opposition; Mr. Marshall; Mr. Earle; Mr. Hickman; Mr. Crosbie; Mr. Myrden; Mr. Burgess. Those against the resolution please stand. Hon., the Premier; Hon. the Attorney General; Hon. Min. of Highways; Mr. Dawe; Mr. Noel; Hon. Min. Labrador Affairs; Mr. Hodder Mr. Strickland; Hon. Min. of Education and Youth; Hon. Min. of Finance; Hon. Min. of Mines, Agriculture & Resources; Hon. Min. of Social Services

May 5, 1971. Tape 492 page 6.

and Rehabilitation; Mr. Barbour; Hon. Min. of Supply & Services;

Mr. Mahoney; Mr. Wornell; Resolution is lost.

Motion 3. resolution standing on the Order Paper in the name of the

hon. member for St. John's West.

MR.CROSBIE: Hon. Minister, call that Bill on the Civil Service Commission

first, to finish the debate on that -

MR. SPEAKER: The motion is the adjourned debate on the Bill, "An Act Further To Amend The Civil Service Commission Act." Bill No. 49.

MR. MARSHALL: Mr. Speaker, I believe the situation is that everybody has spoken and I was speaking last Wednesday in closing the debate. There are a few comments that I would like to make with reference to this Bill. It has been a week since it was discussed and I should like to point out again, just go over very quickly the reasons for the Bill and advert to certain comments that were made, principally by hon. members on the other side, with respect to it. This Bill is an Act to amend the Civil Service Commission and it is to provide that the commissioners of the Civil Service be appointed from the permanent ranks of the Civil Service itself, from civil servants who had been employed in the public service for a period of not less than ten years. This is a provision which is similar to that which pertains in other Provinces outside of Newfoundland and is one very beneficial.

Now is the time when it can be done, probably with the greatest of facility or ease because of the fact that there is now no chairman of the Civil Service Commission and there are two members there now who happen to have had political connections or political affiliations, or political activists immediately before their appointments, and I think it is most necessary, for the independence of the Civil Service, that this type of appointment no longer pertain. Also there is provision in this Bill that once these civil servants are appointed that they are to be given certain securities of tenure, where the Cabinet may not reduce the salary of a commissioner without first having received the previous consent of the House of Assembly. This again is a provision which is comparable to rules and regulations in other Provinces of Canada.

Then again having strengthened the fabric of the Civil Service, the structure of the Civil Service, it is also then in my view necessary to strengthen and expand very much the jurisdiction of the commission itself. This Bill, in addition to the other items that have been mentioned, the other

MR. MARSHALL:

reasons would give exclusive right and authority to the Civil Service Commission to appoint persons to the Civil Service. As the situation presently exists, the Cabinet, the Lieutenant Governor-in-Council, prescribes what categories of persons the Civil Service Commission will employ for the Civil Service and, as in other Provinces, as in the case of the Federal Government, the jurisdiction of this commission should be expanded very, very much more than it is.

There are also provisions here that the Civil Service Commission would operate for appointment within the Civil Service, solely and simply on the basis and according to merit, the setting up of examinations of the type that are en vogue in the Federal Government and also other forward Provinces throughout Canada. It also provides that where there are promotions in the Civil Service that these promotions shall be made within the Civil Service itself where possible, except, of course, where in the opinion of an independent commission, a completely independent commission comprised of civil servants, this is impossible. In that case, of course, appointment will have to be from the outside, but then on the basis of merit.

Now this bill, it would appear to be - there would appear to be no basic, root reason to oppose it, Mr. Speaker. It is true that, as the hon. member for Fortune Bay noted, perhaps it does not go far enough, but it is a start at least. As the hon. member for Fortune Bay indicated, there are other problems within the Civil Service and pertaining to the Civil Service and the structure of the Public Service which have to be tackled, principally the reclassification system and the implementation of, not necessarily the system of reclassification that was instituted by the Government, but a proper reclassification system, which has been performed and researched in conjunction with the civil servants themselves. That is why the previous reclassification system has not been able to be brought into effect. There should, at all times, relations between the Government and the Civil Service, be full and complete.

MR. MARSHALL:

consultation with the Newfoundland Government Employees' Association and any other unions or associations that may be affected.

Now the only words that we have heard against this Bill are statements that were made by the hon. member for Trinity South and, I believe, the hon. the Minister of Education. The hon. Minister of Education, particularly, made certain statements to the hon. Leader of the Opposition, when he was speaking, at the time indicating: "What would you people do?" Intimating that we would do exactly the same thing, pointing out to an appointment that had been made, I think, by another Government that has the same political stripe. But, Mr. Speaker, it is no answer, That is what I would style as the old pork barrel politics of cynicism and it is no answer to this Bill. All I can say is that I bring forth this Bill myself with some sincerity and with hope, and I can categorically state now that when in the near future I am a member of a majority in this House of Assembly, I will do my best to urge these views and I am quite sure that the people on this side of the House will support me on it, when we are over there, and that we will see the Civil Service Commission brought to an independent status with proper relationships with the Civil Service so that this Civil Service, which could be and ought to be a fine career for a young person, can be fostered and advanced and we can have the same style and quality of Public Service in Newfoundland that we enjoy from the Federal Civil Service itself.

So with these remarks, Mr. Speaker, I shall close and urge all members to support this Bill which does nothing but really strengthens the Civil Service Commission itself.

MR. CURTIS: There is an amendment before the House, Mr. Speaker. The amendment is that the Bill be read a second time six months hence.

MR. SPEAKER (NOEL): The amendment is that this Bill be read a second time six months hence. Those in favour, "Aye," Contrary "Nay," Carried.

DIVISION:

Those in favour of the amendment: The hon. the Premier, the hon. the President of the Council, the hon. Minister of Highways, Mr. Dawe, the hon. Minister of Labrador Affairs, Mr. Hodder, Mr. Strickland, the hon. Minister of Education and Youth, the hon. the Minister of Finance, the hon. Minister of Mines, Agriculture and Resources, the hon. the Minister of Social Services and Rehabilitation, Mr. Barbour, Mr. Mahoney, Mr. Wornell.

Those opposed to the amendment: The hon. the Leader of the Opposition, Mr. Hickey, Mr. Marshall, Mr. Collins, Mr. Earle, Mr. Crosbie, Mr. Myrden.

MR. SPEAKER(NOEL): I declare the amendment carried.

MR. SPEAKER(NOEL): Motion (3): The hon. member for St. John's West moves that this House regrets the inability of the Government to control the costs of the Javelin Paper Corporation Linerboard Mill Project at Stephenville, Newfoundland, deplores the failure of the Government of Newfoundland to adequately, or at all, supervise the carrying out of the Project by Javelin and requests Mr. Speaker to appoint a Select Committee of this House to inquire into and to report back to the House with respect to the status of the said Project and progress to date including the manner in which the Government is supervising the carrying out of the Project by Javelin Paper Corporation or associated companies, the steps now taken to ensure no further escalation of costs in connection with the Project and to report on the economic feasibility of the Project in view of the said increased costs as well as the possibility of further increases in cost, such Select Committee to be representative of all parties and groups in the House and to have all necessary powers to carry out its duties properly and to report back to the House during the present Session.

MR. CROSBIE: Mr. Speaker, I rise to move this motion, seconded by the hon. member for St. Barbe South. Mr. Speaker, this is primarily an attempt to get some information on just what is the status of the project of Javelin Paper Company, Limited, at Stephenville, Newfoundland, the Linerboard Mill.

MR. CROSBIE:

It is an extraordinary fact, Mr. Speaker, that this House opened on March 22, of this year, about five or six weeks ago, and despite the fact that the House has now been open some five or six weeks we have yet to have one word of explanation from the Government as to why the cost of the Javelin Linerboard Project has escalated in the last year. Now, Mr. Speaker, we would not even know, the members of this House, the people of this Province would not even know that the Government's liability on this Project had increased from \$58. million to \$75.3 million if it had not been for the fact that the Government had a bond issue, in New York, in March. It has been referred to before in this House and in the prospectus which the Province filed in New York in March to sell the \$25. million worth of bonds. It was revealed on page (13), for the first time revealed that the Javelin Linerboard Project had increased in cost since last year from \$75.3 million, the original estimate, to \$91. million. In other words, an increase of \$15.7 million and, as a result of that increase in cost, the liability of the Province for this Project had increased from \$58. million, which was what we were told last year, now to \$75.3 million. In other words, the Province's guarantee is now for \$75.3 million, not \$58. million.

Now, Mr. Speaker, we just do not have any information on it.

MR. CROSBIE: We do not know whether it is a legitimate rise in cost.

