



PROVINCE OF NEWFOUNDLAND

THIRTY-SIXTH GENERAL ASSEMBLY
OF
NEWFOUNDLAND

Volume 2

2nd Session

Number 30

VERBATIM REPORT

TUESDAY 20
Monday, March 19, 1973

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The House met at 3:00.

Mr. Speaker in the Chair.

MR. SPEAKER: I would like to welcome everybody to the galleries today and I would especially like to welcome thirty-six grade X and XI students from St. Michaels Central High School at Arnold's Cove, with their teachers Mr. Baxter Wareham and Mr. Fred Fran, and I would especially like to welcome forty grade IX, X, XI and XII students from St. Peter's High School in Nova Scotia and twenty students from Bishops here in the city, their teachers in charge, Mr. Keith Scurry and Mr. David Bartlett. On behalf of all members of the honourable House, I welcome you to the galleries and trust that your visit to our province and to the chamber is most interesting.

MR. J. ROUSSEAU (Minister of Rehabilitation and Recreation):

Mr. Speaker, I have the answer to Question No. 177 on today's Order Paper, from the honourable member for Bell Island.

ORDERS OF THE DAY:

MR. S. NEARY: Mr. Speaker, the honourable Premier is still foot-loose and fancy-free, taking the open road, we have a number of pressing questions to ask him.

Mr. Speaker, in the absence of the Premier perhaps the honourable Acting Premier, the Minister of Justice, would care to make a statement on the layoff at Come By Chance.

MR. A. HICKMAN (Minister of Justice): I would not care to make a statement on the layoff at Come By Chance.

MR. NEARY: Mr. Speaker, would the honourable Minister of Health inform the House what steps have been taken to provide emergency services to the hospital in Buchans in the event there is a complete withdrawal of services - heating facilities this week?

DR. A. ROWE (Minister of Health): Yes, Mr. Speaker, as I visited there last week, arrangements are being made and indeed a portable

boiler is on the way to Buchans from St. John's. In discussion this morning with Mr. Head of the union at Buchans, this will be installed by Thursday and if necessary the heat can be then kept on. The matter has been taken care of and information is that it will be in operation when they decide to withdraw their services.

MR. F. ROWE: Sir, on Friday I asked a question of the honourable Minister of Education concerning the possibility of staff reductions with certain school boards in St. John's, I was wondering if the minister would (he said he would take the question as notice) and whether he would be prepared to comment at the present time and whether or not this is widespread outside of the City of St. John's?

MR. G. OTTENHEIMER (Minister of Education): Mr. Speaker, I will certainly take it as notice of question and perhaps say, to clarify the situation, that the honourable gentleman referred, the last day we were sitting, rumours and obviously neither he nor I nor anybody can be responsible for rumours nor would anyone wish to be, I would think, too closely associated with rumours. But I have met with representatives of a couple of school boards on the question of allocation (teacher allocation) and certainly within the near future, I would think in the course of this week, if not, certainly early next week, government will be making a statement on this.

MR. F. ROWE: I can assure the honourable minister that my information was based on more than just plain rumours.

Sir, another question to the honourable Minister of Education, Since it has been announced that boards with a surplus of teachers will not replace any vacancies or resignations or retirements this year, does this mean that the pupil-teacher ratio will increase this coming year as compared with the situation this year?

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MR. OTTENHEIMER: Mr. Speaker, I do not feel it would be right for me to comment upon an announcement by somebody who is not within the jurisdiction of the department and I think, as the honourable gentleman knows, the whole area of pupil-teacher ratio is something which certainly, you know, in estimates or in some such substantive motion can be commented upon intelligently but I think it would be misleading to comment upon such a complex subject in a question and answer like this.

MR. F. ROWE: Well, Mr. Speaker, can I ask this question of the honourable minister, can we assume that the whole business of staffing regulations is now under review with these school boards and if these regulations are not changed, would this result in a layoff of teachers with the various school boards?

MR. OTTENHEIMER: The second question, Mr. Speaker, I think is probably hypothetical but I can certainly say that the Department of Education, in consultation with interested groups, is studying the whole area of teacher allocation.

MR. F. ROWE: So, Mr. Speaker, it is not just plain rumour in that case, is that correct?

MR. OTTENHEIMER: Mr. Speaker, the fact that the government and the Department of Education were studying the area of teacher allocation was never primarily a rumour. I think where the rumour was, the rumour stated by the honourable member last Friday, that fifty odd teachers were going to be let off, I think that was the area of rumour.

The department's whole study of teacher allocation is a question of fact.

MR. F. ROWE: Well, Mr. Speaker, just one last supplementary question, we can be assured then, Mr. Speaker, that no teachers will be laid off for the coming year, is that correct?

MR. OTTENHEIMER: Mr. Speaker, I could never give such assurance that no teacher would be laid off. Teachers are not hired nor indeed dismissed by the Department of Education but by school boards.

I could not make any such assurance. School boards have their legitimate area of decision and prerogative. It would be quite ultra vires for me to make such an assurance.

MR. NEARY: Mr. Speaker, could I ask my old buddy, the Minister of Industrial Development, how the fire sale is going down at the Octagon?

MR. W. DOODY (Minister of Industrial Development): I have been called a lot of things in my life, Mr. Speaker, I do not know if I can live that one down.

Things are progressing very well indeed. All the inquiries are still rolling, we are processing them and we are looking after them as best we can. As soon as we can get the information in simple enough language, we will present it to the honourable member for Bell Island.

MR. NEARY: What was the last count?

MR. DOODY: I do not know. I did not get a chance - it was forty-two that morning.

MR. SPEAKER: The honourable member for Labrador South.

MR. M. MARTIN: Sir, I have a question I would like to direct to the Minister of Recreation and Rehabilitation.

In view of the fact that the emergency supply situation which existed in certain communities on the Island of Newfoundland last month have been long since cleared up, and the fact that a request was made on behalf of the Community of Paradise River to have emergency supplies flown in there at least one month ago, I would like the honourable minister to inform the House what steps have been taken to rectify the situation?

MR. ROUSSEAU: I have directed officials of my department to look into that matter and if I could take the question as notice I could give you an answer later on today or tomorrow.

MR. SPEAKER: The honourable member for Fogo.

MR. WINSOR: May I direct a question to the honourable Minister of

Fisheries, Has he had any representation from the inshore fishermen to make representation to the honourable Jack Davis to have the seal fishery extended owing to the severe ice blockades especially along the Northeast Coast?

MR. R. CHESSEMAN (Minister of Fisheries): No, Mr. Speaker, there has been no direct representation.

MR. NEARY: Mr. Speaker, in the absence of the Minister of Transportation and Communications, I wonder if the Acting Premier, the Minister of Justice, could tell us whether there is going to be an extension of time in the Motor Registration Office this year beyond the end of March?

MR. HICKMAN: No I cannot, Mr. Speaker, but I will certainly take it up with my colleague, I would suspect this depends entirely on the volume of sales within the next ten days.

MR. NEARY: There is a possibility that it could be.

MR. HICKMAN: I do not know. I have no idea but I will find out from my colleague, the Minister of Transportation and Communications.

On motion of the honourable Minister of Municipal Affairs and Housing, A Bill, "An Act Further To Amend The City Of Corner Brook Act," read a first time, ordered read a second time on tomorrow.

On motion of the honourable Minister of Labrador Affairs, A Bill, "An Act Further To Amend The Social Assistance Act," read a first time, ordered read a second time on tomorrow.

Motion second reading of a Bill, "An Act To Amend The Stphenville Linerboard Mill (Agreement) Act, 1972."

MR. J.C. CROSBIE (Minister of Finance): Mr. Speaker, I would like to table a copy of the agreement, dated November 17, 1972, entered into between Her Majesty the Queen in right of the Province of Newfoundland and Labrador Linerboard Limited and Rand-Whitney Container Corporation and International Forest Products Sales Corporation which has to do with the marketing of production of

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Tape No. 683

NM - 6

Labrador Linerboard Limited.

There is one copy which I provided to the Leader of the Opposition, that is the only other copy. It is in on your desk.

Mr. Speaker, this is

an amendment to the legislation that was passed last year in connection with the Linerboard Mill project at Stephenville and Labrador. As the House will remember, in May of last year the House passed the Stephenville Linerboard Mill Agreement Act, 1972, which ratified and confirmed an agreement entered into between the Government, Canadian Javelin Limited and the other Javelin companies for the take over of the Linerboard Mill at Stephenville and Labrador. This action was necessary, of course, because of the desperate shape that the project was in, because of the fact that the Javelin Companies could not provide the financing that was needed to complete the project and for other reasons which I think everybody remembers very well. I do not want to go into it at any great length today.

My purpose in introducing this amendment, Mr. Speaker, will be to try to bring the House up to date on what has happened in connection with the project since May 1972 concerning what monies have been spent to date, to illustrate to the House what monies may have to be spent in the future on this project, if it is to be kept operating and operative, and to review generally all phases of the project. This might take some time and after I have heard what the opposition have to say or anybody else has to say or any questions that are asked I will try to answer them when I speak in closing the debate on second reading.

Now, Mr. Speaker, we have already tabled the marketing agreement and I might point out that there was no legislative requirement that this be tabled but I could see no reason why it should not be tabled and it has been tabled and I will deal with marketing a little later. The purpose of this bill, the amending bill now before the House, is to ask the House to authorize a further amount of \$40 million to be expended or loans to be guaranteed in connection with this project.

Why that is required I will come to, of course, in my remarks.

The House may remember that the agreement contained in the legislation sets out to take over the project from the Javelin Companies and I will also speak on what has happened in connection with any claims made by the Javelin Companies on the government in connection with that agreement to date. Under the previous legislation the section that has now been amended, the House approved spending up to \$50 million on this project to bring it along and hopefully complete it.

Just to start off with, Mr. Speaker, I can tell the House that to date there has been produced at Stephenville and there is in the warehouse 6,633.4 tons of rolled pulp. There will be a boat coming to Stephenville in the next week or two to take this rolled pulp, which has been sold, and deliver it to market. There has been linerboard produced at the mill. It is being produced from linerboard that was brought into the mill, when you start up this is how you do it, apparently. You first put through linerboard to see if linerboard will come out after it goes through the mill, and that test proved to be successful. In the meantime there was an order for 5,000 tons of rolled pulp which was to the company's advantage to produce and that has been produced. The chemical additives building has just been finished and that was necessary in order to produce linerboard. So upon completion of this order for rolled pulp, the mill will then start producing linerboard for several weeks. That linerboard will be sent to the United States for testing down there in the plants, the consumers down there, to make sure that it is of the right quality. While that is being tested down in the United States, they will go back to making rolled pulp again for a few weeks because the market for rolled pulp is very good and then, if the linerboard pass these tests, they will start into the full production of linerboard.

Now first, Mr. Speaker, I want to outline the financial

situation. On April 30, 1972 just before the province assumed control of the project, the actual cash expenditures on this project amounted to \$104 million of which the province had put in \$14.5 million and the province had guaranteed the remaining \$89.5 million. Now the \$89.5 million was the financing arranged by Canadian Javelin originally. With reference to this project it was all guaranteed by the Province of Newfoundland. That financing was arranged with Lazard Brothers in the United Kingdom \$40,600,000; through Hessische Landesbank, a German Bank, in the amount of \$50 million, and through Rauma-Repola of Finland who were manufacturing the wood room and the credit arranged, there was \$2,800,000. The province had guaranteed all of that. In addition the province had given Rauma-Repola a guarantee, in a letter dated November 21, 1969, signed by Premier Smallwood, that the entire mill would be completed. There were guarantees given to Rauma-Repola and to others. Javelin itself claimed that they had guarantees from the government, that the government guaranteed completion of the mill.

So up to the end of April, 1972, there was the government's guarantee, at that time an amount of \$9.5 million, and the province had put in \$14.5 million in cash, from January to April. That \$14.5 million represented \$9.7 million paid McAlpine Construction under guarantee. The payments to McAlpine were guaranteed by the government and the government had to advance them \$9.7 million during those months and \$4.8 million put in by the Newfoundland Industrial Development Corporation to meet pressing accounts during those same months. So the province had \$14.5 million in cash and had guaranteed \$89.5 million.

Now in addition to those guarantees and that financing there was another \$24 million committed to be spent then, which would have had to be paid in any event had the project to have been cancelled, and a number of other commitments, miscellaneous commitments. So

even if the project had been stopped in April, 1972, it would have cost the province somewhere between \$130 million and \$150 million in addition to the fact that we would have been open to suit by those people who had been given guarantees that the project would be completed.

Now since the end of April, 1972, at which time the province had put in \$14.5 million in cash and guaranteed \$89.5 million, that was the money advanced under these other arrangements by Javelin, since then the province has invested approximately \$58 million in the project. That breaks down into construction and preoperating costs \$33 million; woods operation in Labrador \$9 million; payments to the Javelin Companies pursuant to the agreement entered into in May \$6.5 million; in interest on the outstanding debt, that is the debt of Lazard Brothers and Hessische Landesbank, \$6.1 million; in debt repayment to Lazards, part of the original loan of Lazards already has to commence repayment of the principal on that loan and \$2.3 million has been repaid to Lazards.

MR. ROBERTS: Mr. Speaker, I do not want to interrupt the gentleman but unless there is something we do not know about, one is not allowed to take pictures in the House, is one, Sir? I mean it is an offence. Would Your Honour ask the gentleman please to remove the camera? He is quite welcome to stay himself. I do not mean to interrupt the minister.

MR. MARSHALL: I might say, Mr. Speaker, that this would not have occurred anyway without concurrence with the opposition and the whole House. Nobody has

has any permission whatsoever to my knowledge for the taking of pictures and it has not been sanctioned by the House.

MR. CHAIRMAN: The honourable gentleman will therefore remove his apparatus.

MR. CROSBIE: I did not know he was there, Mr. Speaker, or I would have tried to look more photogenic, if possible.

Debt repayment to the Lazard, \$2.3 million and we paid in payrolls at Stephenville and Montreal \$1.1 million that makes a total of \$58 million. So it is \$33 million construction and preoperating cost, \$9 million in the woods operation at Labrador, \$6.5 million for the Javelin Companies, \$6.1 million interest and outstanding debt, \$2.3 million principal repayment to Lazard's, payrolls at Stephenville and Montreal for Labrador Linerboard \$1.1 million that is \$58 million. That amount of \$58 million together with the \$14.5 million that was put into the project before the end of April 1972 brings our direct cash investment to \$72.5 million. The amount presently outstanding on the long term debt relating to the project is approximately \$89 million that is on the Lazard Brothers, Finnish Bank Ruma-Repola. The amount still outstanding there is \$89 million after deducting the \$2.3 million. Therefore, the overall provincial investment in the project is now \$161.5 million. In addition, there will be \$4.5 million more needed to be spent on construction. These figures are up to the end of February. It is estimated that there is \$4.5 million more required to complete construction at Stephenville. So when that construction is completed, the total amount will be \$166 million.

The breakdown of the expenditure in Labrador, the payroll was \$3.1 million; operating expenses fuel, power, office, wharfage was \$1.7 million; maintenance, that is repairs, parts, small equipment purchase, \$1.5 million; equipment purchased and payments on conditional sales contracts covering equipment was \$2.7 million, \$9 million. The equipment was really all bought before we took over the project and no tenders were called. What has happened since it was taken over, I do not know if there are tenders or not. I would doubt that there has been. It was left in the hands of the management of

Labrador Linerboard.

Now, Mr. Speaker, that is the position and it looks like it is \$166 million by the time construction is finished on the mill. Construction should be finished out there by the end of April. Well I will just go on with a few more figures. That is \$72.5 million and by the end of February cash investment of the province and the amount outstanding on the original Javelin debt is approximately \$89 million.

Now, Mr. Speaker, the House must remember when the project was taken over by the government there was not a single soul employed on the permanent payroll of Labrador Linerboard at the mill in Stephenville. There were people employed at Goose Bay. The situation was chaos. There had been no proper planning done in connection with the project. There was no preparation for the mill to go in operation at Stephenville. There were no arrangements entered into for shipping of wood between Labrador and Stephenville. There has been no thought at all given to purchasing wood in the island of Newfoundland. The construction contract had been given to McAlpine at cost plus, ten point four per cent. There is very little control over the construction. The costs were escalating there. There has been insufficient planning done with reference to the mill itself. certain things have been forgotten about, such as an office building, such as a chemical additives building and it was impossible to ascertain at that time just what the situation was with respect to any particular thing.

In order to attempt to overcome all of these problems consequent upon takeover by the government, the government appointed Donald D. Dicks, Consulting Engineering Limited, who had been retained as consultants to the government in November 1971, as a joint project manager together with the firm of Kates, Peat, Marwick and Company, Management Consultants of Toronto. They were given the task jointly to attempt to bring this project through to completion. It is a miracle that they have succeeded as well as they have, Mr. Speaker, make no mistake about that. It is a veritable miracle that there is anything turning over at Stephenville today in view of the

problems that were faced.

It is also no doubt true, Mr. Speaker, that mistakes have been made by these people and by others in connection with trying to bring this project on, in view of all the problems they faced. The job of doing this this, of starting from scratch to the end of April, taking over this situation, seeing that wood was obtained, making shipping arrangements and all the rest of it, trying to straighten out the construction was a task pecuniary in its dimensions and which is somehow being accomplished. The permanent management of the mill of course is now all appointed, ending with the President and General Manager, Mr. Howard Ingram. They have now taken control of the project.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Oh, the honourable gentleman will be dealt with in due course. No salary will be too high, but we will manage to bring it down to the stratosphere.