We do not know what has contributed to the increases in cost. We do not know what the present position is. We do not know whether the \$91 million estimates prepared sometime ago, is still the valid estimate. We have not one word of explanation from the Government as to why the project has increased in cost like this. Is it not extraordinary, Mr. Speaker, that the Government, with a tremendous industrious project like this underway, chooses not to make any statement about what is happening. That the first information the public or we get about these increase in cost is in a document that had to be filed by law in the United States of America, required by the securities exchange commission.

There is something wrong that the Government will not give us the information. In the last session, Mr. Speaker, last year in this House, I moved a Resolution somewhat along the same lines. Last year the Government would not give us any information on the Melville Project. Last year it was then called the Melville Project. Now it is the Javelin Project. Last year the Government refused to table the agreements, that had been signed with Mr. Doyle and these companies, in the House within fifteen days after the House opened. Eventually, after pressure, some of them were filed. Then the Government refused to give us any information. A private member had to put down a motion to get the project discussed at all, and it turned out that the original guarantee, the members of the House should remember, Mr. Speaker, that the original guarantee of the Newfoundland Government in this project was \$53 million. When this project was first approached in this House, in 1967, the Newfoundland Government was to be responsible for a guarantee of \$53 million. Last year it went up to \$58 million. This year it is up to \$75.3 million. And still without any word of explanation from the Government, Now there is something seriously wrong or else the Government would give us the information, or it has the appearance of being seriously wrong.

MR. CROSBIE: Now, Mr. Speaker, the Resolution requests Mr. Speaker to appoint a Select Committee of the House to enquire into these matters, and to report back as to how the Government are supervising the carrying out of this project by Javelin Paper Corporation.

I remember you, Mr. Speaker, last year or the year before, yourself stating in this House that the fundamental important thing, apart from the legal document signed, was how the Government policed, how the Government supervised the carrying out of these agreements. You, yourself, Mr. Speaker said that.

The first evidence we have, as to how the Government are supervising the carrying out of these agreements, is that the costs have escalated \$15.9 million.

There are some questions that have been tabled and answers given in the House that are illuminating too, on this subject, Mr. Speaker. I will refer to several of them now. Question No. 325, which I tabled, answered by the hon. the Premier, asked in connection with agreement entered into between the Government and private corporations or individuals, where the Government have guaranteed loans for these corporations or individuals: "What officials in the Government or what consultants are policing the various agreements to ensure that private corporations or individuals involved are carrying out their obligations under those agreements?" What was the answer? Mr. H. G. Dustan, Peat, Marwick, Mitchell and Company, Mr. Dustan works for the Government, the Department of Newfoundland Fisheries, Development Authority. Peat, Marwick, Mitchell and Company, Chartered Accountants. Jacob's Engineering in connection with the Oil Refinery at Come-by-Chance, Dick Engineering of Toronto in connection with the Javelin Project.

Apparently, Mr. Speaker, the Government does not have a unit of officials who are policing the various agreements that the Government have entered into with concerns such as Javelin and on the Oil Refinery and on the others that are too numerous to mention. How can one Civil Servant, Mr. H. G. Dustan, even pretend to supervise and police these

MR. CROSBIE: agreements? There should be a special unit of the Government whose duty it is, full-time, to be checking into these projects, seeing whether they are keeping within cost, checking out whether any increase in cost is legitimate and the rest of it.

The Premier said, in answer to another question, that Dick Engineering of Toronto were appointed November last year, November 1970, were appointed to act on behalf of the Government, to help supervise the carrying out of the Javelin Project. The Project was well underway by November 1970. Construction had long since commenced, construction of the Javelin Mill commenced a year ago, in the spring of 1970 at the very latest. Yet, Dick Engineering, engineering consultants appointed by the Government to act for the Government to check out matters, were only appointed in accordance with the Premier's answer, November 1970. I can get the exact date. It was November 16, 1970.

This is not the supervision, Mr. Speaker, that you mentioned in this House a year or two ago, and said that it was so important. And, Mr. Speaker, you know these agreements. You worked on them. And you said, yourself that all the agreements in the world would not matter, if there were not strict supervision on behalf of the Government of what was happening, once the agreements were given. That was in answer to Question No. 325.

There is another question asked, Question No. 517, it was answered in connection with this same matter. This question asked on what date did the Government appoint Dick Engineering to act for the Government in connection with the Javelin Project? And the answer given by the Premier was November 13, 1970. They are to represent the interest of the Government. They are to give opinions on the progress of the work, current cost and so on. There is an agreement in writing entered into by the Government and Dick Engineering. But the Premier said he was not sure that the Government would table it or not. The Government have not tabled it. Dick Engineering are to be paid, they have been paid \$25,000, to date, in connection with this work. Mr. Dick is to get \$5,000 per month for himself,

MR. CROSBIE: then he is to get some other remuneration for the employees he uses, plus his cost and out-of-pocket expenses. I asked, if Dick Engineering recommend to the Government acceptance of this increase of \$15.9 million? And, if so, what reasons were given? And the answer was that, Dick Engineering did inform the Government, or words to this effect, that increased costs were necessary. Not a straight answer that Dick Engineering recommended it, or recommended acceptance to such an increase in cost.

Mr. Speaker, when there is a public project underway, and when we discover that the cost of that project has escalated. (what, one-fifth?)— just about one-fifth, yes, one-fifth since last year, in one year, it has escalated \$16 million, surely, the Government should table in the House the report of our engineering experts recommending acceptance of it. If they did recommend acceptance of it, showing the reasons why the Government have accepted this increase in cost. Perhaps the Government thinks that this is to remote, the ordinary person is not interested, whether it is going to cost \$58 million to the Government or \$75 million, as the ordinary person is not interested. Perhaps the Government are right. But still we are entitled to have that information and there should be tabled in this House any reports that Dick Engineering made, indicating whether or not they recommended these increases in cost.

Now, Mr. Speaker, the prospectus gives a breakdown in the increase in cost. Imagine, Mr. Speaker, we have to get this prospectus to find out a thing about this project. Here is the breakdown they give; the total cost was originally estimated to be \$75.3 million, which included \$58.8 million for construction and equipment; \$16.5 million for related matters; and then they go on; according to the latest estimates the total cost have increased by \$15.7 million to \$91 million.

Now here are the increased, this is the reason given. I hope I am not disturbing any of the gentleman speaking opposite. Could they not have the good manners to leave, Mr. Speaker, while we are attempting to speak? We are not going to liven it up, it is not a live subject. It is

MR. CROSBIE: a serious subject. And if the hon. members are not interested in listening they can leave.

AN HON. MEMBER: Then we would not have a quorum.

MR. CROSBIE: That is all right, then I would sit down.

Here are the increases, Mr. Speaker, there is said to be an increase of \$3.6 million in the cost of construction and the furnishing of equipment. Now that could well be. That is not an awful lot, when you compare it to the total amount. An increase of \$3.7 million for interest and banking fees during construction. Now there is something wrong with that, Mr. Speaker. There is something wrong with that.

MR. NEARY: Clear the galleries, Mr. Speaker.

MR. CROSBIE: It would clear out a lot faster, if the hon. minister were speaking. An increase of \$3.7 million for interest and banking fees. Mr. Speaker, during the past year interest rates have gone down, not up. We have all heard the Premier in this House inform the people of Newfoundland how the tight money is over. The tight money is gone, now it is elastic money. Everything is going to be done this year, tight money is gone, interest rates are coming down. Yet, here is the Javelin Project getting an extra \$3.7 million for interest and banking fees. Does not that require an explanation? How did the hon. the Premier, the expert in tight money, explain why the Javelin interest is gone up \$3.7 million, while interest rates have gone down? In addition to which the financing for the whole project was supposed to have been agreed last year, and this House was told that it was agreed last year. So how could that go up? Then we are told there is another \$4.3 million for additional and alternate facilities not originally contemplated. Well, can we not be told what these are, Mr. Speaker? \$4.3 million for additional and alternate facilities, not originally contemplated, what are those? Are not the people of Newfoundland due a few words of explanation of what they are? Then we are told there is an increase in certain miscellaneous and contingent items of \$1.6 million. Somebody should tell us what the miscellaneous and contingent items are, another \$1.6 million. And \$2.5 million for the construction of primary facilities to

MR. CROSBIE: reduce the pollution caused by affluent from the Linerboard Mill. Now that we can understand that. There is an additional cost of \$2.5 million to see that the mill does not pollute the area.

Now the only comment you could make on that, Mr. Speaker, is this; why when the project was first commenced, and agreed to by the Government, why had not the Government insisted then that there be proper anti-pollution facilities in the Linerboard Mill? Apparently, the Government did not insist, apparently only in the last twelve months have we insisted that there be primary facilities to reduce pollution caused by affluent from the Linerboard Mill.

Mr. Speaker, I would ask for more silence in the House, when I am speaking on this subject. If the hon. the Premier wants to have a conversation with the Minister of Finance, can they not do it outside?

MR. SMALLWOOD: Talk on! Talk on!

MR. CROSBIE: Well, just talk on.

MR. SMALLWOOD: I am not listening to you anyway.

MR. CROSBIE: Exactly. The Premier is not listening and has no intention to give any information. Oh, yes, \$16 million means nothing to the Premier.

MR. SMALLWOOD: Ah, go on, go on, rave on.

MR. CROSBIE: "Rave on, oh ship of state." That is what is happening in this Province. But, the ship of state will not be raving after 1971, there will be a new ship of state in there.

Well, we know this is boring to the hon. the Premier, Mr. Speaker. Oh, the hatred is flowing. I will not dignify the hon. minister by asking him.

Now, Mr. Speaker, it is a pity the Government did not insist on pollution facilities. Speaking of pollution, does it not strike a bell? You know the know minister perks up.

MR. NEARY: We are surrounded by it.

MR. CROSBIE: Pollution control is what we need in this House. Then the hon. minister would not be in here.

Now, Mr. Speaker, that is \$2.5 million for pollution facilities. Then we look further down and we notice that in addition, in addition to all

MR. CROSBIE: of this, Mr. Speaker, in addition the Province is unconditionally guaranteed a \$2.25 million bank loan to Javelin Paper, in connection with the acquisition by Javelin Forest of harvesting facilities for use in Labrador. This is completely new. Under the project, as it was up to twelve months ago, Javelin Corporation was to finance all of the harvesting facilities for use in Labrador. They were to raise the money themselves, not good old Santa Clause, the hon. the Premier. He was not suppose to raise that at all. But, now the hon. the Premier has blithely gone ahead and raise \$2.25 million for harvesting facilities, without a word to the people of Newfoundland, without a word to this House. We still would not know it if it were not for this prospectus down in New York. The hon. the Premier just thinks this is unimportant information. Let him handle the hundreds of millions and the coppers and nickles will look after themselves.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: He is gone all right, the hon. the Premier is, gone. Gone! Gone! Gone! He will not be coming back after the election.

Now here is something else that is not widely enough known, Mr. Speaker. Here is what the prospectus says, in connection with the construction of the chip mill; "however, the Province, in addition, to guaranteeing payment of two of the installments, has guaranteed the contractor that the entire project will be completed." That is our guarantee. Our guarantee is that the entire project will be completed. So the guarantee is not just \$75.3 million, which is the latest figure, it is the whole amount involved. That is \$91 million, plus whatever else it is going to cost to complete that mill.

I would expect that the Government would have a few words to say in explaining, you know, how these costs have risen and now that iron clad guarantee they are not going to

MR. CROSBIE: Increase any more. Not a word yet, not a word. In fact, we would not know it unless the Government had to be honest. The Government has to be honest with the United States of America. The law in the United States of America makes the Government of Newfoundland be honest when it goes to the borrow money. There is no law in Province of Newfoundland that requires the Government to be honest. There is no authority higher than the Government, therefore, the Government cannot be forced to be honest, therefore, this Government is not honest. It will not give the people the facts. We get the facts when the law of the United States forces the Government to reveal them.

Here is another interesting point that is revealed in this prospectus. "As security for its guarantees the Province has a first mortgage and a floating charge on the assets of Javelin Paper. A first mortgage on the fixed assets of Javelin forced a first mortgage on the interest of NALCO in and to the mill. The construction contract of which it is a party. The lease of the property and so on." The Province is entitled to receive a chattle mortgage on the wood harvesting facilities of Javelin forests. It is entitled to receive, but has not received, Mr. Speaker. What is the position on that? Is the Government going to take some security on the wood harvesting facilities of Javelin forests or not?

The two and a-quarter million dollar loan that I mentioned, which is outside all of this, there has not been a document tabled in the House on that. It is mentioned in a return showing the guarantee is given. As security for the Province's guarantee of two and a-quarter million dollar loan to Javelin Paper, the Province holds a note of Canadian Javelin Ltd. which is convertible into a number of shares of common stock of Canadian Javelin Ltd. to produce upon a public sale of such common stock net proceeds sufficient to provide the Province with funds to cover its guarantee. That is dandy security, that is dandy security, a note of Canadian Javelin which we can convert into shares of common stock of Canadian Javelin. Canadian Javelin we already control through a voting committee. That was arranged between John Doyle and the hon. the

Premier to avoid a move by minority shareholders who threatened to get control of the company from Mr. Doyle. We have control of it now, voting control. We are supposed to have voting control. Mr. O.L.Vardy and Mr. Leo Stead, Mr. Stead represents the Government, Mr. Vardy is an impartial Chairman, and some gentleman who represents Canadian Javelin are on the committee. Mr. Fred Russell was on the committee and could not take it any longer, he could not take what he saw there and he resigned from the committee. He was originally a member of that committee, but he is not any longer.

What does this resolution ask for Mr. Speaker? Is the resolution against the Javelin Linerboard project? No. Is voting for the resolution, voting to stop the Javelin Linerboard project? No. In fact, the Javelin Project is being supported by both sides of the House, I believe since its inception. What it asks for is this, the resolution regrets the inability of the Government to control the cost of Javelin Paper. It deplores the failure of the Government to adequately or at all supervise the carrying out of the project by Javelin. These are both facts. The costs have not been controlled, the Government has not supervised the carrying out of the project adequately, and it asks for an enquiry into the status of the project, and progress to date including the manner in which the Government is supervising the carrying out of the project, the steps now taken to insure no further escalation of costs, and the report on the economic feasibility of the project in view of the said increased costs. Is the project still feasible with this extra \$16 million added to the cost? Surely that is a question the Government should supply some information on to the House and to the people of Newfoundland. Is there a possibility of further increases in cost? That is the information we are asking for. We have to ask for it because, the Government has not volunteered it. The House has met five weeks without hearing a word on it. All the Government has done is try to avoid answering it.

Here are some other peculiar things Mr. Speaker in connection with the project. Question (24) asked in this House this year, asked by the member for Gander, asked the Minister of Mines, Agriculture and Resources this; "how many cords of pulpwood were cut by Javelin Forest Products, Ltd. at Lake Melville during 1970? The answer was 75,343 cords. What is the amount assessed on what

was cut, \$42 thousand in round figures. That is assessed by the Government to be paid the Government. What is the amount paid the Government by Javelin Forest Products in royalties on this production? The answer, \$1,892. In other words, there has been an assessment of \$42 thousand in royalties, and the company has only paid the Government \$1,892.00. It was stated, that the reason for this was that there was a difference of opinion. This was the answer, I cannot understand it. It was that there was a difference of opinion between the Government of Canada and the Government of Newfoundland as to who was entitled to the royalties. Whoever heard of the Government of Canada being entitled to royalties on the forest resources of a Province? What kind of nonsense is that? Or is it rather that Javelin has not the money or the ability to pay the balance of this \$42 thousand?

That is strange enough, but then there is an answer to another question. It gets strangerer and strangerer. Question (480) was answered a few days ago by the hon. the Premier, and we will have it in a minute. Here it is right here, (480), the question was; "since January 1, 1969, what volume of timber has been cut by Javelin and shipped from Labrador for export outside Newfoundland in the form of logs or pulpwood, and what is the value of such exports to date?" The answer was, 21,078 cords. The answer to the previous question, where there has been 75,000 cords of wood cut in 1970, but in the two years 1969 and 1970, only 21,000 have been cut and exported from Labrador. In two years there were 75,000 cords of wood cut, according to one answer to a question, and the answer to question (480) 21,000 cords of wood shipped out of Labrador by Javelin since January 1, 1969, in two years. That is a big discrepancy. Only 21,000 cords cut and exported in two years?

How can we have faith that the company is going to be able to cut and move down to Stephenville three or four hundred thousand cords in a year? Every year the plant at Stephenville has to have, I forget the exact figure, but it is at least three hundred thousand cords of wood to keep going. In two years they have only been able to export 21,000 cords from Happy Valley, Goose Bay. Another question was asked; what is the value of such exports to date? This

is an interesting answer. What is the answer? This is confidential information. Confidential information, what the value of this export of pulpwood was. What can be confidential about that?

Our wood, being financed by the Government, the people of Newfoundland, and when we ask what the value of the pulpwood that has been exported to date is, it is confidential information.

Then the question was asked; how many men worked up on the project last year. We were given the answer, 880. That is an answer calculated you see to deceive. 880 worked there all last year, not how many men worked there at any one time. It was certainly a lot less than that. I believe an answer was given, 252, I do not know if that is correct or not. At March 1, 1971, there will be 252 working up at Goose Bay the answer was, seven of them not Newfoundlanders. That is not too bad, but we have been told, we have been told, Mr. Speaker, that there are going to be thousands of loggers needed up there, certainly hundreds, and questions arise. For example, where are they going to be put up? Where are they going to live? Where are they going to bunk up there? When the costs of that project were last explained to the House, there was not a cent allowed for bunk houses and facilities for the loggers. We were told that the loggers were all available in Labrador, in the Happy Valley, Goose Bay area. It is not so at all.