The two consulting firms are now - the firm of Kates, Peat, Marwick are now retired from the project, except where they may need to be called about some particular thing that they have done, and Donald D. Dick Consulting Engineering Limited are consultants to the management. They will be connected with it a while longer because of their involvement in the construction and the rest of it, but now they are acting as consultants to the management.

So the management of the project is now under the aegis of the permanent management of Labrador Linerboard Limited.

Now the situation with respect to the prospects of this mill is one that you must have a lot of courage to tackle. The latest budgetary forecast prepared for us by the consultants and the management of Linerboard Limited, in January 1973 and revised since then, and based (they are told to be pessimistic) hopefully on what the worst outlook could be for us, reveals that it is possible that there may be required to carry this project on for 1973, 1974, 1975, and 1976, some \$95 million.

Now that figure breaks down as follows; \$33 million of it is debt repayment. The House should note that, out of this \$95 million, \$33 million

is debt repayment, that is repayment of debt of Hessische Landesbank and Lazard Brothers and Rauma-Repola. In the year 1973 the estimate is that we will have to advance a further \$37 million, that amount comprises of \$15, 180,000 debt repayment. That is what has to be paid on principal repayments this year on the borrowing arranged by Javelin and the previous administration, through Lazard Brothers, Hessische Landesbank and Rauma-Repola. So \$15,180,000 is repayment of the debt, of principal on that debt. The cost to complete construction, I have here \$6 million. That is from the start of the year, \$4.5 million now, but \$6 million from the start of 1973, complete construction of the mill. Estimated additions to plant and equipment, they have \$7 million. There will have to be certain capital additions at Stephenville and Goose Bay. The budget estimates \$7 million for that. Interest on the debt \$6,796,000 and an amount for contingencies, in case it is required, \$2.5 million. That adds up to \$37, 476,000.

The interest on the debt, Mr. Speaker, is interest on the debt of \$89.5 million. The mill at Stephenville this year will certainly not generate sufficient income over operating expenses to meet that interest nor additions to plant and equipment. So the total amount that may be needed this year is in the

range of \$37,000,000.

In 1974 the estimate is: debt repayment, \$5,046,000. There is no additional construction completion. Possible additions to plant and equipment, \$5,750,000. One of the things for example that is recommended to be done at Steventville is to put in our own turbine generator which they estimate will repay itself in two or three years because of the cost of power. So, additions to plant and equipment in 1974 is estimated, \$5,750,000. Interest on debts, \$6,434,000. Contingency, \$2,500,000. That totals \$19,730,000.

In 1975 debt repayment was \$6,736,000. Additions to plant and equipment \$3,750,000. Interest on debts, \$6,157,000. Contingency, \$2,500,000. That is a total of \$19,143,000.

In 1976 -

MR. ROBERTS: I wonder if he could yield for a question? I wonder rather than writing these down, could he get a copy? He is reading obviously, and properly from statements.

MR. CROSBIE: This is only a cancelled thing, but I will get you a copy.

MR. ROBERTS: If copies could be received.

MR. CROSBIE: In 1976 - and just to complete it - debt repayment, \$6,736,000. Additions to plant and equipment, \$4,250,000. Interest on the debt, \$5,785,000. Contingency, \$2,500,000. That is a total of \$19,271,000.

Now the total of all those four years, if this projection were correct, would be \$95,620,000 of which \$33,698,000 would be repayment of debts leaving a balance of \$61,922,000. Now, if you add that to the \$161.5 million that has been spent to date you would get a total of \$223,422,000.

Now, we do not know whether all of this is going to be required or not, Mr. Speaker, we can only hope that it will not all be required but there is no question that a very substantial part of it will be required. There is no question therefore that this is a very heavy burden for this province to carry.

The real question is, will the mill, the operation of the mill, by 1975 or 1976 or 1974, be in a position to generate enough income to meet its

operating expenses? Forgetting these items which I have listed here, which likely they are going to have to meet, there is \$10,000,000 in this for contingencies. Perhaps we would not need that. The real issue is there is no way, Mr. Speaker, that this mill is going to generate sufficient income to repay the debt, not a chance. It will never generate sufficient income to repay this debt, the money that the people of Newfoundland put into this project. It is extremely unlikely that they will ever get any of it back. If we ended up having a mill there, if you forgot the debt and operated it and made money, then it might start to pay some small amount back or pay something towards interest. If it stood there then and operated and could meet all its expenses and provide for any further monies that need to be spent on it and so on, then there would be something salvaged.

Whether that is going to be the case or not we will not know for a year or two or three years yet. Permanent jobs are about 1,000 - I will come to that later. So, this is the picture, Mr. Speaker. We had to decide last year whether we would let that project go and with it anywhere from \$130 to \$150 million of the public money. The decision was that we could not let it go without making an effort to see some good could be gotten out of the project. The decision that has to be made now by the government as far as I know is that we should continue to try to get this operation so that at least for this expenditure of money we have this mill operating and meeting all of its expenses, even if we forget the debt within the next two to three years or four years.

One of the main factors as to whether this mill can ever operate viably, if you forget the debt for the moment, is its wood costs. Unless this mill can obtain wood at a reasonable cost, I think its long term life is very limited. The wood that is coming from Labrador, at least to date, has been extremely expensive, an excess of \$70 per cord. If that cost cannot be brought down within the next couple of years to something even remotely reasonable, then a very serious look will have to be taken at it. Wood cost is a tremendous proportion of the cost of the finished product.

Now, to explain for a few minutes how the project was organized, Mr. Speaker. In early April we discussed with Kates, Peat, Marwick and Donald Dick - they are being retained as joint project co-ordinators - April 12, 1972, we decided to use them, and Dick was familiar with the operation. Their responsibilities were divided so that Donald D. Dick had the responsibility for managing the Woodland's Operation and pulp wood purchasing, mill engineering and construction supervision, mill staff planning, technical and operating, transportation, manpower planning for the production and operating of functions, insurance coverage.

Kates, Peat, Marwick were to look after the organizations, structure planning, recruiting executive and management personnel (operating and administrative), to develop compensation and fringe benefit policies, to develop industrial relations and personnel policies, to look after marketing, setting up financial management and control, setting up systemed design and implementation, planning for management control, accounting and clerical activities, to develop an overall management information and support of systems and to advise with a reference to housing and related needs at Steventville and Goose Bay.

You see, Mr. Speaker, here was a project that had already had some hundred odd million dollars put into it without any of this work having been done, without one person being employed who was to be a permanent employee at the mill. So all of this had to start last April. The two firms co-operated together on various aspects of these things. On April 25, they reported to us and they started taking the necessary steps to interview candidates for positions. They advertised for candidates. We decided to put Forestal and Engineering of Vancouver in at Labrador to try and get control over the Woodland's Operations. We did not have time to get other people to do it.

They started to get control of construction programmes. They had to start then trying to arrange vessels to ship wood from Goose Bay to Steventville. Yet at the end of April that was not arranged.

They had to develop a draft of the proposed organization structure. They had to commence a crash recruitment programme. They had to prepare a fringe benefit package to attract employees. It was not easy, Mr. Speaker, to attract employees to Stevenville in the light of the state that this project was in. You were not going to get top management to come to Stevenville with the mess that the honourable gentleman opposite had left this in. They had to be persuaded to come, be convinced that it had a chance. They had to develop initial plans with respect to union organization for the mill and they had to take a look at the marketing situation. They had to get financial control of the project. They had to get administrative control of the various parts of the project at Montreal, Stevenville and Goose Bay.

An office had to be set up, for example, in Montreal to take over from Javelin. The work that was being done in

Montreal and then the same at Stephenville and Goose Bay. In six months there is a tremendous amount to be done by both these firms on a crash basis and as they say in their report to us, many of the steps then initiated in the crash basis should have been commenced at least two years previously.

Concern was also expressed over the nature of the prime construction agreement. It was found to be largely cost-plus with no up set price or fixed deadline for completion.

All of these things that I have mentioned that they were given responsibility for, Mr. Speaker, have been carried out. I will deal with them now as I go along starting first with the wood supply. The total area, Mr. Speaker, of the Goose Bay timber concessions taken over from Javelin Forest Products was 24,000 square miles of which forty-two percent is forested.

During 1972 an inventory study of the Labrador Woodlands was completed by the firm of Dorveau, Grenier, Lussier and Associates who are forestry engineers. They had been retained by Javelin to do this study and we continued with them. Their studies show that the quantity of wood within a twenty-five mile radius of Goose Bay is 40,700,000 cords. If you start at Goose Bay and go within a radius of twenty-five miles you have 40,700,000 cords. Unfortunately, about 27,700,000 cords of that total is uneconomical to harvest according to the present state that they are. That is, some of it is in stands of less than six cords to the acre, some stands are too widely dispersed to log and other are too small an area to log economically.

The estimate then by the experts is that the available wood supply in Labrador in this area is thirteen million cords. In both Lussier's opinion as well as that of Forestal Forestry and Engineering Limited, it was both their opinions that we should limit any woods operation in Goose Bay to an annual production of 250,000 cords per year. There is not sufficient wood in that area, economically available wood, if you can call it that, to supply more than 250,000 cords a year from the area. In addition, of course, the physical

problem of transporting any more than that from the area is another reason why that figure has been recommended.

The trees average from four inches to thirty inches in diameter at breast height. The average height of the timber is about thirty-five feet. It is estimated that on the average twenty-five trees are required to make a cord. From May 1972 up to the end of February 1973, the total quantity cut was 109,109 cords. The total delivered to roadside was 100,863 cords and the total hauled to the dock area was 149,677 cords. The total quantity of wood shipped from Goose Bay to Stephenville according to the bills of lading was 138,800 cords but this figure was not accurate, because, in order to estimate how much wood went down it was done on the basis of weight. The figures used to give the transference or transposal from weight to cords was incorrect, they used the one which applies to the Island of Newfoundland which apparently does not apply to this wood.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: It was scaled in the woods tree length and then slashed at the dockside. Apparently the factor of weight depends on dryness in the climate and these other things. Anyway, although there was 138,000 on the bills of lading our people believe that a figure of 120,000 cords is more correct.

I do not want to go into too much detail as to problems that were encountered there. The shipping season was late starting due to ice, there had to be a lot of experimentation in loading methods because there was eight-foot wood, four-foot wood and tree-length wood to be shipped. Ordinarily, you would have wood all one length but there was wood up there four foot. They experimented with tree-length wood to see how that would work and the rest was eight foot. We had unloading delays at Stephenville as harbour dredging was carried out. Honourable gentlemen will remember how the vessel had to wait off Stephenville while the harbour was dredged, you could only get into Stephenville Harbour in the best of weather.

AN HON. MEMBER: It does not mention weather...

MR. CROSBIE: Yes, well that was good planning on the part of Javelin, good planning on the part of the federal government and everyone else. If the honourable gentleman wants to get into political acrimony about planning and whose fault, we can do that. I am only interested at the moment in giving the details and figures, As to whose fault it is, that is another argument.

The point is that dredging had not been done at Stephenville Harbour, it was only to be started in June, the dredge that was sent there broke down, another dredge had to be gotten in and this resulted in difficulties in unloading at Stephenville. There was a shortage of manpower up at Goose and a high employment-turnover. There was a shortage of employee accommodation at Goose which was not alleviated until August, that was because of the housing shortage. In August we got more barracks to house single men.

Some of the equipment taken over from Javelin was unsuitable for the operation and that is putting it mildly. Much of the equipment was in a poor state of repair which caused an excessively high maintenance workload and mechanical tree harvesters were not able to attain the production target that was originally planned.

Some of the things that have been done; an operating plan was adopted to try to reduce the labour content to the available manpower and reduce the unit wood handling cost; to simplify the wood flowing in; to eliminate rehandling; to adopt mechanized logging machines that could protect the operators from the cold; the operation has been changed to handle a large volume of the production in tree-length form; mechanical shears were procured.

Mr. Speaker, all in all the operations at Goose Bay were not as successful as could be hoped. They are under continual review and a cost cutting programme is being pursued. It is quite obvious, Mr. Speaker, that unless this is continually reviewed and unless there is much better success there this year and next year and unless there is cost cutting, that a very serious look would have to be taken at the whole situation

as to whether wood could come from there or not.

As the House knows, the Labrador Linerboard Management has now taken over the forestry operation at Goose, the firm of Forestal Engineering has been terminated. The position is that the amount of wood received at Stephenville totalled 183,500 cords of which 23,000 cords were in the inventory taken from Javelin Paper, 120 were shipped from Labrador and 45,500 purchased from people on the island, from contractors on the island. This year we expect to receive about 162,000 from the island.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: Well, they are hoping to get it from St. Fintan's, Deer Lake, Badger, Lake Pond, Bishop Falls, Millertown Junction, Lewisporte, Notre Dame Junction, Gander, Benton, Charlottetown, Hawkes Bay, Hare Bay, Roddickton, Sop's Arm, Bay d' Espoir, Middle Arm, Burlington, Woodstock and Prince Edward Island, wherever that is?

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: I will have to check on that. It is also hoped to get some wood near Stephenville including, Port au Port, St. George's and Southwest Brook. Labrador Linerboard plans to start an operation itself at Southwest Brook. This would be the area where there would be the lowest wood costs for wood for the mill at Stephenville. The wood costs in Labrador based on this 120,000 cords last season were in excess of seventy dollars but not over eighty dollars which, of course, is far, far too high. They should be able to be brought down if you ship a couple of hundred thousand cords, better shipping arrangements, more efficiency, presumably these costs should certainly be reduced. How much is the important question.

The cost of the island wood to date has averaged forty-four dollars a cord.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: Yes. That is the position on wood supply. There is going to be sufficient wood supply for this year's production of linerboard which

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at the moment is estimated to be 171,000 tons of linerboard.

Shipping arrangements; for the 1972 season, last summer, time chartered

The charter was signed with Tenex Steamship Company Limited. They supplied three vessels, the "Vancouver Forest," the "Kioata Forest," and the "Brimnes." The first two were 26,600 tons dead weight. The third was 32,300 tons. They were about 600 feet in length and 88 feet in breadth. It was hoped last April that we would be able to move 200,000 cords of wood from Goose Bay to Stephenville. That is why three vessels were chartered. The "Vancouver Forest" made five voyages. The "Kioata Forest" made six voyages. The "Brimnes" made nine voyages. The "Vancouver Forest" was taken off hire September, 29, due to excessive loading time, slowing up the entire movement. We had to pay a penalty for her coming off early but it was better than keeping her on because they found other work for her.

The average time charter round trip was nineteen days, moving an average of 6,880 cords per trip, that is for 138,000 cords, which we think is more properly 120,000 because of the difference in the scale volume. The discrepancy in the order of 18,000 cords (another note here) was due to the varying ages of cut wood. Some of the wood was cut as long as three years ago. Other portions were just freshly cut. There were varying amounts of bark and some of the wood had been peeled for export. Series forms of pulp wood, tree length, eight foot, four foot had errors in scaling at Goose Bay. So the wood shipped included tree length, four foot wood, one metre peeled wood, eight foot loose wood and eight foot bundled wood. The movement of tree length wood was done as an experiment to see if it would result in cost savings.

There was insufficient time, Mr. Speaker, to adequately plan the shipping of wood for last season since we took over in April or the beginning of May. The season began in June. We were lucky that we were able to get these vessels. These were the vessels that Javelin

were planning to use. These people did have a contract with Canadian Javelin or the Javelin Companies. We took them on for the year.

Now there were also problems in the dredging. I mentioned the dredging of Stephenville. That was a very costly delay to get a substitute dredge. There were other problems. The cranes on the two Scan-Scot ships that is the "Kioata Forest" and the "Vancouver Forest" had electro hydraulic gear. In order for the crane drivers to operate mechanical grabs in handling the wood, we had to get a crane manufacturing company to supply winches to fit on the end of the crane as an adapter. That equipment turned out to be unsuitable. We could not use mechanical grabs for the Scan-Scot vessels and all their cargo had to be bundled with wire ropes. That, of course, prolonged loading and unloading operations. It increased the shipping costs.

The "Brimnes" although mechanical grabs could be used, they had a designed default which resulted in some delays. Additional men had to be required to direct crane operators.

Another serious problem was the insufficient amount of berthing space. You would have to wait at Goose Bay or you would have to wait at Harnum for berthing. There was only 900 feet of docking space available at Stephenville. They often had to wait there. There is the same problem at Goose Bay and in some respects it is more serious. The dock at Terrington Basin has insufficient space adjacent to it to accumulate adequate stock piles of pulp wood, the head of the schedule for the incoming ships. In other words there was not enough room to pile the wood down by the dock so it would all be there when the ships came in, which meant that often times you had to bring the wood right out from the wood's road to the ship to be loaded. The stockpile often ran out during the loading operations and you then had to haul pulp wood directly from the woods. That resulted in costly waiting time.

Now for the 1973 season, there is going to be one bulk carrier, the "Brimnes" chartered from Tenex Steamship Company for five months, and

two tugs and three barges from Federal Commerce and Navigation Company in Montreal. We are going to see how barges do this year. The rates being paid for these vessels are unfortunately high because rates for shipping are very high at this time.