You remember Mr. Speaker, when the project started it was going to be all mechanical cutting? Then that got changed because they wanted to employ, the Government wanted to employ thousands of loggers there, so it got changed to hand cutting. The question is, where are the thousands of loggers going to be put up, or even the hundreds, if they move from Newfoundland up to Happy Valley, Goose Bay? Who is providing the housing?

AN HON. MEMBER (Inaudible):

MR. CROSBIE: I hope he will. We are waiting to hear from him. I imagine he is quite interested in it. He should be, it is in his district. Perhaps when the minister gets a chance he will tell us how they are going to be housed and accommodated. So there is an unusual discrepancy there Mr. Speaker. Two years

and 21,000 cords of wood exported. In one year apparently 75,000 cords cut. The wood that is cut and not exported is going to rot an hon. member suggests, I do not know if that is so or not. There is a lot rotten in this Province whether that pulpwood up there is rotting also I do not know.

Now Mr. Speaker, there are so many questions in connection with this project that should be answered. I asked them all last year, when I was finished asking them the Premier got up and in the most contemptible manner ignored them all. Just refused to answer, would not give the information. Perhaps we are crying in the wilderness. Perhaps no one in Newfoundland wants to hear the answers. Perhaps there is no one interested, just the few members on this side of the House. This maybe the case. It is an awful pity if that is the case because, that is the kind of cynicism that dominates the Government. Dominates it, the ordinary people the Government feels do not care about the millions, do not care about this kind of detail, do not realize how important it is. All they care about, the Government feels, is where the next cheque is coming from, family allowance, the old age pension and the rest, and that they are not interested in anything else.

There are a lot of people like that, I imagine Mr. Speaker, through no fault of their own. I think there are an increasing number of people in Newfoundland more and more dubious about many of the dubious deals that this Government are involved in. They will not be put off by this pitiful suggestion for example on these leases this afternoon, that the liquor commission, that the Premier instructed to enter into them is now going to have them revised downward. They are not going to be foist at all with that kind of feeble excuse. That is something they can understand. They can understand when \$180 thousand is taken from the public chest and put in the pocket of some private individual whose name the Government will not reveal. They understand that, and they are going to understand a lot more about it. I think that they can understand that in a project like this, involving their money, their credit, for \$78 million, that the Government should give us some information.

The last time Mr. Speaker, that this House had any full information

on this project was in the session of 1967, when some of us were still in the Government and there were presented to the House all the agreements entered into with the French consortium who were going to build the mill then. The agreements were gone over in the House and explained and the rest of it. Since then the Government has given this House no explanation of what is happening. They tabled some agreements when they were forced to. We have asked the questions this year and last year. We still do not get the answers. We got a few scraps in this prospectus, but there are some other questions that should be answered. There are many other questions that should be answered.

Last year - here is a question Mr. Speaker. Now the Premier can answer this question, he does not even have to ask his civil servants. We asked the question last year. "Has the Government agreed to sell electric power to the Javelin project at two and a-half mills per kilowatt hour, or some price less than cost?" We asked it last year, we asked it this year because, if the Government sells power to the project at less than seven or eight mills a kilowatt hour, the people of Newfoundland are subsidizing the difference. At ERCO, the people of Newfoundland paid three million four hundred and some odd thousand dollars, in 1970, to subsidize the power delivered to that ERCO plant. Every year the people of Newfoundland have to pay that. If the Government is going to give the Javelin mill power, at less than half of cost, the taxpayers of Newfoundland, the people who pay the S.S.A. tax, who pay the gasoline tax, the income tax, have to pay the difference. Now is it not only right that the Government should tell the House and tell the people,

MR. CROSBIE:

that the Government should tell the House and tell the people whether they have agreed to sell this to Javelin at two and one-half mills or three or three and one-half or whatever. Now we know the Government will not do it. The Government is disobeying the laws of this Province now by refusing to table in this House the electric power subsidy agreements they have already entered into, they have entered into seven of them. The Industrial Development Incentives Act, 1968, says that within fifteen days from the start of a session they should be tabled on the table right over there, the table of this House. They had not been tabled in 1969, they were not tabled in 1970, they have not been tabled in 1971. Now do people care or not that the Government refuses to obey the law, this is what amazes me, Mr. Speaker?

We hear the hon. the Premier saying that the galleries of the House must be quiet and we cannot have them jumping up and down, In the old days the dust would come down in the Chamber. Well with an arrogant Government with a contempt for the people like this one has, it is a wonder that this building is not torn apart brick by brick. I mean, here is the law of the Province that these agreements shall be tabled, must, a command, and the Government will not table them and will not even explain why it will not.

Well, if the Government wins the next election it will be living proof that Governments can reign with absolute unparalleled arrogance, can violate the law, can trample on peoples rights, can take moneys from the public purse and put them in unknown private individuals pockets and that the majority electorate do not care. I do not think the electorate is going to turn out that way. Power, so that is one question. Second question, the second question is the fish plant. When I was still involved with this deal in the Cabinet, Mr. Speaker, the Javelin people told the Government and they told the Government of Canada that this plant could not be constructed in Stephenville at that location, if the International Fish Meal and Fisheries, Limited, plant remained where it was. That is what they said. I have a copy

MR. CROSBIE:

of a letter here to that effect, from Canadian Javelin to the Government, stating that if the fish plant stayed where it was and was not removed the smell from the fish plant would spoil the linerboard, the smell would pollute the linerboard and interfere with their product.

I asked the question last year, is that still the case, is the fish plant to be moved? The fish plant is there at public expense, the people of the Province put it up and paid for it. Now does the fish plant have to be moved out of Stephenville for the Linerboard Plant to operate or not? The answer is either yes it does or no it does not, because now for certain reasons that is no longer necessary. Perhaps now that it is no longer a fish meal plant but it is going to be a plant for the production of curred fish there is not such a smell.

MR. SMALLWOOD: Perhaps the hon. gentleman will allow me to give him the latest information about this.

MR. CROSBIE: Always willing to do that.

MR. SMALLWOOD: The fact is that Javelin Paper and International Fisheries or whatever their name happens to be have come to complete agreement in the matter to this effect that if there should be objectionable smell from the fish plant that would do any harm to the paper products of the paper mill, the fish people will move the plant away out of it. They guarantee, in the meantime, that there will be no smell, no injurious smell, no smell that would get on the linerboard, especially the food boards. In making this linerboard the plant is going to make special food boards, that is what we would call cardboard, into which food is frozen so that any smell on the cardboard would be carried over into the food and the food would smell of fish, or it might be orange juice, but if it is in a paper carton it would not smell of orange juice but of some kind of say herring or some kind of fish.

So obviously they could not tolerate that and, therefore, the agreement has been reached between the two companies that there will be no smell and if

MR. SMALLWOOD:

there is they will move the plant out of it, but they are absolutely, completely confident that there will be no smell and I think the paper company are equally sure that there will be no smell.

MR. CROSBIE: Well, that is good to hear, Mr. Speaker, and I hope when the Premier replies, if he does, he does not have to reply to this motion if he does not want to, but then I hope that when the Premier does reply he will give us some more information like that. So that would seem to settle the fish plant question, if there is a smell that affects the linerboard it will be relocated. The fish plant people think there will not or guarantee that there will not be, but if there is they will move it, so that would settle that point.

Then, Mr. Speaker, there is the question of marketing arrangements. Now the only reason why we are interested in this, if Mr. Doyle were putting up a plant himself all with his own credit and so on, we might be curious about these things but we would have no right to have the answers, but Mr. Doyle, and this is nothing against Mr. Doyle, as this is a large project and not easy to raise money for, has had to ask for Government guarantees in connection with the project. That being so and since the people of Newfoundland, through the Government, are guaranteeing the completion of the project, it is legitimate for this House to ask questions about the project and for the people to be informed about it. This is a question of the marketing arrangements, Mr. Speaker.

Now I know linerboard is a different product than paper, pulp and paper but with a project having high costs like this, with a project using wood from Labrador, and this is the first attempt to use the wood resources of Labrador in this way, to transport them to the Island of Newfoundland and manufacture them here into linerboard, and that is going to be risky, that has additional risks because it is new, one thing that is needed is a marketing arrangement. If possible a take-or-pay contract, in other words

MR. CROSBIE:

that there is some reputable, triple(a) credit concern who is contracted to take all the production of that mill for a period of time. I believe we are told in the Javelin prospectus that there is such an arrangement, I am not sure whether that is in the prospectus or we were told that in the House, perhaps we were told it in the House.