The bulk carrier is going to operate from Terrington Basin. We will only have the one bulk carrier going to Terrington Basin, because of the limit of stockpiling facilities. It is expected and hoped that she will take 8,850 cords in a ten-day cycle. The barges are going to operate from outside of Terrington Basin in a bay adjacent to the mouth of the Goose River. The logs are going to be loaded from the water by means of cranes. The area apparently is sheltered and there is a large area there where you can accumulate a large stockpile of wood. That is being done now, I believe.

Barges have been chosen because they do not require permanent docking arrangements and it is expected that their use will eventually bring shipping costs from Labrador down to acceptable limits. The price being paid for them is too high this year. If they prove successful -

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: I do not think I have the right - I will see if I can get it.

It is planned this year to try and ship 200,000 cords of wood from Labrador, using these three barges and a bulk carrier. It is also planned to use the barges for transporting to Stephenville some of the wood purchased around the island because, of course, Mr. Speaker, some of the areas that we purchase wood from, there is just as long a haul as there is from Labrador by ship. It is planned to use the barges for some parts of the island.

Now the shipping arrangements made this year are based on lessons learned last year but it is not thought that they represent in

any way the most efficient way of moving this wood. In other words there is still a lot of development work required on this. There are other measures that have to be taken to improve wood transport from Goose Bay to Stephenville. There have to be improvements, Mr. Speaker, to the channel in Stephenville Harbour. In that respect and at our request the Government of Canada awarded a one million dollar dredging contract last year to widen the channel. The existing channel is 200 feet and it has to be widened to 300 feet. Unfortunately ice conditions this year have caused the delay. There has been a lot of ice on the West Coast. They are hoping to complete this dredging before the shipping season begins. If that is completed, it is going to be of considerable assistance. The channel will be a 300 foot channel into Stephenville. If that is done, we expect that lost time due to ships waiting for weather improvements will be eliminated. The way it is now, Mr. Speaker, you can only get a ship of that size into Stephenville if you have just about perfect weather. Any kind of wind, it has to wait. With the channel widened to 300 feet, that should be over.

In addition wharf facilities at Stephenville have to be increased. Even during the 1972 season we lost much time due to ships having to wait to use the existing wharf. In 1973 that congestion is going to be a lot greater because there is going to be an outward movement of linerboard and in addition to an on-coming movement of wood. The existing wharf is going to be occupied all of the time. It is very, very essential that the wharf at Stephenville be extended, the wharf facilities. We have been meeting with the Government of Canada on this and the Department of Transport for some months now. There was a meeting last week and they are well aware of this. They are working on the plans as to what exactly should be done in connection with the wharf there.

The present dock at Stephenville has only a space of 900 feet in length. We calculate that because of the linerboard mill alone, there will be over one hundred ship movements into the port of Stephenville this year, taking wood in and carrying it out. The incoming shipping will include fuel oil for the mill, salt cake and other chemicals, consumable supplies and pulp wood and, of course, linerboard on the way out.

Discussions have been held with the Department of Transport, as I have said. They visited the sight. We are asking them to appropriate money to construct these new facilities. We have written them and outlined that we believe that they will attain a revenue of about \$223,000

MR. CROSBIE: a year from the Port of Stephenville, just on the Labrador Linerboard operations alone, forgetting harbour dues. We sent them a letter on January 17 that outlined all this and all that is required.

Bunker "C" oil, we are going to use 725,000 barrels of oil per year. We can only store 220,000 barrels at Stephenville. The yearly consumption of salt cake is 26,000 tons. They can only store 5,000. Then there are all kinds of consumable supplies, alum., sulfuric acid, starch, gum size, felts, wires cords and many maintenance supplies. Some can come by rail but most of it will come by ship. Then of course there are other people using the port, ALACAN, Golden Eagle, and people like that.

In connection with the system of receiving logs there, Mr. Speaker, the present system is that the logs are deposited in the water. This was the plan that Javelin had. All the logs delivered would be kept in the water, If that were allowed to continue, Mr. Speaker, there would be a very serious pollution problem.

It is estimated that those logs would deposit about 50,000 tons of bark annually in the Stephenville Harbour. I do not know if that figure is right. It sounds awfully high. In any event it would be a considerable quantity of bark and that would render the water toxic and threaten the marine environment. The government cannot allow that method to continue.

We are planning to provide for storage of the logs on dry land rather than the water. This is going to take a year or two to come about. You already know all about it.

In any event that is why, Mr. Speaker, there has to be money spent on capital improvements in connection with the log storage system at Stephenville. Those logs will have to be stored on dry land and work is being done on that - devising a

system for receiving the logs, storing them on dry land and having them entered into the wood room where they are converted to chips.

The whole system there now is very costly. Logs are discharged from the boats into the water, towed across the harbour to a large log pond, stored behind floating booms, then when you want them at the mill they are towed from the log pond by a tug boat, across the shipping channel, into the inner pond where they become accessible to the jack ladder which brings them to the wood room where they are barked and chipped. The whole system is costly. It interrupts the shipping traffic. We have ice problems in the winter and the whole thing has got to be changed.

So the Department of Transport has been asked to extend the present wharf 500 feet in the southerly direction and dredge it to a thirty foot depth and to construct a further 400 foot wharf located along the neck of land that separates the inner pond from Stephenville Pond, at about right angles. I believe that they have not given any final decision on this but I have no doubt that when they in the mill have completed studying the whole system that they will agree to do it.

However, it will not be done this year. There is no chance to have all these additional wharf facilities this year and therefore there is going to be a bit of a log jam in Stephenville Harbour this year with ships discharging and coming and going.

Mr. Speaker, just a bit on the construction of the mill: At the time of the takeover, McAlpine and their subcontractors had spent about 3 million man hours on the mill. At the end of December 1972, the total man hours were 5,270,000. McAlpine's contract up to June of 1972 was based on cost plus 10.4 per cent of the cost of the mill which was a very, very expensive construction

contract but there is no onus on the contractor to try and keep the cost down.

We renegotiated the contract with McAlpine, retroactive July 1, 1972. We got them to drop the 10.4 per cent for the last year. We believe we saved about \$ 2 million. There would have been \$2 million additional spent if we had not renegotiated this change with McAlpine.

Now we have no reason to quarrel with McAlpine. They got themselves in the position where they got a very good contract and I think it was because they helped arrange the financing for it with Lazard's and if you are going to give a contract and they arrange any part of the financing for it, then you are going to take a real beating on the construction contract. That just stands to reason and of course (as the honourable gentlemen might ask, were tenders called?) there were no tenders called. Javelin gave the contract to McAlpine. There were no tenders. Anyway, they did agree to change the basis of the contract for the last part of the contract and we believe we saved \$2 million.

At the time of the takeover, the number of construction personnel was 1,009. The peak number engaged in the project during the year was 1,500. At the present time (this is at the end of February) construction is completed on all sections of the mill except the office building. That should be completed and ready to be occupied by mid-April.

I mentioned before that the chemical additive facilities had not been provided for by Javelin Paper in the plans, so that when this was discovered we had to get people to do the design work on the chemical additive building and call tenders for it and have it constructed and that is one of the reason why the start up has been later than anticipated. I think I have outlined what the firm of P.D. Dicks' responsibilities were on

this project.

Most of the equipment and machinery in the linerboard mill is either supplied by or through Walmsleys in the United Kingdom. There are still holdbacks on those contracts and we will be holding them back until all the start up is completed and everything is satisfactory.

The estimate of the construction cost of the mill itself is going to be, is now \$111 million to \$112 million, that is for the mill itself and the additions at Stephenville. I think last year the estimate was \$100 million, so that is going to be about \$ 12 million.

I should mention - just to go back to the woods operation for a minute, what Forestal did up there - Forestal Forestry and Engineering Limited were requested by the government, in February of last year, to examine the woods situation up at Goose, to assess what is happening there and advise us what should be done, this was in February.

They made an initial assessment and they recommended that work be done to prepare a detailed and workable wood production and development plan. This was required, if you are going to have any proper operation there at all and this had not been done. So that in April we asked them if they would accept management of this operation until we had the time to take it over ourselves. They went in as managers in April.

They found, in April, the general mechanical condition of the equipment was very poor. In fact between April 1 and November 1, we had to spend over \$1 million on maintenance and equipment. In some cases the maintenance cost exceeded the equipment market value. Although at times it might have been better to buy new equipment rather than to repair it, you have got the problem up in the Goose of delivery. You cannot bring equipment in until the end of June.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Yes, the company has their own maintenance operation. They may use other people to assist them too, I do not know.

What they found at Goose Bay at the time, was equipment had been misused or abused including the machinery burned, cannibalized, frozen, overturned and in some cases, run over. That engines had been allowed to idle for long periods and seized up without attention. Improper oil and lubricantes were used in some engines and hydraulic systems. A lack of departmental organization and trained personnel who were allowed to operate complex equipment. Maintenance service was often not requested or provided if replacement equipment was available. Lack of spare parts, which encouraged cannibalization, done without any control. Many machines in fact were reduced to hulks with parts removed or lost.

There was a shortage of trained, skilled mechanics, only one employee held a provincial tradesman's certification.

But knowledge of a function of the equipment was often rudimentary, basic maintenance procedures ignored. The garage facilities were in a deplorable state, poor internal and external ventilation and in poor repair. This is what they found when they went there. I think the honourable gentleman will probably confirm that. Now I have not been up there since they left, I hope there has been some improvement.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Well I am informed that the equipment and maintenance have been improved and that an experience mechanically staff is now at Goose Bay. I hope that is the case. The total amount of machinery taken over from Javelin; Javelin had on the site when we took over \$6 million in machinery. Of this amount there was about \$300,000 of which is surplus because of the mechanical condition and about \$1 million surplus because it is unsuitable. The \$6 million worth of equipment and over 600,000 of it was of no use to the operation, it was not suitable for it and \$300,000 was surplus because of the mechanical condition.

There was additional equipment purchased during 1972 consisting primarily of mechanical shearing equipment, additional forwarders and overhead loaders. During last year there were about sixty-miles of road constructed, in the coming year there will be eighty miles of road required. In addition, log dumping facilities are being constructed at the mouth of the Goose River and Lake Melville and planning is being done to exploit the woods on the southside of the Hamilton River. So that is the work they have done, or they did while they were up there. I would not like to make any assessment of how well they have done there, I suppose it would not be fair, except I think it is fair to say it is disappointing.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Well there fee is so much an hour, or so much a day for the personnel up there. The amount paid them in fees and disbursements is \$179,000.

AN HON. MEMBER: And they did sloppy work.

MR. CROSBIE: I am not saying they did sloppy work. I am saying if we had withheld from Javelin what they had done as sloppy work up there, it would be \$4 million or \$5 million.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Forestal I have not said did sloppy work.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: I am saying that overall I am disappointed with it, that is not to say that it is sloppy work. I thought they would have gotten a better grip on the operation and a better job with it.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Because it is not in the shape that I think, after ten or twelve months, that it should have been in.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: I do not know, the honourable gentleman should tell me.

AN HON. MEMBER: The honourable minister should know then.

MR. CROSBIE: Why should the honourable minister know? Perhaps the honourable gentleman should enlighten the House.

MR. NEARY: Did DOMAC provide most of the equipment down there?

MR. CROSBIE: I do not know, you will have to ask them.

MR. NEARY: The honourable minister should know,

MR. CROSBIE: Or ask Javelin.

MR. NEARY: He used to be secretary of the company.

MR. CROSBIE: There is no crime in that, is there?

MR. NEARY: No, no crime in it. No conflict of interest.

MR. CROSBIE: The conflict of interest would be if I were secretary of the company now.

MR. NEARY: That is right. Well how do we know if the honourable minister is not?

MR. CROSBIE: Because you can take my word for it that I am not.

MR. NEARY: Well who is holding the shares?

MR. CROSBIE: No one is holding the shares. The honourable minister -

MR. NEARY: They are in trust.

MR. CROSBIE: Mr. Speaker, let me just revert for a moment. The honourable gentleman -

MR. NEARY: Take another drink of water.

MR. CROSBIE: I am going to remain very calm and dispassionate about him, as calm and dispassionate as you can be about somebody like him. He is not going to catch me in any conflict of interest because I have never been in one. I do not own a share in DOMAC or Dominion Machinery. I have never owned a share in Dominion Machinery, I doubt that I will ever own a share in Dominion Machinery and have not any association with Dominion Machinery since, I do not know, it must be 1966, certainly not since 1971. So I have no connection at all with DOMAC. DOMAC is owned or controlled by another member of the family of a political persuasion that came to the honourable gentleman. It has nothing to do with me. It has no influence or sway over me at all nor has there been any equipment that I know about bought from DOMAC or Dominion Machinery since the government took over the project. But Javelin bought several million dollars worth of equipment from them in 1971.

MR. NEARY: There has been no money paid out to DOMAC since the government took over?

MR. CROSBIE: I have not said there was no money paid out to, the government have taken over all the conditional sales agreements (it is right here in the bill) that were entered into by Javelin up in Labrador. Certainly they have been paid money, everyone who sold equipment to Javelin has been paid.

MR. NEARY: I have been just curious that is all.

MR. CROSBIE: Well I am always willing to relieve the honourable gentleman's curiosity.

MR. NEARY: No, a few questions for the Order Paper, I think.

MR. CROSBIE: He can put them on the Order Paper or off the Order Paper.

Now, Mr. Speaker, I do not want to delay the House too long but since we are involved in a few million dollars here, I suppose I can keep going a bit longer. I have my German loan pants on. I am all heart, my heart has

gone and stops them.

AN HON. MEMBER: He is losing weight.

MR. CROSBIE: Now to move onto another point, Mr. Speaker, we have had some problems with the mill in Stephenville with the affluent treatment facilities. The mill at Stephenville has a very elaborate and costly affluent treatment facility that was not contemplated when the project first began in 1968 or 1969, it was the Clean, Air, Water and Soil Authority, and the federal government have raised their standards since then and this system had to be put in. It involves the affluent being discharged into a lagoon and from one lagoon into another lagoon, there are tremendous lagoons out in Stephenville, and then from the lagoons they eventually get discharged through a 2500 foot outfall pipe which goes out into St. George's Bay, 2500 feet from the shore.

Now this sewerage outfall pipe was laid last summer but I think it was in January we were disconcerted to discover that the pipe had come up to the surface, 1100 feet of that pipe had failed, it was laid in a bed underneath the sea bottom to go out 2500 feet into St. George's Bay to discharge affluent. A second attempt was made to set this down again but failure occurred in some of the pipeline joints, Now there is a claim, one against the contractor who we say did not lay the pipe properly and there is another claim against the manufacturer of the pipeline because of a failure in pipeline joints.

Now as a result of this we had to get permission to install as a temporary measure a diffuser on the broken end of the pipe that was still intact. We got that permission and we now have this diffuser, the pipe goes out 1100 feet instead of the 2500 feet. As soon as weather conditions permit, that work has to be redone again and the 2500 feet of pipe replaced out there. Negotiations are presently taking place with both the contractor and the pipe supplier to resolve the matter of the further expenditure and to get the pipeline completed.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: We are discussing these matters with the manufacturer and the contractor, and we have told them, naturally, that we hold them responsible for the

cost of doing this again, The contractor, I believe, is Grant Mills. Then they subcontracted some of it to J.P. Porter. Then the pipe itself was supplied by Dupont. So that has been one problem For awhile there it looked like we could not even get the 1100 feet of pipe out to work properly, the ice came in, lucky the ice went out again and they were able to do that work. If that had not been possible to do that, the mill would not be allowed to operate now. So as soon as the weather clears, the 2500 feet pipe has to be placed out again, out into the bay.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: It is going out 1100 feet instead of going out 2500 feet.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: No, this is being tested every day, not every day, they take samples every two or three days, and these samples are taken to Halifax and then they put the fish in -

MR. NEARY: Who is doing it? Is Ottawa doing the samples?

MR. CROSBIE: Oh, Ottawa does this, yes. The federal government is responsible.

Now I should speak for a few minutes on what has happened with Canadian Javelin Limited, Mr. Speaker, on the agreement as it relates to them. Now under this agreement that was passed here last year, the government agreed to pay the Javelin Companies \$5 million, for the assets transferred, to assume certain liabilities, to transfer to them the funds that were in the Wabush assignment account and to repay the many loans or advances that they showed were properly made to the project, properly made by Canadian Javelin Limited. That is all set out in this agreement.

AN HON. MEMBER: Over \$6 million.

MR. CROSBIE: But in each case we did not enter into this very delightfully, we entered into it because there was no alternative at the time or the whole thing would have collapsed.

MR. NEARY: The biggest mistake the honourable minister made yet.

MR. CROSBIE: It would have been a much greater mistake if that whole thing had been allowed to collapse last year.

MR. NEARY: No, it would not have collapsed.

MR. CROSBIE: What would have happened to it? Where would Javelin have gotten the necessary money?

MR. NEARY: Keep them on the hook and let them carry on.

MR. CROSBIE: Do not be so silly. They could not carry on a bean bag store. They proved themselves incompetent to manage

a bull's-eye shop.

MR. NEARY: Restrain yourself.

MR. CROSBIE: I know the honourable gentleman is only kidding me.

MR. NEARY: No, I am not kidding.

MR. CROSBIE: He is only trying to provoke me, upset me. I am upset enough.

MR. NEARY: Crocodile tears.

MR. CROSBIE: Now, to get back to the agreement that was approved here last year. The honourable gentleman voted for it. Do not be ashamed of it now.

MR. NEARY: I did not vote for it.

MR. CROSBIE: Yes you did. You did not vote against it.

MR. NEARY: I never agreed to it. I think it was stupid.

MR. CROSBIE: Anyway we come back to this. There are various places throughout the agreement where it states that any liability or any alleged loan or advance or whatever purpose that the government asks us to assume, they have to persuade us that the liability so incurred or the payment so made was reasonably necessary for the establishment of the project. If we say, "such and such a payment in our view was not reasonably necessary to establish this project" and if we do not pay them the money involved and if they dispute that, we can go to arbitration.

Now, that test applies to whether it is an obligation or a liability we are supposed to assume or whether it is a loan or advance we are supposed to repay them. We have the right to deduct from it any payment to be made to them under the agreement.

Now, the government had Peat, Marwick, Mitchell and Company audit all the records that could be found of the project companies, from May of 1972 onward. In October and November we had quite a few meetings with Canadian Javelin or the representatives of the Javelin companies, Mr. Colomd, principally, and other representatives, to go over their claims and to go over the items which we said they were asking us to pay or be responsible for, which were not reasonably necessary for the completion

of the project.

The position is that last May they were paid \$100,000 for the two buildings at Harmon. This really has nothing to do with the rest of this but just to get the whole picture. Canadian Javelin was paid \$100,000. We got the two buildings back from Harnom that were worth seven or eight million dollars that had been given away for \$100,000. We got them back for the \$100,000. We paid them two and a half million dollars which is one half of the purchase price of \$5,000,000. So, they were paid - this would be at the end of May or early in June - \$2,600,000.

At the end of our six month period the position was that the Javelin Companies claimed first the two and a half million dollars which is the balance of the purchase price and secondly, \$5,920,000 which they said were due from inter-company loans and advances made by Canadian Javelin Limited to the project from the project beginning in 1969 to the end of June, 1972. Now, the total amount that they were then claiming is \$8,420,000. That is the \$2,500,000 plus the \$5,920,000. Now we had the right to deduct from that for any items that we disagreed with, that we said - we have the details of them all - that this money was not reasonably necessary to establish this project and so on. We had the right to deduct all of those amounts.

Of the amount they claimed is due, we are satisfied with respect to \$4,152,000 which we say should be deducted from the amount due, as disbursements which were not reasonably necessary for the establishment of the project or they were disbursements for which they have not provided us with sufficient documentation or they have not provided us with adequate evidence.

So, of the total amount they claimed under the agreement, of \$8,420,000; \$4,152,000 they have not satisfied us about.

Now, on December 18, 1972 we paid Javelin - their total remaining claim was \$8,420,000 - we paid them \$4,000,000 and that left a balance that they are still claiming of \$4,420,000. So, of their claim we still have, you might say, \$4,420,000 back. We are not satisfied with respect

to \$4,152,000. We are holding back the other \$260,000 until they supply us with proof that certain liabilities that the government has not accepted are being paid by them. In other words, they have said to us that there are accounts payable or liabilities that they did not list as at the end of December, 1971 or they have incurred since the end of December and up to the end of June and we have said that these are liabilities that we do not accept for they are liabilities that Javelin owes certain suppliers and people. So, we are holding back \$260,000 until Javelin shows us that they have paid these people those accounts payable that we did not accept as any liability of ours under the agreement.

So, the position is we have \$4,152,000 they have not satisfied us about and \$286,000 we are holding back until they show they have paid off the other liabilities. Now, that was the position last November.

So, to date we have paid them altogether \$6.5 million. That is the two and a half million dollars at the end of last May plus the \$4,000,000 December 18 and the \$100,000 for the Harnom buildings. They have received the monies that were in the Wabush assignment fund under the original trustee. That has nothing to do with the purchase price but they have received those funds of \$1,500,000.

I just had a piece of correspondence recently about - this was in November. In December they were paid. In November we were negotiating on this and I have not heard anything else on this until just recently when I had a letter. They have not since November produces any other evidence argument to persuade us that any further amount of this money should be paid over. However, they might do it in so far as some of it is concerned with in future. although I doubt it.

So, that is the position on the authenticity of the Javelin Companies. That is all in accordance with the agreement that was entered into. We have listed liabilities that they asked us to list at December 31, 1971, which we have challenged since that date last year, which we do not accept as being reasonably necessary. We have

refused to pay various items that are set out in this agreement. For example; section (4) sets out that we are not to pay any consulting fees, commissions, expenses or other charges, Mr. John C. Doyle - we rejected quite a host of those - or for any rental of apartments or housing accommodations for him or other officers of the company except Mr. Charbonneau and so on and so forth. So, there is a big, long detailed list after our audit of the things that we have said were not reasonably necessary to carry on this project and the House remembers what some of them are, the more well known ones, cost of jet travel from here to Florida, bringing Mr. Burgess from Labrador City to St. John's and all this kind of thing.

AN HONOURABLE MEMBER: Fresh salmon.

MR. CROSBIE: Smoked salmon, I think it was. The cost of cheeses. It was a good cheese, I did not get any this year.

So, anyway that is the position on the financial situation with respect to Javelin.

Now, we have no intention, Mr. Speaker, of paying another cent unless they can show us those expenditures were justified and their recourse, if they do not accept our position, is to proceed to arbitration in accordance with the act. We have no hesitation at proceeding to arbitration, at which time they will be subject to cross-examination and the rest of it. So, that is the present position with reference to that.

The honourable gentleman asks about raids. Well, I will tell the honourable gentleman all about raids. Now, there is very little we can say in decency, Mr. Speaker, about these raids.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: None whatsoever.

MR. NEARY: Why were they -

MR. CROSBIE: I will tell the honourable gentleman what the so-called raids - they are not raids anyway.

MR. NEARY: They were raids.

MR. CROSBIE: The Investigatory expeditions.

The RCMP searches of whenever it was, December, had nothing to do with these negotiations. As members of the House know, because I told members of the House last winter, in the course of ascertaining some of the facts surrounding this project we came across information that indicated the possibility that criminal offences had occurred with respect to fraud and other matters, Societe Transshipping and this kind of thing and several areas.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: That is another area.

AN HON. MEMBER: Did you get Mr. Robinette to look at this?

MR. CROSBIE: No, we did not have Mr. Robinette look at it as there was no need for Mr. Robinette. The RCMP were asked to conduct an enquiry into these matters as any responsible minister would ask when he came across any evidence of criminal offences possibly being committed.

MR. NEARY: The Minister of Justice and the Minister of Finance asked the RCMP.

MR. CROSBIE: The Minister of Justice does it up on the request of -

MR. NEARY: He said he did not know anything about it, Christmas.

MR. CROSBIE: The Minister of Justice handled the matter very, very well. There was evidence of hanky-panky and this kind of thing so the RCMP were asked to investigate. The RCMP have investigated. After investigating for some months they then needed permission to get search warrants and further investigate the matter which they did last December. The search warrants were approved by a magistrate and the searches were carried out. That is all that any minister of this House can say about it. It would be entirely improper to say what the nature of the offences might be or who might be involved in it. If the RCMP think that any further action is needed on the matter, they will report to the authorities, in this case the Minister of Justice, and the matter will go on from there. If there is evidence

that there were criminal offences and there were committed and there is evidence of that, then there would be prosecutions. That is all that anybody can say. But these investigations have nothing to do with the negotiations between Javelin and ourselves.

MR. NEARY: I wish the hon. minister would get a belt to keep his pants up. Mr. Chairman, I wonder if the hon. minister could tell us, there is a rumour around that the minister himself has been in Liechtenstein in connection with this matter, is this a fact?

MR. CROSBIE: Well, I do not know how these things get out, Mr. Speaker. I thought I had gotten to Liechtenstein quietly but apparently not.

MR. NEARY: But it is true, is it?

MR. CROSBIE: I can quite honestly say that I have not been in Liechtenstein this year.

MR. NEARY: But the hon. minister has been there?

MR. CROSBIE: I was not there last year.

MR. NEARY: Within the last year then?

MR. CROSBIE: About five years ago I do believe I was in Vaduz. I was on a holiday. No, it was eight years ago. I was in Liechtenstein. I must have had a premonition, Mr. Speaker, that Liechtenstein had some connection with Newfoundland and I did drive through Liechtenstein one day and it took me a half hour, I think it was, to go right through but I have not been in Liechtenstein since. So that is all that we can say about the other matter. If there is anything further comes out of it, it will all go through the usual course and justice will take its course.

Now just to come on, I do not want to wear out hon. gentlemen as I know they are getting tired.

MR. NEARY: No, this is interesting, carry on. Take all the time the hon. minister wants.

MR. CROSBIE: Good. I just want to come on to the mill management then, Mr. Speaker.

MR. NEARY: Now we are coming to it.

MR. CROSBIE: Now we are coming to it.

MR. NEARY: Salary.

MR. CROSBIE: Oh, the hon. gentleman wants to know about salaries.

Mr. Speaker, -

MR. NEARY: A note from Liechtenstein. McLean wires it back to Liechtenstein.

MR. CROSBIE: Now, Mr. Speaker, one of the great problems that we had during this past year was the fact that there was no management for the company at Stephenville. There was no manager, there was no one there last May when we took over, not a soul, not a jot or a tittle of a soul in management, to carry on that operation and representing the owner. The task of finding the president and chief executive officer was not easy. We had to search the length and breath of the universe to try to find someone. Now ideally, Mr. Speaker, if we could have done it we would have liked to have gotten the chief executive officer first, if we could have gotten somebody quickly last May and then he would have had, of course, quite a say in who was being appointed under him, as you would expect. That is certainly the best way to do it. Unfortunately we were unable to finally get a chief executive officer and president until February and we had to go ahead because there has to be organization there and we had to go ahead and hire the other management personnel first. We were very lucky that Kates, Peat, Marwick and Dick were able to get the people they did get.

Now the top management of the mill is headed by the president and general manager who is Mr. Howard Ingram. His salary is \$75,000 a year.

AN HON. MEMBER: What?

MR. CROSBIE: Yes, \$75,000. What do you mean, what?

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: What, this is a huge enterprise, Mr. Speaker, and a salary

of \$75,000 a year is little enough to run an operation this large, with its problems and complications. Do not think, Mr. Speaker, for one minute that you are going to attract a top man from one of the established, settled pulp and paper or linerboard mill companies to go to Stephenville to wrestle with the problems that this project has and not pay him well. I think we are extremely lucky to get him for \$75,000.

AN HON. MEMBER: Fringe benefits.

MR. CROSBIE: Fringe benefits, yes.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: I am going to be good enough to give you a little information on that now.

MR. SPEAKER: The hon. minister may speak for longer by leave, but he does have about five minutes left.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Yes, as the minister introducing the bill I do have a longer time but I will try not to take longer than another hour and a half, Mr. Speaker.

Now Mr. Ingram is an American citizen, forty years of age. You have to be young and vigorous for this job and you have to be right on your toes for this, tough, vigorous, unafraid, do not care whose toes you tread on, fire this one, slash that one. That is what we want there, audacious, tenacious. He has his BBA from Memphis State University, in 1958, majoring in accounting.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: No, no politics. He has taken the Meade Professional Seminar in 1968 and the PMD programme from Harvard in 1970. Before he came to Labrador Linerboard, in 1958 to 1960, he was the assistant controller at Meade Containers, Memphis, Tennessee. Meade by the way, Mr. Speaker, is one of the largest American Companies with sales

in excess of \$1 billion a year, the pulp and paper are related fields. In 1960-1961 he was controller at Meade Containers, 1961-1963 regional staff controller at Meade Container Division, 1963-1965 assistant manager of mill scheduling at Meade Corporation, 1965-1969 manager of the trade and mill scheduling at Meade Corporation, 1969-1971 he was vice-president of marketing in the Board Supply Division of Meade Corporation and then he was president of Meade Pulp Sales Incorporated and director of resource development for Meade.

MR. NEARY: (Inaudible).

MR. CROSBIE: He was president of Meade Pulp Sales Incorporated and director of resource development in charge of all the sales, pulp sales and paper sales for Meade. Now we interviewed a number of people in addition to Mr. Ingram. He has experience in the industry and he seems to have the capabilities and qualities that we need to take over control there in Stephenville. I could go on and describe the details of the various things he did with Meade but he appears to be and he has been there now for some three weeks and he strikes me as the take charge type. He has taken charge. He has gotten his teeth right into it and we are expecting him to be a great help and the responsibility is now his.

Now the contract with Mr. Ingram is \$75,000 Canadian per year with the normal fringe benefits that the other management staff get. It is a five year employment contract. He is to have salary increases each year of five per cent. We had to find him suitable housing accommodation for himself and his family at Stephenville free of charge and he is to have a company car and we are paying the moving expenses. There is no employment contract yet but this is being worked on by the lawyer. Now as I say, Mr. Speaker, if Mr. Ingram can do the job we need done, the salary he will get will be too little. Also in considering his salary, do not forget that we have had to proceed with consultants since last spring because we did not have a president and

chief executive officer and the payment of consultants was certainly far more expensive than this.

So we are hoping that we have made a good choice. I think it appears that we have.

MR. NEARY: Can either party terminate the contract before the five years are up?

MR. CROSBIE: Well, the lawyers are still working on it. We can terminate it after three years.

MR. NEARY: It is not signed yet, is it?

MR. CROSBIE: No, the principles of it are agreed but there is no legal agreement yet.

Now the rest of the management team, the mill manager is Mr. Scott Chalmers who is forty-eight

He was mill manager at Consolidated Bathurst, New Rickmond. He is a graduate of Mount Allison, in engineering. He has twenty-six years in the pulp and paper business. The manager of industrial and public relations is Mr. James Chantler. He is fifty-three. He was formerly manager of industrial relations of the Canadian International Paper Company in Montreal. He himself was mill manager of a pulp mill in Quebec. He is an engineering graduate. He has thirty years in the industry. The traffic manager, Paul Hansel, age forty-two, a master mariner, foreign certificate.

MR. NEARY: Would the honourable minister give us their salaries?

MR. CROSBIE: No I do not think that I should give the salaries of the rest of these people. I think the salary of the president is enough but I do not see any pressing public need to give the salaries of each of these persons. I do not think it is fair to them nor right. If the hon. Leader of the Opposition wants or if the honourable gentleman wants to see their salaries, I do not mind showing them personally. I do not feel -

MR. NEARY: Do they all get free houses and cars?

MR. CROSBIE: No.

MR. NEARY: What fringe benefits do they get?

MR. CROSBIE: I am going to come to group insurance and that kind of a thing later.

The traffic manager is Paul Hansel. He served thirteen years as a master in world shipping. He has been a ship's agent. He has been twenty-five years in the transportation business. The purchasing manager is Mr. Doug Miller, who is a superintendent at Domtar, with twenty-nine years experience. The acting Woodland's Manager is Harold Johnson who is forty-three. He was formerly logging development engineer at Bowaters. He is a native Newfoundlander who was educated at the University of New Brunswick, with a Degree in Forestry Engineering. He has twenty-three years in the Newfoundland Logging Industry.

The comptroller is Mr. Ken Stewart who is thirty-nine. He is a R.I.A. He was employed at St. Anne 'Nackawic for five years.

MR. ROBERTS: I.R.A. or R.I.A?

MR. CROSBIE: R.I.A. It is not the other way around. To date Labrador Linerboard at Stephenville have hired 524 persons, that is at Stephenville but at the present time there are 350 employed at Goose Bay and 331 of them are Newfoundlanders, that is from Newfoundland or Labrador and there are nineteen from outside the province. We expect to employ at Goose Bay this summer about 550 people.

MR. NEARY: What is the proportion of Newfoundlanders at Stephenville?

MR. CROSBIE: We have gone into all that in detail. There are 524 persons and 320 or 61 per cent came from Bay St. George; 132 or 25 per cent from outside Bay St. George and 72 or 14 per cent from outside the province. So there are 350 at Goose Bay now. We expect it to be 550 during the summer season. Of the 852 presently employed at Goose Bay and Stephenville, 761 or 89.4 per cent are Newfoundlanders and 10.6 per cent are from outside the province. There should be direct employment, at the peak of operations, during the summer, of about 1,100 people at the mill and in Goose Bay.

Now the chief executive officer and the president just arrived in February and the rest of these people were appointed from around August on. We now have established the full management team.

MR. NEARY: As a matter of curiosity, who will they take their instructions from? Will it be the Minister of Finance or the Minister of Industrial Development? Who is their contact with the government?

MR. CROSBIE: The way that this has been organized to date: the cabinet has a committee and I am the chairman, the Minister of Justice is a member, the Minister without Portfolio is a member and Dr. Peters, the Premier's

Executive Assistant, (Dr. Peters usually sits in, representing the Premier) and the Minister of Industrial Development. The Minister of Industrial Development is on the committee also.

MR. NEARY: We should declare a half holiday, Mr. Speaker.

MR. CROSBIE: Now that has been the arrangement and when it is necessary for a decision to be made which would involve the government, then we would be consulted and have a meeting about it. The Board of Directors of the Labrador Linerboard Limited at the moment: the Minister of Justice, the Minister without Portfolio and myself. That has to be re-organized and we have to add Mr. Kraft from our marketing people. Of course, Mr. Ingram will be on the board. We have to consider which cabinet ministers will be on the board and perhaps some representatives of the general public.

AN HON. MEMBER: Of Newfoundland.

MR. CROSBIE: Of Newfoundland, yes.

As far as the operation of the mill is concerned now, that is in the hands of the chief executive officer and his management group. If it involves the spending of money or some new departure in policy, they have to contact us. We have periodic meetings with them or with the consultants. We meet with the consultants perhaps every two weeks during the year. If any emergency comes up, they have to phone.