In any event, Mr. Speaker, the House should be told whether there is such a take-or-pay arrangement and how long it is for and who it is with. The House should be told, by the hon. the Premier or whoever in the Government knows, we should be told whether the recent situation that is affecting Bowaters and the Price Company, who are selling paper products, whether that situation affects the Javelin plant also or not. That is legitimate information surely.

MR. SMALLWOOD: I can tell the hon. gentleman, I am not sure that I am going to waste the hon. gentleman's time by replying to him but I can tell him on that point right now that the paper mill at Stephenville is going to manufacture linerboard paper, not newsprint paper. The newsprint paper market at the moment is in bad way, bad shape, but the market for other kinds of paper is very good, the markets are very good indeed and even if when this mill is finished and begins producing paper, in the spring of next year, a year from now, the newsprint market should still be bad, which is somewhat to be doubted, it will not matter to the linerboard mill because they will not have newsprint paper to sell, they will have linerboard paper for which the market is good and it will be good for many years to come.

MR. CROSBIE: Well, that is interesting. We are bound to hear, Mr. Speaker, I think we are bound to hear if it is good news, but I do not think we are bound to hear from the Premier if it might be something that does not sound as good. Continental Can, did they not have a linerboard plant somewhere in the Maritime Provinces which has just been closed down?

MR. SMALLWOOD: I do not think so.

MR. CROSBIE: Well, I understand they had. Now some of this equipment, Mr. Speaker, came from the United Kingdom, in fact I think a considerable amount of it because a lot of the money to finance the project is coming from England. I wonder would the Premier answer this question and that is; where there any Canadian customs duties payable on the pulp and paper machinery and equipment that is being sent to Stephenville from the United Kingdom, because the very same question arises in connection with the oil refinery at Come By Chance? We have not had an answer on that in the House either, whether or not there is any customs duties on the machinery and equipment coming from England to the oil refinery and whether there has been paid customs duties on the machinery and equipment that came from England to Stephenville for the Javelin Plant? If there are customs duties, how high do they run? Ten per-cent, fifteen, twenty per-cent?

In the case of the oil refinery at Come By Chance under all the contracts the people of Newfoundland, through the Government have to find the money if there are any customs duties. This could be \$15 million or \$20 million. I am going to make now a wild guess, Mr. Speaker, -

MR. SMALLWOOD: The keyword there is "wild:"

MR. CROSBIE: Right, a real wild one. I am going to make a guess that part of this \$15.7 million increase over the last twelve months is due to customs duties imposed on the machinery and equipment that went to Stephenville from the United Kingdom. Now if that is a wild guess the Premier can say so. Is not part of the \$15.7 million increase money that Javelin had to find to pay customs duties on the machinery and equipment from the United Kingdom because Ottawa would not agree to let it in exempt from any duties or Federal sales taxes? Now the Premier can answer that. He only has to say yes or not, and he has the answer. I am looking at the Premier now and I see in his face he has the answer. He does not want to give it, does not want to give the answer. It is only a few old millions. He does not want to give the answer, Mr. Speaker, about Come By Chance, that is only \$12., \$15., \$20. million more

MR. CROSBIE:

for the people of Newfoundland. It is a joke when you hear that described as a \$160. million project, it is a \$200. million one. We are responsible for customs duties, we are responsible for the wharf, we are up from \$160. million to \$200. million of our credit, but we are discussing Javelin now.

The fact that the Premier has not answered my wild stab in the dark, Mr. Speaker, indicates I am one hundred per-cent correct, that of the \$15.7 million increase last year a considerable amount, how do they describe it, for additional and alternate facilities not originally contemplated or is it described as an increase in certain miscellaneous and contingent items or is it described as an increase in the cost of construction, is customs duties. My guess is that it is at least \$3.6 million. Now if I am wild, making a stab in the dark, the hon. Premier could straighten it out immediately. He just says, "No, no, the hon. member for St. John's West, as he is so often, he is completely wrong. There was no customs duties included, no sales taxes," and I am shot down, but here I am still standing here, Mr. Speaker, not shot down at all, why not? Because I am right on the point, right on the beam, right on the mouth, right on the dot, one hundred per-cent correct, one hundred, not ninety-eight per-cent correct or ninety-seven per-cent or five per-cent but one hundred per-cent and I am right about Come By Chance. The hon. the Premier will not answer it. It is only money of the people of Newfoundland, fiddle-faddle, they are not interested, fuddle-duddle, they are not interested in that old \$20. million customs duties. That is just a little something between myself and the Government of Canada. The old wharf at Come By Chance and what Mr. Arthur Laing says and what the Premier says are two different things.

MR. SMALLWOOD: No, they are not.

MR. CROSBIE: Oh, yes they are.

MR. SMALLWOOD: Oh, no they are not.

MR. CROSBIE: The hon. the Premier has been asked to guarantee the wharf

MR. CROSBIE:

through the Crown Corporations.

MR. SMALLWOOD: He has not, he has not.

MR. CROSBIE: Well, I will not argue that point, that is a subject for another debate.

MR. SMALLWOOD: Right, wise not to.

MR. CROSBIE: So, Mr. Speaker, right on the button on customs duties, they are included in the \$15.7 million. Now what else will I be right on the point about? Feet, Marwick, Mitchell and Company were appointed in 1967, Mr. Speaker, to check for the Government into the financing of the project, with all the figures added up whether they were correct or not, and they made an interim report to the Government, I have a copy, and they must have made other reports since, unless their interim report was so flattering that they were banished by the hon. the Premier, if not there should be a final report since then, showing whether all the projections of Javelin added up or not and whether it was feasible or not? I have asked the hon. the Premier in the House to table a copy and he says there is no final report.

Well, is it not a peculiar thing that a Government would appoint chartered accountants in 1967 to test out the financial feasibility of the Javelin deal and to add up all the figures and to report to the Government as to whether they made sense and whether there was a sufficient cash flow to meet the cost of the operation and that these people would make an interim report that was very unflattering, I saw, it was certainly enough to worry me when I was in the Cabinet. They made an interim report that was quite unflattering, raised certain doubts and that they have not made, according to the Premier, any final report since 1967, that is peculiar. Is it not peculiar that the cost of this project could go up \$16. million and yet, as far as we know, there is no new feasibility report? Is it not peculiar, Mr. Speaker, that the whole success of this project originally was based on transporting wood chips from Happy Valley to Stephenville in two sixty-five

MR. CROSBIE: thousand ton vessel which can be very very cheap transportation cost, we were told the whole thing hinged on it, the whole thing depended on it. But because Ottawa turns thumbs down on spending \$20 million on Goose Bay on the harbour and a similar amount down at Stephenville, so that 65,000 ton ships could not be used, Ottawa was not satisfied with the feasibility and they turned down the harbour improvements, they had to change from 65,000 ton ships, they had to change to eight 10,000 ton ships, carrying logs, a far more expensive form of transportation. The Premier gave us the figure in answer to a question. He said that the cost of transporting logs from Goose Bay to Stephenville, will be \$5.50 per cord, that is what it will cost Canadian Javelin. \$5.50 per cord for transportation costs. Now what figure was used in the original study. In the original study, as I remember it, prepared by Mesara, Cowan and so on, I believe the figure was \$3.00 or \$3.30 per cunit. I have it here somewhere. So there has been quite an increase in the transportation costs. Are we not entitled to another feasibility study, or some new report?

Anyway, there is a considerable increase in the cost now of the transportation, from \$3.30 as I remember it, per cunit, now up to \$5.50. Since the transportation of the logs is so central to the feasibility of the project, Mr. Speaker, that requires an answer.

Now, there are two questions asked in the House, about ADA grants to the Melville project. Now there should be ADA grants to this project, Mr. Speaker. It is a liner board mill being built in Newfoundland. A designated area of Canada, a reasonably disadvantaged area and ADA grants should be available. The questions asked were (295) and (297), so this Melville project should have a \$5 million grant from the Government of Canada and in fact when this whole project was introduced to this House, in 1967, it was stated that there would be a \$5 million ADA grant and it was included in the financing. So the questions I asked

MR. CROSBIE: the Premier were in connection with the Melville project. That was about the bulk carriers because the House will remember that once we were told that the two bulk carriers were being constructed, but we were told the other day that the contracts were cancelled before construction began.