Now I just wanted to speak on the status of the labour relations for a moment, at the mill in Stephenville. The United Paper Workers International Union was certified by the Labour Relations Board to bargain for all Labrador Linerboard Limited employees, including officer workers, excluding management, supervisory and professional employees. The employees engaged in offloading pulp wood at the Log Pond are represented by the Carpenters' and Joiners' Union, Loggers' Local, 2564. It is the Loggers' Union for the employees at the Log Pond and United Paper Workers International for the rest of the mill. Most of the

Pulp and Paper Labour Contracts expire April 30 this year, in Eastern Canada. Bowaters, i.e., their agreement expires May 31. We do not yet have a contract with the union and it has been agreed that we will delay talks until the start up is further advanced and the mill is running smoothly.

MR. NEARY: Was the union in there before the employees were hired? Do they get a chance to vote on it?

MR. CROSBIE: I forget when they were recognized. It was some time during the fall. Most of the employees were there then.

MR. NEARY: Last fall.

MR. CROSBIE: Yes - not all the employees but there were several hundred there then. So unless the union asked for it earlier, we do not expect to be talking to them about the contract there until later in the year. At the time we were negotiating with the other companies. They can if they like ask for negotiations to start at any time. On March 1, there was a collective agreement signed between Labrador Linerboard Limited and Loggers Local 2564 of the Brotherhood of Carpenters and Joiners of America. That agreement runs from May 15, 1972 to December 31, 1974. This is the agreement that applies to the loggers up in Labrador and it would also apply to the company, if we have our own wood's operation on the island. The agreement has the same basic terms as the Bowaters' Agreement. It expires on the same date. There was a wage increase of twenty-seven cents on May 15, 1972. There was twenty-five cents on May 1, 1973, nineteen cents on May 1, 1974 and twenty cents as of September 1, 1974. There is a reduction in the work day from nine to eight and one-half hours on May 1, 1974 and eight hours on September 1, 1974. The rate increases in 1974 coincides with the reduction in hours to maintain the same daily take-home pay. This means that the base rate on September 1, 1974, will be \$3.45 an hour for an eight-hour day. Prior to May 15, 1972, the base rate was \$2.54 an hour for a nine-hour day.

We have eliminated the northern service bonus with respect

to the Labrador operation and the special vacation bonus. That is being replaced by a ten per cent increase in hourly rates in Labrador, effective January 15, 1973. They get a ten per cent increase up there.

Now a major issue of dispute, as honourable members will recall, is the argument of the union during the year that we purchase pulp wood from an independent contractor, cutting on crown land, not up in Labrador but down on the island, that we should apply the collective agreement to that contractor or that he should apply it between himself and the men who are working for him. This was quite a bone of contention and something new in labour relations. I thought that if you buy goods from a third party, that the third party has to observe your collective agreement with your union and that his employees, without any say so, should then have to become members of the union, and this agreement will apply to them.

In any event, when negotiations opened this was the major bone of contention which eventually went to conciliation. The Conciliation Board recommended that the collective

agreement entered into between Labrador Linerboard and the loggers union should be applied to contractors who sell wood to Labrador Linerboard, cut on Crown Land, that they cut themselves on Crown Land, but that the members of the third party contractors, his employees should not have to join the union. They suggested that the Rand formula apply and that the employer would deduct the equivalent...

MR. ROBERTS: Not Rand Whitney, but Rand?

MR. CROSBIE: Right. The Judge Rand Formula, that the third party employer should deduct union dues, where these men should not have to join the union. Anyway, this is what the board recommended. After the board made this report collective bargaining ensued again and the present agreement provides for this: "Certain large contractors from which Labrador Linerboard buy wood are required to abide by all the terms and conditions of this collective agreement. Some other contractors supplying up to 60,000 cords a year, these are smaller contractors from whom we might purchase up to 60,000 cords a year, will not be required to apply all the terms of the collective agreement to their employees."

MR. NEARY: What terms are those?

MR. CROSBIE: The terms that will apply include wages, piece rates and matters like that but not...

MR. NEARY: Vacation with pay, holidays

MR. CROSBIE: No, I think that will apply too but not matters of more detail that they have not the organization to administer and apply. This is broadly speaking.

MR. NEARY: Do they check off their dues or...?

MR. CROSBIE: I was coming to that but even these employees, the employees of those contractors will have the Rand Formula apply to them, so that they will have to have dues deducted from them and remitted to the union, although they do not have to join the union.

The agreement applies to all contractors in that respect except that, with respect to smaller contractors, up to sixty thousand cords a year, certain terms and conditions do not apply. In addition, the

collective agreement is not to apply where pulpwood production of by-products of sawmill operations is purchased. In other words, the company buys from a sawmill operator some pulpwood he has or sawdust or ends or whatever this kind of stuff is, by-product of the sawmill operation, then the collective agreement does not apply there.

MR. NEARY: That would not include Hawkes Bay?

MR. CROSBIE: That is right. If they bought from Hawkes Bay just a by-product of a sawmill operation, then this would not apply. I mean, they are not worried about Hawkes Bay, they have a collective agreement there, the Loggers Union already has one there. That is the contract that has been entered into.

AN HON. MEMBER: Signed?

MR. CROSBIE: I would say that the union has gained most of its point there, in fact, all of it, ninety-nine percent of it with the exception that the men do not have to join the union but they have to ...

MR. NEARY: Is the agreement signed?

MR. CROSBIE: It was signed on March 1.

MR. NEARY: March 1, this past month, you mean?

MR. CROSBIE: March 1, 1973.

In connection with marketing; the first thing that had to be done there, Mr. Speaker, was to decide what to do with Wilfred Heinzl, A.G. of Zurich, because Javelin had entered into an agreement with Wilfred Heinzl, I think it was a five year agreement, where Heinzl was to sell all the product of the linerboard mill through Javelin - what was it called down in Nassau or Bermuda? Javelin Export Limited was to have the marketing then it was passed on to Wilfred Heinzl of Zurich and he was to market all the product.

In the agreement that was passed last year, that was one of the contracts we refused to accept. We would not accept the marketing contract entered into between Javelin and Heinzl. We did discuss the whole matter with Heinzl in detail - when I say we did, Kates, Peat, Marwick did as part of their responsibility. He was claiming a lot of

expense in marketing development and related costs but, after considerable negotiations, we settled the whole matter with him last August for a payment of \$150,000. We paid Heinzl \$150,000 to cover these expenses he had and as a coincidence we were obliged under the agreement entered into to accept that as a liability anyway. It was a liability of Javelin to Heinzl that we had agreed to accept as at December 31, 1971, which was a very satisfactory settlement.

We might have gone on with Heinzl, but the two people he had with him who were experienced in linerboard marketing, Mr. Bollar and another gentleman, had decided to leave his employ and go with one of the big international companies, so that he had nobody left with marketing experience. As far as marketing was concerned, from last May on, we were besieged with potential marketers of linerboard. Everybody in the business wanted to represent Labrador Linerboard's Market - to market their linerboard. There is nothing easier in the world than to find somebody to market your linerboard because the market now and for the next several years is a very good market for linerboard. The market is tight and prices are going up and every sales agent in the country wanted to market the linerboard. We were interested in dealing with somebody, if we could, who might be interested in taking over the linerboard mill or going into it as a joint venture, not just in getting a sales agent for linerboard. We had no problem getting a sales agent for linerboard, none whatsoever.

Kates, Peat and Marwick investigated the market in Europe, North America and the United Kingdom, dealt with Heinzl and eventually we took a look at Enso Gutzeit of Finland, a very well known company. Consolidated Bathurst had some characteristics that might have fitted in with us and MacMillan and Bloedel. We had a close look and they had discussions and negotiations with the three of these concerns in addition to the dozens of others in the industry, a lot of them very good people but who were only engaged in marketing and are not interested in mills generally. These were the three that were looked at.

We also had discussions with Rand Whitney Container Corporation of Worcester, Massachusetts, and their president Mr. Bob Kraft who was up in Newfoundland during the summer and who was interested in this linerboard project, not just the marketing of its product but extremely interested in seeing whether some arrangements could be made for them to participate in the linerboard mill operation itself. They are still interested in that. The difficulty was, Mr. Speaker, that enough facts were not known about the linerboard mill and its operation for anyone to enter into a deal with the government to buy it or participate in it. I think that is still true, it will be true for another several years yet until we see just how this thing is going to operate.

The Kraft Organization or Rand Whitney are extremely interested in participating in the linerboard mill either in Newfoundland or elsewhere, that

is in this one, if some of its problems can be overcome. Of course the major problem is the cost of wood, access to wood. There is no clear party going to buy them in now, Mr. Speaker, when they have no timber concessions on the Island of Newfoundland at all. All they have is a timber concession up in Goose Bay and the best you can get out of Goose is 250,000 chords a year. It is very expensive wood.

MR. NEARY: They should go see Ian Reid, he could help them out.

MR. CROSBIE: Yes, Mr. Reid could certainly give them a hand all right. He would be looked after.

So the Rand Whitney Organization was extremely interested in this linerboard mill, and secondly in marketing its product. So discussions were carried on with them. On November 17, I think is the date, a sales agency contract was signed with Rand Whitney and with their subsidiary which is International Forest Products Corporation.

There is a copy of the marketing agreement tabled. I will just look at some of the main points. When this signing occurred Mr. Speaker, "The Financial Post," carried an article on it which is quite misleading and which had been initiated or fed to them by MacMillan Bloedel who were disgruntled because we did not proceed with MacMillan Bloedel to give them a marketing agreement.

I was also surprised to see about that time, in "The Evening Telegram" of November 28, the honourable House Leader for the opposition saying that the company we had engaged to market the linerboard was a peanut operation, with neither the resources nor experience to handle the job.

Now I am trying to resist all acts of warfare today but it is hard for me to resist saying this, that we certainly cannot pick anybody worse than Canadian Javelin and Javelin Pulp and Javelin Forest Products. I mean it was not this government that chose those

people to start the linerboard mill operation. You just look at the files and see what we have to answer for. I recommended against it right from the start.

So this is not a peanut operation, Mr. Speaker, but not only is it not a peanut operation, it is a firm of impeccable reputation, experience, their name is good and their credit is good. In all of those respects, they are entirely different than Canadian Javelin or Javelin Forest or Javelin Pulp and Paper or any of the Javelin companies. They have an excellent operation down in Massachusetts.

The Rand Whitney Container Corporation and their associated companies are 100 per cent owned companies, they employ some 600 people. They have in excess of \$20 million in sales every year. They employ 1,000 all together, if you include other enterprises which they participate in but do not own 100 per cent. They are in the business of manufacturing packaging from linerboard as their principal occupation

The chairman and founder of the company is Mr. Jacob Hiatt, whom I had the pleasure of meeting in Massachusetts, and gentleman is the real name for him. He is the man who started this company on nothing, in the 1930's, after going to the United States as a refugee from Germany, building it into a very, very successful company. He himself, Mr. Hiatt, the chairman, manages investment portfolios in excess of \$500 million, not as his own money but as a trustee. He is a trustee of Brandeis University, Holy Cross University, Clark University. He is in charge of the investment portfolios of two of those. He is a director of a state mutual life insurance company in Massachusetts, a very wealthy company.

The Rand Whitney Container Corporation, while not a giant of the industry, it would certainly be a giant in Newfoundland. We also took the precaution of having their private company, they are not out on the stock exchange, we have received their financial

statement, had them analysed by our chartered accountants who were advising us. We had a report that they were in excellent shape, liquid, good credit and altogether a very fine concern.

Now the forefront of the container business - but that would not be enough, Mr. Speaker, because they do not have any great experience in marketing linerboard and of course we pointed that out to them. But in addition to themselves there is Mr. Kraft who is the president and the Rand Whitney Organization, they have associated with them a Mr. Allen Miller who is one of the best known marketers of linerboard in the United States (as even "The Financial Post" acknowledged) who used to be with the Great Northern Paper Company and who will be in charge of all their marketing in the United State of America.

They will also have associated with them the Meade Corporation who have contracted with them to do the marketing for them in Europe. The Meade Corporation, as I said before, is a billion dollar a year corporation, with vast experience,

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Mr. Ingram has worked for me, yes. It has nothing to do, by the way, with his getting this job. As a matter of fact, Meade were extremely annoyed that he was leaving them and made several attempts to inveigle him to stay, and that is one reason why we had to go to \$75,000.

Now the agreement itself, which I have tabled here,-

AN HON. MEMBER: Inaudible.

MR. CROSBIE: The honourable gentleman has had closing arrangements with a lot of people that I will not mention.

Now this agreement is between the province, Labrador Linerboard, Rand Whitey Container and International Forest Products Sales Corporation. It is a subsidiary of Rand Whitney.

It says in the recitals, which is a fact, that Rand Whitney, having inspected the mill and related facilities and the sources of

raw material, has expressed interest in acquiring a controlling interest in the principal at the earliest practical time, that is their intention. It was not the intention of MacMillan Bloedel or any of the others. It is Rand Whitney's intention. Whether they will carry out the intention of course depends on whether this turns out to be in any way viable, even if we forget the amount of money we have in it. It will depend on whether its income is going to match its operating expenses and go on to allow something for a profit toward interest or repayment of debt. That is their serious intention, otherwise they would not be involving themselves with this in the first place.

Then the agreement, article (II) appoints them sole and exclusive agent for the world-wide sale of products of the principal. They are, under section 2.2, to provide Labrador Linerboard with a marketing plan each year which has to be approved by the Labrador Linerboard and then to market in accordance with that plan, because Labrador Linerboard must in the final analysis decide where their linerboard is going. You have higher prices in Europe than you do in the United States, for example. There are all kinds of considerations. So their marketing plan must be approved by the principal.

They recommend target prices for the products. In section 2.3, the principal has to approve those, expressing the highest sales price which they can reasonably anticipate. When they receive an order, they have to send it to the principal who accepts it, or if it is section 2.6, in conformity with the terms set out there, if the credit arrangements are in order. I do not want to go into too much detail. I just thought I would mention some of the main points.

They are forbidden during the first two years, following commencement of production, under section 2.13, from representing anybody else. Now this is not a clause that other people were

dealing with would permit to go in, because other people we were dealing with have their own mills or represented in addition other people, they were not going to represent solely Labrador Linerboard Limited.

One of the dangers, Mr. Speaker, of entering into a marketing agreement with, for example, MacMillan Bloedel, is that they have their own mills and while the marketing situation is good for linerboard now, in the next two or three years it is quite possible that if a lot of mills try to be constructed now that in two or three years time the market may change the other way and then naturally MacMillan Bloedel would want to sell the product of its own mills first, not give the primary importance to the product of our mill, and that is one of the reasons why we finally decided against them.

Under this clause, Rand Whitney are to represent us only for the first two years, unless we give them consent otherwise. We can only keep them at two years because it is only a four year marketing agreement and if we were not going to continue this agreement with them or if it were going to come to an end in four years, we had to allow them to try and find another business, but for two years they have to concentrate on

marketing our board only. They are to have the right to have one person who will be elected to our board of directors, an executive committee, will be Mr. Bob Kraft. Under Section 216, they were to provide certain assistance as requested by us for technical and other expert advice and it is set out in the section there, if we need it. Many of these clauses are technical of course. In Section 3.5, and this is important, Mr. Speaker, the sales agent agrees that during the term of this agreement it will guarantee the sale at prices determined in accordance with Section 2.3 of sixty per cent up to a maximum of 16,667 tons per calander month of the principal's production of the product.

In other words, Rand Whitney has accepted the obligation to take their pay to sixty per cent of our production of linerboard each year. Now there is no other company in the industry that we could have dealt with who would agree to that clause. MacMillan Bloedel and all the rest would act as a normal sales agent. They would sell what they could sell, but they do not accept any obligation to take any of your products. Rand Whitney has accepted the obligation to guarantee to us the sale of up to sixty per cent of what we produce which in a year, at a price determined in accordance with Section 2.3, that would be up to as much as 200,000 tons once we are in full production. It is the highest sales price which the principal, the Labrador Linerboard, may reasonably anticipate, commensurate with market conditions, competitors' prices and commercial practices from time to time prevailing.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: The commission is three per cent.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: We have not come to the commission clause yet.

So there is a guaranteed sale of sixty per cent of the product.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Pardon?

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Oh, yes they can buy some and use it themselves if they wish to. They use somewhere between 15,000 tons a year themselves. The commissions

are dealt with in 4.1. The sales agents shall be deemed to have earned and the commission an amount equal to three per cent of the net mill value of all sales of the product, not of the selling price, which will be higher, but of the net mill value that is the value to the mill of the sales, not the price that they got in the United States but what the value was to the mill when it left the wharf in Stephenville. But in no event less than \$3.20 per ton of product sold in the United States and \$4.05 per ton of product sold elsewhere.

For the purpose of this agreement, the net mill value is determined by deducting from the invoice price all costs properly chargeable to the principal directly related to and required for the moving of the products from dock to market and incurred subsequent to delivery FAS the vessel or FOB the railcar at the mill.

In Section 4.3 we agreed to a minimum commission, they have agreed that they will sell, take or pay, 200,000 tons a year. We have agreed that we have given the commission on at least 200,000 tons a year. In other words suppose (that is after this first year by the way, this commences after the original year) but suppose in 1974 we only produced 190,000 tons of product, they would get the commission on 200,000 because it is our obligation to give them more than 200,000 tons a year to sell. Whether they make any money or not, it depends if they have our product to sell or not.