Then I asked., "Did the Government of Canada agree with the Government or to the knowledge of the Government at any time to expend monies on harbour improvements at Goose Bay or Stephenville in connection with the project, if so on what date and for what amount of public funds?" The Hon. the Premier gave another false answer, he said that on October 10, 1968, he pretended that conditional approval was given but that these improvements are not now required. He was referring to a general press release that Mr. John Marchand, the Minister of ^{the} Department of Regional and Economic Expansion, made on October 10, 1968, where the Minister said there was conditional approval for an ADA grant to the Javelin project. Conditional on the project meeting the requirements laid down by the Government of Canada: But the point is, Mr. Speaker, the project did not meet the requirements laid down by the Government of Canada. The Government of Canada would not give an ADA grant of \$5 million. The Government of Canada would not spend on the harbour at Goose Bay. The Government of Canada would not spend money on the harbour at Stephenville, because the Government of Canada had no faith in the feasibility of the project. The Government and Javelin did not satisfy the requirements of feasibility. Then I asked question (297) "Did the Department of Industry, through ADA, agree in writing to make such a grant?" What is the answer? To make a grant, an ADA grant for the construction of mill at Stephenville. In a press release of October 10, 1968, Mr. Marchand gave conditional approval of \$6.5 million, this lapsed March 31, 1971 deadline. What tripe, it did not lapse because of any deadline. The plant started construction a year and a half ago. It lapsed because the Government and Javelin were unable to satisfy

MR. CROSBIE: Mr. Marchand's requirements, so he would not make the grant. Has the Department of Industry ever stated it is satisfied ^{that} the project is economically viable and that it is satisfied with the methods of financing and that sufficient equity capital has been provided for the project? The Premier answered obviously that their attitude was favourable because of the statement of October 10, 1968, that is just avoiding the question. The answer is that they were not satisfied, they would not make an ADA grant for \$5 million. They were supposed to make, Mr. Speaker, an ADA grant of \$5 million for the construction of the plant at Stephenville and another grant of \$1.5 million for the wood shipment in Labrador, and they made neither.

Now does the Government not owe the House some explanation of that, the people? As to whether it is so or not or why not? Here we have our big mill being built in Newfoundland and every other area of the Country, such a mill will get Federal assistance and this mill is not. The Federal Government is not involved in the financing of it, it is not like Come By Chance. The Government of Canada would not give an ADA grant to Come By Chance, because of the tax laws involved. The Crown Corporations schemes, because they were not going to pay Federal taxes, the Federal Government said no dice. We are not going to give you a \$5 million dollar grant for you to escape Federal taxes. Not on your life lads! Go down and scalp Mr. Smallwood, do not try to scalp us. Go down and see Mr. Smallwood, he will fix you up. He will provide the \$5 million for you that we will not provide. We are not going to do it. That is what they said about Come By Chance, and that is what they said about Javelin, they would not do it, because they were not satisfied it was economically feasible, so our Government has to do it all.

MR. MURPHY: Would the hon. member permit just a question?

MR. CROSBIE: Yes, certainly.

MR. MURPHY: Now I remember when the debate was on and there was something of an error of \$53 million to \$58 million because the money was in American

MR. MURPHY: money. Am I right on this?

MR. CROSBIE: No. \$66 million.

MR. MURPHY: Oh \$66 million, but since the exchange it has come up now and does that make any difference to cost? Should there should be money available?

MR. CROSBIE: Last year there was an increase in the guarantee to \$66 million which Mr. Doyle explained was \$58 million and which he said was due to various exchange rates. But now we are up to a total of \$91 million and \$75 million loans, so we can forget the past confusion, we are in there now guaranteeing \$75 million.

MR. MURPHY: In Canadian dollars?

MR. CROSBIE: It does not matter. We owe the money in deutschemarks, we owe them in pounds, we owe them in U.S., all currencies. We are catholic in our currencies.

The hon. the Premier will be borrowing in Swaziland next, if he hears they have any money to lend down there. So, that all requires an explanation. I do not think we will get it. Marketing arrangements Peat Marwick, the cost of logging in Labrador, that is a very important point, Mr. Speaker, because in this House last year, we were discussing the third mill and an extension of time for the third mill at Come By Chance and there is a forestry study that shows that the third mill at Come By Chance can only proceed if it uses wood brought to this Island from Labrador. And the Government has agreed to subsidize the cost of moving the wood from Labrador to Newfoundland. I asked the hon. the Premier how much that was going to cost the Government. He said it was not going to cost the Government anything. He said it was marvelous. He said Mr. Doyle has discovered that he can cut wood and ship it to Newfoundland cheaper than you can cut wood and deliver it to the mills right on the Island here. Now that was so much poppycock. Mr. Doyle has discovered that his costs are very expensive up in Happy Valley and Labrador to cut wood and to ship it

MR. CROSBIE: and to cut wood and ship it from Labrador to Newfoundland may be quite expensive. But based on Mr. Doyle's experience, we will know how much the Government will have to pay in connection with the third mill, if this has to be done. So we should have some facts on that. What is the experience of the Javelin people at Happy Valley and Goose Bay in cutting and shipping wood? The new figure of \$5.50 a cord for transportation costs alone, indicates it is a pretty expensive business, and is that a take-or-pay contract? Has somebody committed themselves who can carry it out, to carry wood for that figure from Happy Valley to Stephenville?

The Government has got Dick Engineering, and this is a point that is very serious, Mr. Speaker, and the Deputy Speaker, the hon. member for St. John's North was quite right when he said it. Last year or the year before, no matter what legal agreements you have, they have got to be carried out and where the Government agrees to do things and the other party agrees to do certain things, we have to have competent people seeing that both sides do it. Yet here we have this project well under construction for nine months before the Government appointed Dick Engineering to check on anything. And with all the engineers we have in Newfoundland, why did we need to get Dick Engineering, whoever they are, from Toronto, to do this. We were told in this House last year, I understand, that the former Newfoundlander, Gerald Penney, who used to be with Bowaters and is now a Consultant in British Columbia, was going to be brought in to do the job for the Government of supervising this project. Where is Mr. Penney? He has not appeared on the scene; it is now Dick Engineering. Who are Dick Engineering?

MR. SMALLWOOD: It is hard to get him, very hard.

MR. CROSBIE: Well then who are Dick Engineering? And why were we so long in appointing him?

MR. SMALLWOOD: He would not come. He went to Ethiopia for the United Nations to do work there. He spent two or three years there and then when we wanted him to come to go to work, he was not able.

MR. CROSBIE: Well, Mr. Speaker, I could go on and point out more information that we need.

MR. SMALLWOOD: Go ahead. Do not stop. There is half an hour yet.

MR. CROSBIE: See this is not a lively subject. It only involves millions. It is a serious subject, not lively.

MR. SMALLWOOD: It is not like the Bulletin, is it?

MR. CROSBIE: It is not a crowd pleaser, but it is certainly worth being discussed.

MR. NEARY: The hon. member is not playing with the galleries today.

MR. CROSBIE: The hon. member never plays with the galleries. I think that I have asked most of the essential questions that we should now hear from the Government on. There are a lot of others, but they are detail. As I see it, Mr. Speaker, the Government is involved at Come By Chance and with Javelin at Sphenville and all these other projects, there should be a team in the Department of Economic Development, lawyers, a chartered accountant, an engineer, perhaps somebody in Commerce, anyway a team of four or five whose job, full time, is to police those agreements, to check how they are coming along, to check on the costs, see that the people who contracted with the Newfoundland Government are keeping their bargain. To go in on surprise inspections to see what they are doing, to make sure that we are getting our just dues. That is what is needed. How can one man, Mr. Dustan, be expected to supervise those two giant projects on behalf of the Government? Just what are Peat, Marwick, Mitchell doing? The Premier has not explained that. He says they are involved in this work too. But just how and what do they do? Dick Engineering, how often are they down here and how much do they do when they come down?

MR. CROSBIE: Jacobs Engineering are down at Come By Chance advising the Government. These were the people who were brought in, and supposed to be independent, report on the feasibility of Come By Chance and then we discovered a couple of months later that they had the job of supervising it all for the Government. How impartial could they be when they were asked to do the feasibility study?

These are some of the questions that should be answered and some of the information that we should have. Now I would be quite prepared, Mr. Speaker, if the Government side agreed, to remove from the resolution any regretting of the inability of the Government or any deploring of their failure and what not, if the Government would agree to have a Select Committee or some Committee receive answers to the various questions that I have asked today. I would remove any wording the Government thought could not be accepted by the Government, if the Government would allow some Committee of this House, when the House is not sitting, because we are too busy here now to have a Select Committee,

carrying on while we are meeting, we are going to be finished, the Premier has said that this House will be finished in the next two weeks.

MR.SMALLWOOD: No, I did not.

MR.CROSBIE: He is quoted as saying that.

MR.SMALLWOOD: Well I did not say it.