Another feature of this agreement which MacMillan Bloedel would not agree to is in Section 4.4, where Rand Whitney agree that if we do not collect our bills, they will reduce their commission. In other words, if they sell \$100,000 worth of linerboard to a customer, we pay them the three per cent, a month later, if the customer turns out to be a bad credit risk and we did not get our money from the customer, they would pay us back the three per cent. MacMillan Bloedel flatly refused to do that and said that the credit risk had nothing to do with them, they would be entitled to their commission no matter whether we got paid for the product or not. But Rand Whitney agreed to this more reasonable and sensible provision.

The term of the agreement, as I mentioned, is four years from March 31, 1971 or from commencement of production, but it will be from March 31, 1973. Then there are clauses which provide for early termination and various events in the agreement. They had to satisfy us that they had subcontracts, sub-agency contracts that would satisfy us, they could do the job. That meant the employment of Mr. Allan Miller as the manager of International Forest and a contract with Meade Corporation for marketing to Europe, they supplied us with both of those, so they met those two conditions.

The performance of International Forest Products Sales Corporation is guaranteed by Rand Whitney and the performance of Labrador Linerboard is guaranteed by the province.

Now in Article 8 there is a clause that says that the province during the term of this agreement will not permit the sale or any disposition of the shares or assets of Labrador Linerboard unless it is a sale of at least 50.1 per cent of our outstanding vote in common shares or substantially all of the shares. We will not sell part of it, if there is any sale at all it will be at least control of it. If there is any sale during the term of this agreement, this four year agreement, we will give Rand Whitney sixty days advanced notice of any proposed sale. In other words, we tell them we have a sale of this project, we are giving you sixty days notice. We are not obligated to give them the terms if somebody offers to buy it. We just inform them that we propose to sell it. That will give them sixty days to make an offer also, if they like. But they will not know what the offer from the other party is.

Now as a comparison, Mr. Speaker, like MacMillan Bloedel insisted that there should be a clause in any sales agency agreement with them that if we received any offer from anyone to purchase the operation during the term of their agreement, that they would have the right of first refusal. We should turn the offer over to them and they could match that offer and take the mill on us on the same terms, if they wished. That was one of the stumbling blocks of our agreement with them. Rand Whitney does not have that. But if

We agree to sell it to someone or propose to or if somebody proposes to buy it, we have to let them know in sixty days, to make an offer themselves. It is much more in our interest. Frankly I do not see anybody offering to buy it at the moment. But who knows in two or three years time perhaps it will be turned around.

Well that is the important part of that agreement. The Article of MacMillan Bloedel in the "Financial Post" it was entirely improper. It was answered at the time and that is all I will say on it now, unless it wants to be debated. But I can assure you, Mr. Speaker, that Rand Whitney is no peanut operation, very reputable, solid company, not one of the giants of industry, but it is certainly one of the better companies that we have seen interested in this province in recent years. You can depend on that. These are not promoters like Mr. John Doyle, or Mr. Shaheen -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: They are not the same type, certainly not as Doyle, and not the same kind as Shaheen either. They are not promoters. They are not going up there to promote something. They are people who are in business who want to expand their operation in the woods business. They are now making containers from linerboard, they want to go on and manufacture linerboard and they will do it in our mill, if the thing turns out to be at all feasible. They are also interested in looking at other possible wood industries for this province. So we are not dealing with fly-by-nights here. We are not dealing with Doyles or Shaheens or promoters, we are dealing with a very solid little company, not little, little only in the sense, as compared to other American companies it is small. But their credentials are good. We can only hope that something will materialize from this association with them.

Now that is the marketing. Financial management and control, I will just brush over that, naturally that had to be established and there was a lot of work done in Montreal, Goose Bay and elsewhere on those matters.

AN HON. MEMBER: Is the office still opened in Montreal?

MR. CROSBIE: No, the office there is closed now. It is moved down to Stephenville,

and the people are moved down with the exception of, there may be some work still done there by the John Murphy of Donald Dicks Organization who has to co-ordinate with the Cowan Organization.

The organization of planning and recruiting, we have mentioned that. There were 1,500 applications had to be processed on the management side alone of the Labrador Linerboard and I think it was 5,000 in jobs generally for the operation. Kates, Peat, Marwick point out, which is quite true, that the president should have been appointed two or three years earlier to lead the entire project but hon. gentlemen opposite know why that was not done. In fact the Liberal administration, I think, insisted in 1971 or 1970 that Javelin find a president for this, a chief executive officer but Javelin was unable to find one because no one of any calibre would go with the Javelin operation to head this thing up. Well, that person should have been there two or three years earlier. Ingram should have been there two years ago or three years ago. He was not there and he has only been there since February but that is not any fault of the present administration.

Housing, a lot of work has been done on housing, Mr. Chairman, on the housing situation at Stephenville and Goose. That was primarily done by Kates, Peat and Marwick. The housing situation in Stephenville is that there are supposed to be thirty houses under construction there by Atlantic Design and after tenders were called, thirty single family housing units in Harmon and that is apparently going very slowly. Tenders have been called to provide for seventy to one hundred apartment units in buildings in the Harmon barracks block but they will not be ready until the spring. So a lot of work is being done in Harmon and a lot of work has to be done there to resolve the housing situation. One of the serious problems there is that rents for much of the housing that were already on the base are very low in comparison to what rents have to be for any new housing built out there and this issue has to be

resolved. A lot of work was done at Goose on housing and of course the situation there is still being looked into to see what is happening on the base. We did take possession of additional barrack buildings for dormitory housing. We are leasing I think it is one hundred houses from Newfoundland and Labrador Housing Corporation. Apparently we have other families in private homes and we have accommodation for three hundred single men. So that still has to be followed up.

Now the fringe benefit programmes, there is a pension plan being worked on, group life insurance, short-term sickness and accident insurance, long-term disability coverage and extended health benefits. These are the programmes that are being developed for the mill there.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: This is supplementary to the Hospital and Health Insurance, extended health benefits it is called. I do not know what they are.

MR. NEARY: (Inaudible).

MR. CROSBIE: What Americans?

MR. NEARY: (Inaudible).

MR. CROSBIE: They are all there. I have mentioned the loggers unit. The systems development, there was a tremendous amount that had to be done but there is no point recounting because it would only bore the hon. members but all had to be done, designing, systems design and all the rest of it, shipping and building systems etc. and so on.

Now I think I am going to end up now in a few minutes, Mr. Speaker, and I am sure there are things I have not covered but I will be able to reply after questions are raised. Anyway when you consider it all, Mr. Speaker, a tremendous task has been done, since last January when this administration took over, to try to get this thing moving and try to save it. Unfortunately a lot more has to be done, a lot more of the money of the people of this province has to go into it unless hon. gentlemen opposite want to suggest it be shut.

I think that it has to be given another two or three years to see what can be done once there is proper organization and management. It is a gigantic burden for the people of this province, terrific, a gigantic burden for this government. There is nobody who likes to look at the estimates, and we are dealing with the estimates, and see that \$37 million has to be set aside this year for this linerboard mill operation so that it cannot be spent on schools or what have you or other forms of

economic development on water and sewerage and the like. Its a very discouraging factor. This is caused by the fact that this project was originally gone into in 1968 or 1969 without any proper test of feasibility, without proper organization, without proper financial planning, without arranging the proper finances and the rest of it. It is all well know to the members of the House.

The thing is that here we are today, we are faced with it. Even supposing there have been any obvious mistakes made in the last ten months and I do not think there have - everything has not been perfect - suppose mistakes were made at a cost of one or two million dollars that perhaps could have been saved had we had more time, it is a mere drop in the bucket and does not really matter. The point is that we have this gigantic burden and we have to deal with it the best way we can. The government feel that we cannot just say, "close this down," but there is some hope that it could become more viable.

It has to be remember, Mr. Speaker, that had we shut it down last April the province would have been out at least \$150,000,000 anyway.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: One has to consider that question when one sees what is involved in this Linerboard mill as to whether or not it should have been shut last April, just shut down, stopped, kaput and said, "no, no more money in it." We would have been out \$150,000,000 anyway by the time it all ended up. We would have nothing operating in Stevenville and we would not have this operation at Goose Bay.

Now, we know it is \$161.5 million to date. We know there is a possibility of another expenditure of sixty odd million, forgetting the debt repayment in the next four years. We know that that is a tremendous amount of money for the people of this province. So, perhaps you will ask the question again. Should it be closed down? Should we give up in despair and close it now, say it is just to great a drain on the province, it is too big? Well, having put so much into it as we have now, I cannot see much choice or any choice

but to go on and see because if we can get an operation there that can operate, supposing it never pays back the money we put in it but it can operate and break even, then at least we have something to show for it

MR. NEARY: First part inaudible. Is it not the same thing, the same principle?

MR. CROSBIE: The honourable gentleman did a lot of things while he was in office that I do not want to think of now. This is one of them.

Now, just a few statistics that will show that it is not all pessimistic. In 1973 we expect the mill to export 171,000 tons of linerboard. That should bring into Canada about \$25,000,000 in foreign exchange from Europe and the United States.

Canada, by the way, has done nothing for this mill. Remember this: The Government of Canada itself has done nothing for the mill apart from harbour improvements at Stevenville and some dredging at Goose. We have no money from Canada in the mill at all and apparently no chances of getting any money. They would not give it a DREE grant or ARDAR grant or an ADA grant when it commenced and they have not since. They have not loaned it any money. They have spent some money on the harbour at Stevenville and we hope that they will spend more. So, this is all provincial money.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: How much money on the harbour? Well, the present dredging contract is worth about a million and the dredging that they did earlier last year would be another - I do not know how much more. I presume they spent a million or perhaps two million. They will spend by the time they are finished - I will try to get a more accurate figure. They did dredging up at Goose Bay, up by the wharf in Goose Bay.

So, it is going to earn about \$25,000,000 in foreign exchange. The total amount to be spent by the men in repairs and maintenance, which will be spent locally, will be about \$2,000,000 this year. Wages and salaries it will pay out at Stevenville should be around \$5.3 million and at Goose about \$3,000,000. A total of \$8.3 million. The mill will

spend, purchasing wood from logging operators, about \$4.5 million this year and they will employ approximately six hundred men of whom perhaps three hundred will be hired additionally that would not have been hired otherwise.

The mill will be spending on materials and supplies including power about \$8.5 million. However, a lot of that will be materials that are not manufactured in this province and will not have much affect on our economy. For example, the salt

cake and sulfuric acid and this kind of thing. If you took the wages and salaries paid out, plus the wages for loggers who would be cutting wood for us, not directly employed by the mill, that figure is around \$11 million. If you apply a multiplier of two, total income generated in the province would be about \$20 million to \$25 million. There is probably another 600 additional jobs at least created as a result of the mill. They will pay stumpage of \$1.50 a cord to the province. We will receive some personal income tax revenue as a result of the mill, probably between \$1 million and \$1.5 million. There are some pluses to it when the whole thing is looked at overall.

Now in concluding, Mr. Speaker, I want to say this: Of the members of the government, I think I can truthfully say that I have had the closest connection with this operation. I can assure this House that if it were not for Donald D. Dick, this mill and the operation could not have gotten to where it is today, no matter what the defects are today. I mean that it would have been impossible to bring it along this far without him. I just wanted to say here that I have nothing but the most unbounded admiration for that man. He dug in after we got him involved in this project and worked night and day on it. He has really made a magnificent effort. I do not doubt that he has made some errors. He was under tremendous pressure in the areas which he had to handle, mill construction, the shipping, the wood's operation at Goose, all the technical matters. He worked night and day on this and he certainly deserves the thanks of the members of this House for the work he has done. I know he has been paid but pay would not meet the bill. He served beyond the call of duty. He is still retained by us as a consultant to the management out there and will still be connected with this for some time yet. I certainly hope that if they have engineering work to be done and so on that he will be considered for it.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Yes.

Mr. Crosbie.

He has his own consulting business. He was only prepared to consider it, if he would keep that going or devote some time to that or it would not have been suitable. I just wanted to say that because he is not there full-time any longer, you get rumours that he has been fired and so on and so forth, this is all not true whatsoever. We found the man to be professionally first rate. I certainly hope that he has more work to do here in this Province of Newfoundland. We can use people like him.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: I do not know if he will be "Citizen of the Year" but he is likely to be "Citizen of the Year" before the honourable gentleman is.

I would also like to say that Kates, Peat, Marwick, in my view, did a good job in the areas that we had them work in and they were paid for it. I do not put them in the same category as Donald D. Dick. But as far as saving this project and bringing it along at all and getting it this far, I certainly would like to repeat once again that Mr. Dick is largely responsible. We found him an excellent man to work with, a hard worker and I hope he has a very successful career in his consulting business.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: I mentioned them earlier. They have done a lot of work that is useful but we hope now - the present arrangement by the way up at Goose Bay is this: Mr. Truman Maynard is going there now. He is going to be acting resident manager until we can find a new manager to put in for the Labrador operation. Mr. Cecil Stein, who is an engineer with Labrador Linerboard at Stephenville, is the new Woodland's Mechanical Superintendent. He is operating at present from Stephenville and he is looking now to recruit a permanent replacement for the Forestal people involved in maintenance up there. They are on a week to week basis now

until the replacement is found. Still in Goose is Mr. Bill Gleason and Mr. Art Cantalon . . They are there week to week until we find their replacements. They are there with Forestal and they are kept on week to week. I have a note here. Apparently there was bought from DOMAC (the honourable gentlemen opposite would be interested in this) last October \$250,000 worth of

tree clippers, six each with the skid-skidder on trial.

MR. NEARY: How much for material?

MR. CROSBIE: I do not know. I am just giving you the note I was sent in. It is the first news I had of it but I know the hon. gentleman will be delighted to hear it.

So I have tried to give a survey of what has happened since last May. I know there will be questions from the hon. gentlemen opposite which I will try to answer when I end up. I have tried not to involve myself in acrimony about the past because no matter what party or government is here they are going to be faced with this problem. I think it is our duty to let the people of Newfoundland know just what this mill is costing us to date and what it is going to cost and the risks we are taking with it. I cannot see any other course than to proceed and I hope that if I am here next year to give another report, that we will be able to tighten up operation under our present Mr. Ingram and that the thing is coming along financially and I am sure that all members would wish that.

So I will end now, Mr. Chairman.

MR. ROWE(W.N.): Before the minister sits down. He gave us some figures earlier, Mr. Speaker, could he indicate if he has the inflationary cost benefit analysis to show us or net gain to date or is there a projected gain to the province or to the country as a whole?

MR. CROSBIE: Well we have not had one done in any scientific sense but from the note I have here from Peter Podder, I would doubt that this would be so, not to date anyway. We have not asked for a proper, complete study to be done.

MR. ROBERTS: I would like to begin, Sir, by saying that I appreciate, all of my colleagues appreciate both the approach which the hon. Minister of Finance has taken and the tenor, the tone of his approach. There are two ways in which we could debate, This House can debate, Sir, any matter

affecting the Stephenville Mill, the Labrador Linerboard Limited and whatever one wants to call the Stephenville project. One is, to use the hon. gentleman's word, acrimonious and heated and bitter and nasty. The other, which does not preclude strong statements, which does not preclude strong positions, the other is the approach which the hon. gentleman has taken, one of giving a great deal of information. He has not given all the information we would like and there are some questions we have about the information which he has given -

AN HON. MEMBER: We are going to take the former, right.

MR. ROBERTS: The former approach, no we are going to take the latter approach. My friend and colleague from White Bay South may choose to take the former. Last year we witnessed the spectacle of the present administration taking the former approach and it led to one of the least, I suggest sort of the least helpful debates this House has seen. I was quite, not amused, it is too serious and too important a subject to be amused about, Mr. Speaker, but I was bemused as the Minister of Finance went into his speech today. He was not guilty of this last year, I hasten to say. He and I have said some hard things to each other in debate and we will doubtless have many more to say but we have never descended to this level to my knowledge and I hope we never shall. But some of his colleagues last year were rather low in their approach and within the rules and they may remain within the rules. It is up to them to do as they wish. I do not begrudge that and I do not complain but we saw last year an administration which came in and pretended that they were supermen, not the Minister of Finance who is as close to a superman as anybody on the other side, Mr. Speaker, but we saw others come in and stand in this House and would have it pretend that the fact that the Stephenville project had got out of control, the financial costs have increased and so forth and so on and so on and it was somehow the fault of, not just of the men who had served in the Smallwood administration of whom I was one from

July 17, 1968, until the administration resigned in January of 1972, I was a member of it and fully responsible for everything it did or did not do and of which some of the eight of us in this House were personally responsible. But I guess I was bemused this afternoon as the hon. gentleman made his speech, because I quite sympathize with the position in which he finds himself. He now comes in and brings in a butcher's bill of over \$40 million this year

authority being requested in the bill to another \$40 millions in addition to the expenditures on the Javelin agreement and they are at least \$6.5 million so the authority being conferred by this bill, if it is passed by the House will be not \$40 millions actually but \$46.5 millions extra together with whatever sums may be paid to the Javelin Companies under the original agreement of May 5, 1972.