MR.CROSBIE: But we probably will be finished by the end of May, and by the way, Mr. Speaker, if the Government would show us some consideration and have two sessions a day instead of three, for example, three to six; eight to eleven on Mondays and Tuesdays; and the same on Thursday -

MR.SMALLWOOD: The only trouble with that is the hon. gentleman's Tory associates would not get a word in at all. They do get an odd word in now, with three sittings, but the hon. gentleman monopolizing the House, the only hope they have is three sittings. Who has spoken today - not a living soul -

MR.CROSBIE: Mr. Speaker, the point is this, this House can do what it should do, we would be out of this House by the end of May on two sessions a day, if the Government would agree to that. Instead of the Government trying to force us into three sessions, getting everybody snarkey and putting the pressure on. If we meet six hours on Mondays, Tuesdays Thursdays, eleven to one on Friday, three to six Friday afternoon and on Wednesday afternoon this House will be finished all its business by the end of May, unless the Government has some extraordinary business to bring in - instead of the Government trying to push us and bully us and hurry it all through three sessions a day -

MR.SMALLWOOD: We are not hurrying anyone.

MR.CROSBIE: No, just keep the pressure on so you -

MR.SMALLWOOD: We are not hurrying anyone; take your time - take your time.

MR.CROSBIE: We are going to take our time -

MR.SMALLWOOD: Good?

MR.SPEAKER: This is not entirely relevant.

MR. CROSBIE: Right. It is not relevant but it is very important. So, Mr. Speaker, I have raised, what I think here are some of the important questions about this project. I do not see why I have had to raise them, because the Government should give us this voluntarily. You know, we would not even know, as I said at the beginning, anything if it were not for the government's prospectus. Surely this House is entitled, and we all supported that legislation, as I remember, I do not think anyone voted against it. Are we not entitled to have the answers to some of these questions? The Premier has answered one or two, He will not answer the questions which might be embarrassing to the Government, such as the one about customs duties. He answered about the fish plants. He answered about linerboard market but why not answer the rest of it. Or remove the wording from the resolution that might be unacceptable to the Government, regretting their inability and that kind of thing and have a committee of the House meet for a few days, after the House adjourns, and get the answers to some of these questions. Have a public hearing of the select committee and get some of this information. That is all. Nobody is against the project, what we are worried about, or what I am worried about, is that the project may turn out to be unsuccessful or it may involve a heavy subsidy on the government to continue the operation. We have an awful lot of stake in it. We should be told just where it is now and how the prospects look. What the total costs are likely to be. Is there any chance it will be over \$91 million? I will not repeat all the questions. But we should have this information, Mr. Speaker,

It is not a subject, I do not know perhaps there are not many people in the public concerned nor interested. A great pity if they are not. because it is their future that this mill and this kind of borrowing is going to determine. Well, Mr. Speaker, these are the questions, these are some of the points that need to be clarified and I hope that the Government will now clarify them.

MR. SMALLWOOD: Mr. Speaker, I have no intention whatsoever of attempting to deal with all the points raised by the hon. gentleman point by point. Step by step and stage by stage he has rambled on and on and on and on most of the afternoon just reviving and rehashing what everybody knew, describing the contract and reciting facts that are well-known to the House, nothing new in them. Nothing fresh, nothing new, just going on and on and on talking what has been talked here endlessly before and adding nothing new and asking a few questions.

Now, Mr. Speaker, the paper mill at Stephenville is the fourth largest industrial enterprise in our history. It is exceeded in size and capital and investment only by Churchill Falls, the Iron Ore Development in Labrador and the great oil refinery at Come by Chance. So number four is this great paper mill. A general election was held in Newfoundland once on a paper mill that was starting in at four hundred tons a day at Corner Brook. The great hum on the Humber, the great Humber deal the great paper mill at Corner Brook in the Humber Valley. It was so big at 400 tons a day, with the Newfoundland Government guaranteeing \$10 million of the cost of it. The British Government guaranteeing \$10 million the two of them guaranteeing \$20 million between them and the company putting up \$10 million a \$30 million which in fact cost closer to \$50 because there were overruns in the cost of building the great mill at Corner Brook. Big overrun. They had to go to, as a matter of fact, they had to go to the Bank of England and borrow \$10 million from the Bank of England and answer, where the British Government's guarantee of \$10 million gave them a first mortgage on the mill and the Newfoundland Government's guarantee of \$10 million gave the Newfoundland Government a second mortgage on the mill, now, with the Bank of England putting up an extra \$10 million the first mortgage became a second one and the second one became a third mortgage and the Newfoundland Government

for its \$10 million had only a third mortgage on that mill. But the mill, Sir, was one of the mightiest industrial projects in all our long history. It was a gigantic thing, "the Hum on the Humber," it changed the very face of Newfoundland. Men poured in there, to Deer Lake, to Howley, to Main Dam and to Corner Brook, poured in in thousands from all over -

MR.CROSBIE: (inaudible)

MR.SMALLWOOD: I will answer it in my way, in my way I will. Not the hon. gentleman's way. My way. My way. The little fellow from Gambo will answer in his own way, not the bully boy's way.

MR.CROSBIE: That is right.

MR.SMALLWOOD: That is right. The bully boy cannot bully Joey. Joey is one man he cannot bully. He has tried it and failed miserably, how miserably he failed to bully Joey. It is not in him. He has not got it in him, he has not got the guts nor the brains, the courage nor the skill nor anything else to bully Joey. It cannot be done not by the bully boy.

Now, Sir, that was a mighty industrial project, one of the mightiest we have ever known, and, Sir, that project was only small compared with this huge mill at Stephenville. The mill in Corner Brook was 400 tons a day. The mill in Stephenville starts off with a thousand tons a day, two and a half times more production every day. A thousand tons a day! It is a huge industrial enterprise. Unfortunately, unfortunately the development of paper making has been such, the skill, the scientific improvement in the processes for the production of paper have been so great that 500 men at the most will get jobs in and around that mill producing a thousand tons a day, where 800 men got jobs producing 400 tons a day when the mill started at Corner Brook.

In other words the mill at Corner Brook gave jobs to two men, for every ton of paper. In Stephenville they will give a job to half of one man for every ton of paper. This is not because the men are smarter or faster it is because the machines are, the thing is more automated it is a more intensified, modern, streamlined industrial project.

Let me give you an example Mr. Speaker:

MR. SMALLWOOD: The great Crowns Zellerback Mill in British Columbia is a pulp operation. It reduces the pulp to something of about the consistency of thick porridge. It is pumped aboard the ship in British Columbia, it is taken 1,000 miles down the east coast to a place called Antioch in California where it is pumped ashore. Now you have this great mountain of pulp. Do you know, Sir, that there is one man on a bulldozer, three shifts pushing that pulp onto a conveyor, which takes it into the paper mill and that paper mill employs forty-odd men to produce something of the order of 600 tons newsprint paper a day, forty-odd men in three shifts. The automation that is going on in the world is something marvelous and something magnificent, and at the same time something frightening. So here we have this vast mill in Stephenville that will employ perhaps as many as 500 men inside its doors. It sometimes makes you despair, as a Newfoundlander, you despair, you say where in the name of God is all the capital to come from to start industries in this Province? A hundred million here and a \$150 million there and \$200 million somewhere else and each great block of capital employs 300, 400, 500 men. Frightening! Utterly frightening! Not the Newfoundland phenomenon, it is a phenomenon that is throughout the Western World. The productivity of the modern machine. The productivity, one man with the modern machine can produce as much as one hundred men with an old-fashioned machine, It is not that the men have become more productive, but rather the mechanism, the machine that has been invented and, Sir, in all too many plants up and down North America, the most modern machine is tossed out, ruthlessly, if an even more modern one is invented the next year.

AN HON. MEMBER: Computerized.

MR. SMALLWOOD: Yes, computerized. Computerized machine production. It is fantastic. Now here we have a great enterprise at Stephenville. It has its growing pains. I have already said that the great paper mill at Corner Brook was a \$30 million mill, 400 tons a day. \$30 million, \$10 million from the Newfoundland Government, \$10 million from the British Government, \$10 million from the owners, the Reids. \$30 million, the first thing that happened was that it cost \$40 million to put there, \$10

MR. SMALLWOOD: million up. They had to go and borrow the \$10 million, the first mortgage became a second mortgage and the second mortgage, that is ours there, ^{be} came a third mortgage, until the \$10 million was paid back to the Bank of England. Then, the second mortgage came up again came up again to first mortgage, the third one, that is ours, came up again to second mortgage. We finally paid it off, or they paid it off, Bowater's paid it off, just after we became a Province, just around that time, they paid off that \$10 million. No, how many years after? The Minister of Justice was one of the Government's Directors.

AN HON. MEMBER: It took about three years.

MR. SMALLWOOD: About three years after the coming of Confederation, that \$10 million that we were on the note for was paid off by the Bowater people.