He stood and asked for this and fine. I think I could sum up his argument by saying simply that the government have no choice. One can debate as to why they have no choice and as to whether or not they should have had a choice, to this position and I think to put it in a nutshell and not try to do it a disservice, it is simply that the government have no choice. On that he rests his case. I do not know if I can quarrel with that, Mr. Speaker, I do not know what I would have done or what any of us would have done in the same position. I am not so sure the government had any choice two years ago or a year ago. This project began, it was well underway when he came into the cabinet and indeed, Mr. Speaker, there is nobody left on this side of the House whose service in the cabinet antedates me. We all, the four honourable gentlemen on this side who came in who served - five - who served in the cabinet, the gentleman from Labrador North came into the cabinet in July of 1972, the gentleman from White Bay South joined the cabinet on the same date as did I in July 1968, so did the gentleman from Fogo and the gentleman from Bell Island. The gentlemen from Bonavista North, St. Barbe North and from Twillingate have not as yet served, they will in due course. There are other gentlemen on the other side and in this I do not include the gentleman from St. John's West, the Minister of Finance, who were in the cabinet prior to our being brought in.

The point I am making is that the project began and these things have a frightening momentum of their own. I see the Premier is with us. I am glad to welcome him back from wherever he was. I suggest that if for example a year and a half from now the second Shaheen refinery gets into trouble and we are holding an \$80 million second mortgage, we have

no choice but to finish it, that is the way these things are. Just as if the first one gets into trouble and we are holding a \$30 million second mortgage, the province has really no choice but to finish that or to see the \$30 million or the \$80 million as the case might be go out the window. I suspect that that is the way the discussion has gone in cabinet on this when the Minister of Finance brought in the butcher's bill, \$40 millions whenever it came in, a week ago or two or three, or a month or two or three ago. That is roughly the way the discussion went I should imagine.

Having said that, Mr. Speaker, let me say that the first I heard of this bill other than the notice on the Order Paper, the notice has been there for a week or two or three, but the notice is merely, as always, the title. The first I heard of this bill was about ten fifteen or ten thirty this morning when my colleague the gentleman from White Bay South called and said that his opposite number the House Leader on the government side had been in touch with him. The government wished to raise this matter today, of course that is their privilege, it is a government day and they proceed as they wish according to the rules, and they hoped to debate it today. Subsequently, the Minister of Finance about noon telephoned to me and conveyed the same message. Shortly thereafter, at the minister's request Your Honour was good enough to send over a copy of the printed bill which is a short bill, it is only a half page. There must be more millions, I am sure there is about one million dollars a word in that bill. There cannot be more than forty or fifty words in the effective part of the bill and it authorizes the expenditure of over \$46.5 million, the forty million that appears on the face of it and the other \$6.5 millions at least that is brought in by the exclusion of the payments to the Javelin Organizations, Mr. Doyle and his associates, exclusive to those payments from the earlier \$50 million amount. We are now being asked to authorize \$90 million plus whatever payments are to be made to the various Javelin Organizations.

This bill is a request for at least \$46.5 millions of the people's money. It was brought in, it came around, I saw it as I said, at noon, it was available to the members of the House when we met at three o'clock, the Minister of Finance tabled the agreement, I discovered that it came into my office at five minutes to three, I did not see it because I was late getting back to the House. The Minister of Health will be delighted to know that I was one of the people waiting to see a doctor for half an hour or so this afternoon.

MR. ROBERTS: a condition to which many people, especially dealing with ophthalmologists find themselves. I as always, well treated by the profession, I had the pleasure to talk with the NMA executive, a brief "hello" and "good-by" and I had the pleasure of reading "The Readers Digest" somewhat out of date, and I had the pleasure of seeing Dr. Bob Lawton who looks to my eyes for me. A most amazing family, a priest, Father Lawton and two doctors and their father left quite a mark in this province too as a pharmacist for Bell Island.

The point is, I have only seen this agreement, I have looked through it quickly while the minister was speaking. I looked through what he was looking to and I have not had any chance to discuss it - I am talking about the sales agreement, Mr. Speaker - to discuss it with my colleagues. There has been no opportunity to discuss the bill with my colleagues. Indeed there has been no opportunity to do more than very hurriedly, and trying to listen to the Minister of Finance, look at for example The Budget Speech, to look at the original legislation which this act amends, to look at the whole situation.

Atop that, the Minister of Finance gave us a great deal of information, a very great deal of information, and this should be assimilated. It should be looked at. I would like to see the Hansard. He has, and I have no doubt will table some information on the financing but all the other information he gave is not the sort of thing that one should, in my view, comment upon until one has had a chance to assimilate it and to think it through and to try to put it into perspective.

What I am leading up to, Mr. Speaker, is that I am going to make a motion that this debate now adjourn, if the government wish the House to meet tonight, that is their prerogative of course, This means the debate will not come on again until Thursday. Of course

tomorrow is Private Members' Day, I move that it adjourn, so that my colleagues and I can look at the bill and consider the minister's remarks and then whenever the government chooses, I hope it will be Thursday, because I plan to go away Thursday evening, the government will be delighted to know, Thursday night and all day Friday, so they can do what they wish with that, and then on Thursday, I would be prepared to lead for our side and my colleagues will join in if they wish.

But I would like to move -

MR. MARSHALL: Mr. Speaker, it is not a debatable motion as such, but if the honourable Leader of the Opposition, his points are very well taken, we are anxious that the opposition be given quite adequate ground to study these very important bills so we can go on with other business tonight.

MR. ROBERTS: Okay then, I appreciate that. The understanding is that we adjourn now and the Speaker will call it six and we will come back at eight o'clock to go on with whatever the government wish, but it will be called on Thursday, is that the -

MR. MARSHALL: Called on Thursday, yes.

MR. ROBERTS: Thursday at 3:00 o'clock when we meet.

MR. MARSHALL: No earlier than Thursday.

MR. ROBERTS: No, but what I am saying is, I am planning to be away, to leave at about 5:30 Thursday afternoon, and I can change that. It means that I cannot have the pleasure of dinner with the Premier Thursday night, or he cannot have the pleasure of dinner with me, if you wish, but we will not have the pleasure of dining together at another place.

In any event, I do now move that this debate adjourn. It is not a debatable motion so I cannot say anything more.

MR. SPEAKER: This House stands adjourned until 8:00 P.M.



PROVINCE OF NEWFOUNDLAND

**THIRTY-SIXTH GENERAL ASSEMBLY
OF
NEWFOUNDLAND**

Volume 2

2nd Session

Number 31

VERBATIM REPORT

Tuesday, March 20, 1973

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

March 20, 1973

Tape no. 703

Page 1 - MRW

The House resumed at 8:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order 10.

Motion second reading of a bill, "An Act To Establish An Electoral Districts Boundaries Commission To Report Upon The Delimitation Of The Province Into Districts For Which Members Shall Be Returned To The House Of Assembly."

HON. T. A. HICKMAN (Minister of Justice): Mr. Speaker, in rising to move second reading of this bill, I think that this should be regarded as somewhat of an historic occasion in this House because we are and will, if this honourable House approves the bill, take out of the hands of government the responsibility for setting the boundaries and the population of the various electoral districts in the province. We are not blazing any great new trail insofar as electoral boundary commissions are concerned but I think it is significant to note that a lot of parliaments within the British Parliamentary System have not as yet seen fit to remove from government the prerogative of bringing before parliament and in effect deciding on the electoral boundaries of various ridings within their jurisdiction.

In Canada we have had for a number of years The Federal Electoral Boundaries Readjustment Act and two other provinces; namely, Alberta and Manitoba have enacted similar legislation or at least the principles are the same as those embodied in the bill before the House this evening.

If I may very briefly refer to the principles that are contained in this bill, this bill will allow, Mr. Speaker, for the permanent mechanism to be set up to investigate, every ten years, the necessity for redistribution and the specifics of such redistribution, if the impartial commission decides that this is necessary. It is absolutely essential to any electoral boundaries commission that that commission be composed of people who are totally and absolutely impartial and who will report to this House on their findings and their recommendations.

Now it may be suggested that there should not be any restriction at all insofar as a commission is concerned but obviously this House has some responsibilities too. Before I come to these, Mr. Speaker, may I -

MR. NEARY: Do the reports come straight to the House first or ..?

MR. HICKMAN: No, Mr. Speaker. The commission is obliged (I was coming to that too) to report to the minister responsible for the administration of the House (in this case it is the Minister of Justice) and he must within fifteen days after receipt of the report table it in the House of Assembly.

Mr. Speaker, I would suggest to this honourable House that no responsible minister and no responsible commission would tolerate nor would it be possible for there to be any change in any report that comes from the commission.

AN HON. MEMBER: What is the Auditor General's Report?

MR. HICKMAN: The commission as I say, Mr. Speaker, will be appointed; three by yourself, Mr. Speaker, and the chairman of the commission will be appointed by the Chief Justice of Newfoundland.

The act provides that: "The Chief Justice Of Newfoundland shall appoint within thirty days of receipt of a request so to do the chairman from one of the judges of the Supreme Court." There is no doubt at all, Mr. Speaker, that that chairman, upon submitting their report to the minister, there is no doubt that that report intact unchanged, unvarnished will then be laid upon the table of this House. To suggest otherwise would be, I suggest, a rather unusual and rather peculiar thing. It would not do justice to either the chairman of the commission nor to any of the members as you, Mr. Speaker, will see fit to appoint.

The act also provides that no members of the House of Assembly, no members of parliament or of the senate are permitted to service on this commission. That too, Mr. Speaker, is a well established principle and

one that has a great deal to commend it and it is guaranteed again to ensure the total impartiality of those appointed.

The provisions as to membership on the commission, as I have said, are quite similar to the federal act and we concur with the thought, Mr. Speaker, of the government that elected representatives to this House and to the House of Commons and to the senate should not be allowed or permitted to serve on the commission.

The act provides, Mr. Speaker, as I have said earlier, that every ten years there will be a review of the population and the districts in the province with a view to having them reassessed and if necessary changed.

Some of the acts provide, Mr. Speaker (one, I think, at least) that the report of the commission is submitted to the Speaker of the House. The others provide that the minister, imposes the obligation upon the minister responsible for the act to table the report, as I say, within fifteen days after the House opens or if the House is in session, then fifteen days from receipt of the report.

Now, Mr. Speaker, under the provisions of the act, the population of the Province of Newfoundland is to be divided into fifty-one districts. The commission is obligated to take the total population from the

latest census, divide it by fifty-one and then make its recommendations with certain leeways that I shall come to in a minute, and guidelines that will guide the commission in its deliberations.

It might be suggested that the House should also confer upon the commission the right to decide on the number of members in the legislature, that they should have the right to restrict the number of seats in the province and that they should decide on the variations as to the population which should elect members to the House.

This, Mr. Speaker, is a submission that I would think could not be made in very serious vein. I do submit, Mr. Speaker, that members of this honourable House are far more familiar with the requirements of the numbers who should sit in this House and the problems that exist within the electoral districts themselves than any person outside this House.

The guidelines, Mr. Speaker, contained in the bill, really can be boiled down to three simple provisions. Number one - there is a provision for fifty-one seats. Number two - the variation plus or minus which can exist in the populations of a district and, number three - a decision to eliminate the dual riding of Harbour Main.

These three points, Mr. Speaker, I submit, are matters for this honourable House to decide and not for any commission. I am told and I cannot swear to the accuracy of this, but some years ago in Ontario there was a boundary commission appointed and they arrived at a figure of 117 seats. The only way that they could indicate to the government of the day their annoyance for having been charged with the responsibility of deciding on the number of seats was that they employed a group of architects to measure the then legislative chamber and having so measured it came to the conclusion that the legislative chamber could seat 117 members and thereupon recommended the number of seats should be 117.

Mr. Speaker, I submit to this House that we, as members, have the responsibility for deciding on the number of seats and the variations plus or minus in so far as the commission's terms of reference are concerned.

The derivations of the commission will obviously result in some changes in the electoral boundaries of some of the districts in this province. But I submit, Mr. Speaker, that this bill is a great improvement over the sort of catch-as-catch-can basis at irregular intervals that have been followed almost since this House of Assembly was first created, in so far as redistribution is concerned.

Today we find that people are no longer happy over the prospects of the government of the day, with the majority in the House, sitting down and carefully calculating what number of seats would be in their best interest and how boundaries should be adjusted in order to suit voting patterns throughout the particular jurisdiction over which that particular parliament governs. I would suggest, Mr. Speaker, that this legislation will convince the people of Newfoundland that we, as a government, and that we, as a House of Assembly, are determined once and for all to do away with any suggestion that there can be gerrymandering insofar as electoral boundaries are concerned and voting patterns in this Province of Newfoundland.

We have provided in the bill that even though there may be changes in additional districts that wherever possible the names of the existing districts or existing names should be maintained because we believe that Newfoundlanders are still very conscious of any endeavour to recognize the history of this province and I suspect that we, as members of this honourable House, are equally determined to recognize the part that history

and names of districts have played over the years in the parliament of Newfoundland.

The division today, Mr. Speaker, into forty-two electoral districts, is done in such a manner as to create ridiculous discrepancies in representation. If I may give one or two examples, simply referring to the numerical size of the district based on the latest voters' list, the last voters' list.

Today the size of the districts range from a low of 2,238 voters for Labrador South to 16,879 voters for St. John's North. To use it another way, the voting population of St. John's North exceeds by twenty-one voters the total of the six smallest districts in Newfoundland, namely St. Mary's, St. Barbe South, Labrador South, Bell Island, Bay de Verde and Fortune Bay.

It is very difficult, Mr. Speaker, to sum up convincing arguments that a vote in any one of these districts is worth six votes in St. John's North or as a corollary to state that the member for St. John's North is worth the total of all six members representing these smaller districts.

These are the only arguments that could possibly be advanced to justify a continuation of that rather ridiculous discrepancy in the number of voters that exist at this time.

If you subscribe to the idea of one man, one vote, then obviously the present boundaries and the present districts defeat that purpose. The simple fact has been that urban areas have been grossly under-represented in this House and for that reason it may be somewhat difficult for members representing these large voting areas to maintain contact with their voting public.

Now we could, Mr. Speaker, have very easily said, in submitting this bill to the House, just take the forty-one existing districts, divide that into the population and come up with the adjusted boundaries,

But, Mr. Speaker, there is still I hope, in this House, I am convinced in this House there is a firm conviction and there certainly is on the part of the Government of this Province that rural Newfoundland still requires a great deal of representation and a very high proportion of representation in this House.

If the number of members had remained as they are today, at forty-two, and the districts at forty-one, then obviously you would find that the new districts would fall squarely into the urban areas and would have been created at the expense of the rural population. But by adding to the number of seats, from forty-two to fifty-one, this still, in my opinion, will permit the kind of representation that rural Newfoundland must have but, at the same time, eliminate some of these rather ridiculous discrepancies in representation that I have referred to.

Mr. Speaker, it is very evident when you examine the present electoral district boundaries, there is very little thought indeed

went into the redistribution bills of the past. If you look at it from a point of view of geography, may I direct this House's attention to the rather unusual situation that exists on the Peninsula of Burin. There, for a reason that no one has ever been able to fathom, the Towns of Garnish, Frenchman's Cove and Grand Beach, which are smack in the centre of Burin District, were removed from the District of Burin and put into the District of Fortune Bay. The result is that the member representing Fortune Bay has to come into the District of Burin to visit these three communities. If he should want then to visit the rest of his constituents on the east side of the bay he must go through Burin District, then the District of Placentia West and then he gets back into the area of Bay L'Argent, Terrenceville, Harbour Mille and that side of the bay. Then he goes across the bay by boat and he picks up the towns and areas of Mose Ambrose, English Harbour West, Belleoram, Pools Cove and that area. It just does not make geographic sense.

I had a rather interesting experience when I ran in the 1966 election. I was campaigning, I thought very successfully, in the Town of Winterland, and that was for the great Liberal Party of Newfoundland, I was campaigning for them in the Town of Winterland, and that was the party that used to be, and having campaigned that morning suddenly one gentleman said to me, "I do not think we are in your district." Now Winterland is really in the centre of the District of Burin. If you looked for the centre of the district you would pretty well spot Winterland. I said, "Oh, you must be crazy. I know Winterland is in here as I can recall, when the late Philip Forsey was a member I can recall his being in Winterland." No, the gentleman seemed to know what he was talking about so I went back and got the voters' list and to my dismay Winterland was in the District of Placentia West. There may be a very good reason why it is in the District of Placentia West but whatever the reason is, it is not geographic, Mr. Speaker.

AN HON. MEMBER: Did you win it or lose it then?

MR. HICKMAN: I do not know whether I won it or lost it but they did not get the opportunity to vote for me.

Then again, Mr. Speaker, in arriving at the boundaries of the various districts in the urban area of St. John's you find certain rather unusual situations. There should be no excuse, for instance, within the city limits of St. John's and the environs not to have districts of comparable size, populationwise. We find in the City of St. John's the districts range in size from 4,896 voters in St. John's East to 16,879 in St. John's North and over 14,000 in St. John's East Extern. Apart from the confusion that exists from this sort of anomaly, the manner in which the boundaries were set up baffles the imagination. St. John's North runs from Mt. Pearl, including Mt. Pearl through a bit of the City of St. John's out around to Portugal Cove, Pouch Cove, Bauline, no sense of geography and no real explanation as to why that sort of thing exists.