All right, you have this vast enterprise at Stephenville, they will have, and inevitably they will have, and understandably they will have, you can make it sound dirty, you can make it sound somehow reprehensible, as if this only the kind of thing that happened in Newfoundland only under a Liberal Government. You can make it sound like that. But quite understandably the industry, the building of a vast industry has its growing pains. It has its ups and downs. It has its failures. Right now tonight, it will be ten o'clock tonight. — the House is not meeting, I have meetings starting at six o'clock that will take me to nine o'clock, it will take me an hour to get home and at ten o'clock tonight I have a meeting in my home, in my house, of men who have just arrived today from Montreal and Toronto, in connection with this mill. They are coming to give me a report. And tomorrow morning a number of my colleagues will meet with me and we will hear the report direct from these men, and it is on this same mill, this very mill in Stephenville.

We are getting written reports all of the time. We are getting telephone reports all the time. The great firm of Peat, Marwick, Mitchell who are perhaps one of the three greatest companies in the world, as auditors, public chartered accountants and auditors, one of the great firms of the world. One of the three greatest. And they were, why? We have got them retained. We have got not Mr. Dustan, who was a former bank manager, Mr. Dustan is not solely responsible for keeping a check on what

MR. SMALLWOOD: is happening in that mill, far, far from it. Peat, Marwick, Mitchell is doing a complete accounting analysis. Complete! Absolutely complete! And the Dick Engineering are doing a complete engineering check on it and furthermore, E and B Cowan, E. for Eli, B, I do not know what the B is for, E. and B. Cowan, the engineers who designed the great paper mill, they are constantly there in Stephenville and in London and the Dick Engineering people are in London and in Stephenville, and Peat, Marwick, Mitchell has been to London and back and forth to Stephenville and these three fine firms are keeping a sharp eye on it for the Newfoundland Government. I do not think that any Select Committee of the House will keep any finer check. I do not think that any Select Committee of the House would keep a sharper eye peeled on the progress of that great enterprise. I do not think it for one moment. Not for a moment. It makes me laugh. The thought is laughable.

Oh! if you are the Opposition, and you are getting desperate, and every instinct in you tells you that you are doomed for failure number seven. And you get more and more desperate about it, as this happens, you look for anywhere, you will stay up until two, three and four o'clock in the morning. You will read every Act. You will read every Government Report. You will read every question. You will read every answer. You will stay up until all hours. Your strength will be the strength of ten men, while you are trying to dig up something on the Government. You will try to get Select Committees appointed. You will try to get Royal Commissions appointed. You will do anything and everything under the sun to try to get something on the so and sos across the way that are headed in to their seventh big victory.

Ha, Ha, Ha! Do you hear that hearty laughter? Do you hear that hearty laughter? How the rafters rock with their laughter. They are so terribly, yes, the word is terribly, they are so terribly amused. They are horribly amused. And frighteningly amused.

MR. CROSBIE: Inaudible.

MR. SMALLWOOD: Now, Mr. Speaker, a large number of questions, and a large number, half a dozen questions asked, some of which I have answered. One or

MR. SMALLWOOD: Two of which I have not at this moment, remember that we are building two plants, two huge plants, one at Come-by-Chance, one at Stephenville, shortly, I hope a third, a great paper mill at Come-by-Chance. Three great mills. Now, remember this, Mr. Speaker, that the Government of Canada, in connection with these three great mills, the Government of Canada is deeply involved, they are involved in connection with DREE, they are involved in connection with Industrial Incentives, they are involved in connection with custom duties, they are involved in connection with sales taxes, they are involved in connection with corporation and income taxes, And that being so, with these two that are presently under construction, and the third, the paper mill, paper mill number four, soon to start with these three and another that I cannot speak about here today, it is in the works, it is unspeakable, it is in the works, cannot talk about it today, we have not got it yet, we have not got it, no, I hope to have it long, long -

MR. CROSBIE: Inaudible.

MR. SMALLWOOD: Oh, well if I had it. If I have it the day before the election, it will not do me any good. It will not do me any good. If I have it after the election or just before the election, leave that to me. Leave it to me.

MR. SMALLWOOD: We will find out about tides. When the hon. gentleman is drowned and his political body is washed up on the landwash, he will find out about the tides. He will find out about the tide, he will find out all about tides.

MR. CROSBIE: Want to bet?

MR. SMALLWOOD: No, no bets, no bets. The hon. gentleman will need all his few dollars to try to pay his election expenses. We will not take....

AN HON. MEMBER: (Inaudible)

MR. SMALLWOOD: Did you ever hear of whistling passing a graveyard? Eh? Did you ever hear of whistling as you pass a graveyard? Your blood is turning cold, you have goose flesh, your hair is standing up and you getting a weak whistle, you know, going pass^{ed} the graveyard, do you hear it?

MR. MURPHY: I do not whistle, and pass any graveyards.

MR. SMALLWOOD: Maybe the hon. gentleman is afraid to pass by graveyards any how, so he will not have to whistle.

MR. MURPHY: I do not have to, I have too many...

MR. SMALLWOOD: Mr. Speaker, the hon. gentleman over across, I will not say that he is an unscrupulous and a relentless opponent of the Government. I will not say that, it would be unparliamentary. It would not be unparliamentary to say that he is a relentless opponent, but to say that he is a ruthless, and an unscrupulous one would be, I think perhaps probably Your Honour would rule to be unparliamentary. I am not going to be unparliamentary, not a bit of it. What I do say is this, that no matter what harm might be caused by pressing questions, for instance, for instance, for an example, why is all this constant questioning about the wharf, why? Is it not because there is a man somewhere who is understood and fairly well known to be not the most intense friend that Newfoundland has?

Now I have expressed my opinions more plainly on occasions than I am doing at the moment.

MR. MURPHY: (Inaudible)

MR. SMALLWOOD: Exactly, exactly. Never mind what I call anyone, but I have to

deal with the people with whom I have to deal. I will not be enticed into giving any answers. The answer is no, no answers to that question, none. The moment will come when I will reply joyfully and happily, and I will even chortle and remind the hon. gentleman of how he used to be asking those questions, and how he was hoping to embarrass the Government. How he was hoping somehow that some embarrassment would fall on us. I will remind him of that when the right moment comes.

MR. MURPHY: You do not mind embarrassing anybody else.

MR. SMALLWOOD: I will admit.

MR. CROSBIE: You cannot embarrass me.

MR. SMALLWOOD: I will admit that it is not easy to embarrass the hon. gentleman because, he has wrapped the garment around him and he is so perfect, he is so impeccable, impeccable is the word, he is so impeccable, so perfect, he is, he is so right, he is never wrong, I never met anyone since I was born who had such unbelievable faith in himself, in fact, he is infallible, to use his own word. The infallibility of the hon. gentleman is just past human comprehension. No one could be right so often on so many things. No one could be wrong so little as he is, so he cannot be quite human. We must be dealing with a monster. It has to be a monster, only a monster could be that right on so many things, so many times. Let him revel in his correctness, in his rectitude, in his...

AN HON. MEMBER: (Inaudible)

MR. SMALLWOOD: Yes, I know. Any-how, the answer is we will vote against it.

MR. MURPHY: I hope the press reports that the boys are really alive over there, they just laughed.

MR. SMALLWOOD: Adjournment of what? It is only four minutes to six. Do you want to vote on it or carry on the debate?

MR. MURPHY: Carry on the debate.

MR. SMALLWOOD: All right, I move the adjournment of the debate.

MR. MURPHY: I was going to move the adjournment of the debate Mr. Speaker.

MR. SMALLWOOD: I moved it.

May 5, 1971, Tape 500, Page 3 -- apb

MR. MURPHY: The Premier sat down.

MR. SMALLWOOD: I sat up again.

MR. MURPHY: Mr. Speaker, if I may, I was standing in my place to adjourn the debate, have I a right to adjourn the debate? The Premier had finished speaking, and had taken his place. Am I right to assume that he had finished?

MR. SPEAKER: I do not think it is, I know the hon. member looks at it possibly in this way. The debate may now be called adjourned, and it will be resumed when this subject is brought up again. The person who adjourns the debate evidently has the right to take up where he left off, and that was adjourning the debate.

MR. MURPHY: If we are going to hear about Bowaters and I.P.D. for another two hours I just could not stand it.

MR. SMALLWOOD: I promise not more than three hours.

Motion, the House at its rising do adjourn until tomorrow,
Thursday at 11:00 a.m.

MR. MURPHY: On that motion to adjourn Sir, I move that the House meet instead of 11:00 a.m. at 3:00 p.m. tomorrow.

MR. SPEAKER: There is an amendment to the motion for adjournment that this House when it adjourns, adjourn until 3:00 p.m. on Thursday. Those in favour of the amendment please say "aye," contrary "nay," in my opinion the motion is lost.

It is moved and seconded that the House at its rising do adjourn until tomorrow at 11:00 a.m. Those in favour "aye," contrary "nay," in my opinion the motion is carried.

On motion, the House at its rising do adjourn until tomorrow,
Thursday at 11:00 a.m.