Now, Mr. Speaker, another principle in this bill is the elimination of the dual riding of Harbour Main. There used to be a history of dual ridings and triple ridings and I believe there were even at one time quadruple ridings in Newfoundland but the trend has been toward the elimination of dual ridings. I believe, well they did exist, dual ridings did exist, Mr. Speaker, in all Canadian provinces and there were dual ridings, at least one dual riding I recall in, I think it was Halifax, in parliament. The only ones that now remain are in New Brunswick, British Columbia and Nova Scotia and there has been an indication by the Government of New Brunswick, where they have, I think, still quadruple ridings in certain -

AN HON. MEMBER: Quintuple ridings.

MR. HICKMAN: Quintuple ridings. They are going to bring before their House a bill to eliminate, to restore or establish one-man ridings.

Now, Mr. Speaker, geography is certainly of paramount importance in deciding on the division of the province into electoral

districts. What is far more important, Mr. Speaker, I submit, in deciding on the number of districts, deciding on the boundaries of the districts, is the people who live therein. Because if you simply treat it as geography you have, for instance, the District of Grand Falls which I think, runs half way down to Fortune Bay and there the hon. member for Grand Falls or indeed the hon. member for Fortune Bay represents huge areas of uninhabited parts of this province.

MR. ROBERTS: The problem with that sort of thing is every portion of the province -

MR. HICKMAN: Of course, Mr. Speaker, the boundaries must be, the whole province must be divided into electoral districts. But what I am getting at, Mr. Speaker, is that in arriving at the boundaries that surely any commission must be governed to a large extent by the population living therein, the amenities, the community of interest of the people who live in a particular area. You may argue, Mr. Speaker, that with the improvement in transportation that we need not have as many members in the House of Assembly as in the past. Now, Mr. Speaker, I find and I am sure all hon. members do that in this province there is a great tradition, sometimes it is onerous and sometimes we may complain but there is a great tradition that I suggest is very peculiar to Newfoundland in that the constituents look to their elected representatives far more than they do in other areas in Canada. I have been at meetings with elected members of other Houses of Assembly in Canada and they are absolutely amazed when I tell them of the kind of work we have to do, the sort of demands that we receive from our constituents. They regard themselves in many areas as having one responsibility and that is simply to be available when their House is in session and nothing more.

Now, Mr. Speaker, it will be a long time before this sort of situation arise in Newfoundland and I am not sure that it should because it has a very salutary effect of imposing upon members the obligation to keep uppermost in their minds the individual needs or

the needs of individuals within their district. I believe, Mr. Speaker, with this kind of delightful but onerous responsibility that we as members have and the ever increasing demands, and they certainly are increasing, that the figure of fifty-one is a very realistic figure insofar as this House is concerned.

Mr. Speaker, again in talking of the proposed size of this Legislature we find Newfoundland with less seats than the Province of New Brunswick where they have fifty-eight that with the exception of Prince Edward Island, this province has the smallest number of representatives in any Provincial Legislature. I would think, Mr. Speaker, that representing a district in Prince Edward Island must be about the easiest thing in the world, the easiest job that any elected person could have. Mr. Speaker, in considering this bill

we should be mindful of the population, of what the numbers are, when we look at the guidelines that the commission will be given, if this bill passes this House. The population of Newfoundland, according to the June 1, 1971 census, is 522,105 persons. By increasing the number of members in this House, it follows that there will be one representative for every 10,237 persons. In 1962, when there was a total population in Newfoundland of 457,853 souls, we had forty-two members or 10,900 persons for each member, slightly more than we will have if this bill passes. In 1951 and that was again the year of another redistribution bill I think, the population was 361,416 persons. At that time this House had twenty-seven members which meant that there were an average of 13,000 per member.

So it is clear, Mr. Speaker, that the increase in membership of this House does nothing but maintain the membership - population ratio, which has existed in this House since the time of Confederation. Most district I would suspect the commission will be able to divide fairly easily and without too much difficulty. We have provided in this bill, Mr. Speaker, a twenty-five per cent tolerance. In other words, Mr. Speaker, the population of any district can range from a minimum of 7,678 voters.

AN HON. MEMBER: Not voters, population.

MR. HICKMAN: Population rather, to a maximum population of 12,796. This, Mr. Speaker, we believe is desirable because you will find in certain areas of the province the geographic considerations have to be taken into account. We provided that the commission, in taking advantage of this tolerance, should also include in their deliberations the sparsity or density or relative growth rate of the population or the size or the shape of the area in any special community or diversity of interest.

But the discretion that will be conferred upon the commission is twenty-five per cent. As I say, Mr. Speaker, that if you take fifty-one and divide it into the present population it works out to 10,237 persons and with the tolerances it can mean districts with a minimum of 7,678 or a maximum of 12,796 persons living in the district.

I cannot give the total breakdown of every area in the province but the 1971 census, for instance, showed the population of the mainland part of this province, the Labrador part of Newfoundland, having a population, as of June 1, 1971, of 28,165 persons. If you take the tolerances to bring it down to 7,678, the commission is getting very close to four members for the mainland part of this province. I have heard advanced theory that there is some merit in having part of the Great Northern Peninsula, the Straits, that there should be a Straits District which would encompass part of Labrador South and part of St. Barbe North. There is no question at all that under this formula the commission will have no difficulty in arriving at that unity which would give four seats for the Straits and Labrador.

Mr. Speaker, I would hope that thought for a Straits District, which has been indicated from time to time and expressed by honourable members on both sides of this House, not just so much for the question of convenience but with a firm determination, I believe on the part of all honourable members of this House, that the mainland part of Newfoundland, the people living in the mainland part of Newfoundland should be given every indication that they are apart of the Province of Newfoundland and not separated by anything more than nine miles of water known as the "Straits of Belle Isle."

Mr. Speaker, honourable members may be interested in the population. In the last census of the City of St. John's, it is 88,102, the City of Corner Brook has a population of 26,309. The number of members per population that are proposed under this bill would bring us reasonably in line with the other Maritime provinces. In Nova Scotia, where they have forty-six members at this time, they have one member for every 17,000 voters. Again the Province of Nova Scotia have two very large urban centres where a large number of their members represent namely; Halifax and Sydney and indeed the whole of Cape Breton Island is rapidly becoming an urban centre. The Province of New Brunswick has fifty-eight members,

that is one member for every 10,940 persons. This bill would provide for one member in Newfoundland for every 12,430.

Prince Edward Island, they have the easiest of it all, Prince Edward Island has thirty-two members, which is one member for every 3,490 persons. Anyone who has visited Prince Edward Island is aware that you can drive across that province in the matter of two or three hours. It must be a very delightful experience to be a member of the House of Assembly in Prince Edward Island.

I think it is significant too, Mr. Speaker, in areas where you have large tracts of land, where you have large rural population, that these provinces have maintained a ratio quite similar to that which we hope to maintain in the bill that is before us now. May I correct first a figure that I just gave Mr. Speaker, at the present time in Newfoundland with our forty-two members, we represent 12,430, with fifty-one members we will represent 10,237?

Again in Saskatchewan, where they have sixty members, that is one for every 15,437 population, in Manitoba where they have fifty-seven members it is one for every 17,340 persons. It increases in the other provinces. Then again, they have so many members they probably would not have a legislature large enough to take many more. Ontario, and I say this simply for the matter of record, has 117 members, Quebec has 108 members, Alberta has 75 members and British Columbia has 55 members.

Mr. Speaker, I think about the only other statistics

that may be of interest to this honourable House are the number of registered voters in Newfoundland and an indication of the growth rate.

The number of registered voters in Newfoundland in 1962 was 211,921.

The number of registered voters in Newfoundland in 1966 was 239,616.

The number of registered voters in Newfoundland in 1971 was 265,690.

Mr. Speaker, we have also seen some very dramatic changes in the number of voters in some of the existing electoral districts. Some have shown a marked decline. Bell Island went from 4,723 in 1962 to 2,735 in 1971. Burin increased from 5,576 in 1962 to 7,287 in 1971.

One district where I find the number of voters somewhat surprising is in Placentia West, bearing in mind the tremendous increase in the population of Marystown. I suspect that this has been counteracted by the massive resettlement of the people in that district from practically every island in Placentia Bay. In Placentia West in 1962 there were 4,878 voters and in 1966 there were 5,116 and in 1971 there were 4,415.

The growth rate in the urban centers has been fairly marked and fairly rapid and I would think that St. John's North probably had the most accelerated growth rate. It went from 9,084 in 1961 to 16,879 in 1971.

Labrador West, Mr. Speaker, has a higher percentage of growth, I guess, than any district. That district went from 1,109 voters - imagine being elected in 1961 to represent 1,109 voters. That is even better than Prince Edward Island - it went from 1,109 voters in a period of ten years to 6,191 voters in 1971.

Mr. Speaker's district has increased in the number of voters by approximately 1,200 during that same period. So it goes, Mr. Speaker.

As I said in opening my remarks on this bill, we are not the first province of Canada to establish an independent commission. This was done in Manitoba in 1957, Alberta in 1969. In Ontario there was a

commission appointed but I do not think they have an act, in 1962 and British Columbia did the same thing in 1965. Then of course there is the federal act which I think preceded all of these.

It is our hope, Mr. Speaker, that this bill will commend itself to honourable members. It will and convince and provide a very rational, totally impartial formula for arriving at the electoral boundaries of the districts of this province, that it will result in more meaningful representation in the House not in the sense of the capabilities of those who are presently serving here but rather, Mr. Speaker, it will spread the work load a bit more evenly insofar as members are concerned. It will hopefully have honourable members in this House who represent areas where there is a community of interest and where their geographic considerations have also been discussed and considered by the commission and they will once and for all, Mr. Speaker, free from the minds of the voters and indeed the population of this province any suspicion that the government of the day can tamper with electoral boundaries to serve their own ends. This will not be possible under this bill. If this bill is carried it will not be possible in the future.

One last comment, Mr. Speaker but again in keeping with the responsibilities and the prerogatives and the rights of this House that after the report of the commission is tabled then if the House by resolution approves of alterations in the report of the commission it is mandatory upon the government of the day as soon as is convenient thereafter to introduce a bill to implement such resolution. This act provides that if passed the Electoral Boundaries Commission will file their report with me as Minister of Justice on or before December 31st of this year. This I would affirm and confirm at this time, Mr. Speaker, would then result in a resolution coming before this House at its next session in the calendar year of 1974 to affirm with or without alteration the report of the commission. I move second reading.

MR. W. ROWE: Mr. Speaker, I rise to say that we in the official opposition

support the principle, the main, broad and general principle inherent in this bill. We on this side support the principle broadly and generally of representation by population. We believe that within reason and within bounds one man's or one woman's vote in one area should be as valuable, should be as powerful as one man's or one woman's vote in another area of the province, within reasonable bounds.

We also recognize two other things about voting for members in constituting a House of Assembly. One of them is that in rural areas there is a greater disparity of use, generally greater disparity of needs from one small community to another small community and onerous task on a member both in campaigning and in representing, more onerous than in the case of urban areas and that the disparity in viewpoint and in needs from community to community, village to village are greater than they are from street to street in a urban area.

We also realize and we also recognize that in Newfoundland and Labrador at least there is - we cannot blind our eyes to it - there is a region of this province which although not entitled to and should not be entitled to special status as a region is entitled to some special recognition as a land mass. I refer of course to the Mainland part of our province, Labrador and I refer even more particularly to the hundreds and hundreds of miles of coast line, sparsely populated coast line from the Straights right on up through onto the Coast of Labrador and of course on in to Goose Bay and on into the mining communities and the hydro power producing communities as well that there will be. We have to accept as reality that region of this province, not as I say to give it any special status but to realize that there are certain inherent difficulties in representing adequately such a large area, such a tremendous land mass with a relatively small population.

This whole question of region by the way, Mr. Speaker, has been dealt with in other constitutions like in Canada and in the States and in Australia where, if you look at Canada and Australia which have the same form of government which we have basically, where they insist that the lower House or the House from which a government is chosen, the government being chosen from the members of that House, there shall be almost perfect

representation by population, one man or woman, one vote, and votes being relevantly equal.

They have also recognized, the framers of the Canadian Constitution and the framers of the Australian Constitution, that there are certain regions and that these regions should have some voice, some power, as a region, in the central government or the central area of government. In Australia we have these states which have a certain number of senators that go to the Capital of Australia, representing the state from which they come. There is no representation by population as such in respect of those senators; there is representation by population in respect of the people who go from the lower House, the House of Representatives.

In Canada there is representation by population almost perfectly, in respect of the lower House, the House of Commons, and it is from that House that the government is chosen. Our senate is not elected and may never be elected, although I hope the time will come when it will be an elective senate.

The basis of the Senate is that there are certain regions, the Atlantic Region or the Maritime Region, when it was first set up, the Quebec Region, the Ontario Region, the Prairie Provinces and the Western Region. These regions, irrespective of population, were recognized as being somehow inherently different and having different needs and therefore they should have a roughly equal voice in that particular House, the Senate of Canada.

Now here in this Province we have the one House and although we should go as nearly as possible to this laudible philosophy of one vote being as equal as another, one voter as good as another voter, as it were, as valuable as another vote, we should I think recognize that Labrador is a region of this province and a region with different problems, to a great extent, a region with, as I say, a tremendous land mass, sparsely populated, and I think that we should go out of our way in this bill to make sure that Labrador is at least adequately represented in this House of Assembly and perhaps more so because of the fact the relative number of members is going to go up, at least as adequately represented, after redistribution, as before. Now the figures which

we have been looking at vary somewhat from the hon. minister's figures, although these figures are based on, I believe, the voters' list rather than the population. It shows that the quotient of fifty-one hundred for the province as a whole, which would be the quotient which is set at fifty-one divided into the number of voters, comes to about two and one quarter seats in Labrador. Now this is based on the voters' list, I will admit, rather than the population, which the bill refers to. But it is the voters, I think, who are important in electing the members.

AN HON. MEMBERS: In Labrador there would be fewer voters per population because it is a relatively young population.

MR ROWE: That is right, there would be fewer voters. Well the minimum, that is right. As the minister stated, there is a minimum, the minimum figure. If the commission which is set up uses the minimum figure, then there can be three and a-half, perhaps -

MR ROBERTS: The minimum quotient of the bill is thirty-nine hundred voters.

MR ROWE: Thirty-nine hundred would go into nearly twelve thousand voters. Now I am talking about voters, and there is a relatively young population in parts of Labrador, which means the number of voters is less than on the average in Newfoundland, the Island of Newfoundland. So thirty-nine hundred is the minimum voting quotient which goes into say twelve hundred to give it its best - it is eleven hundred and five, really - comes out to less than three seats, on that basis, based on voters.

MR ROBERTS: Thirty nine hundred and eight. Fifty-one hundred is the voters, thirty-nine hundred and eight is the quotient.

MR ROWE: In any event, Mr. Speaker, the very fact that we are here talking back and forth across the House, that there can be varying opinions as to whether voters are important or population is the important factor, supports what I have been leading up to, namely, that there should be something enshrined in this act with regard to Labrador.

My own feeling and I believe the feeling of my colleagues and I will be anxious to hear from the member for Labrador South, is that there should be a guarantee. Because there is no guarantee now that the commission is going to use the minimum. They may take the quotient, for example. Also they may say, Mr. Speaker; "Well, Labrador City forms one seat and Wabush, say, for example, and Labrador South forms another seat," or something like that,

in order to try to juggle around and fit in enough seats within the quotient in Labrador. Churchill and Labrador South, for example, which would be somewhat ridiculous. In any event, the point I am going to make and I do not have an amendment or anything. (That will come when committee on the bill sits, Mr. Speaker) the point is that we should enshrine in this legislation something which guarantees Labrador a minimum number of seats, at least until the next census is taken and then we can look at the whole situation again.

I would hate to see, for example, two seats in Central Labrador and one seat on the Coast of Labrador. For example, if you leave out Goose Bay Area, a thousand people on the coast of Labrador - someone might take it into his head to make that one seat, and that would be an impossible task as far as representation is concerned. Now granted albeit I am not giving the commission, at this point, much credit for any intelligence. But I think that we should, in respect of Labrador we should go out of our way to guarantee to that portion of our province a certain minimum number of seats, perhaps three, a minimum of three, maybe fitting in the hon. minister's suggestion, which has been heard in this House before, of the Straits being added. You could probably have three and a-half seats in Labrador.

I think that by the time the committee sits, Mr. Speaker, we on this side will have an amendment to this bill ready for committee, in which we will make some such suggestion. I feel strongly about that. I think that we should recognize the region of Labrador and that we should guarantee a certain minimum number of seats, taking into consideration the things which I have already mentioned, which are different from all other parts of the Island. Certainly there is a far-flung population around the coast of Labrador but perhaps with the exception of St Barbe North and part of St Barbe South, the dispersal is not quite so great anywhere else as it is in Labrador itself. So I think we should think in terms of that. I do not have and I am not going to articulate the amendments which we have in mind, because we have not drafted them up yet. I just throw it out now for the hon. members' consideration, Mr. Speaker, with the hope that perhaps the government will also think

about it between now and the time that the committee sits.

The honourable minister made some mention about the apparently haphazard, stupid, unreasoning, irrational distribution of seats in this province and the boundaries as they have grown up in respect of these seats for the House of Assembly. The honourable minister should know that there is a very simple historic reason for the way the seats in this province have grown up in the past. Up until very recently in our long history, the whole mode of transportation in this province was orientated around sea transportation. Another thing was that all forms of activity and travel and commerce and everything else were centred around the bays of Newfoundland and Labrador. It is only reasonable that because this was the mode of transportation, because this was the hub of commercial activity in any particular area of the province, that the bays themselves would be the seats, the districts as represented in the House. White Bay South, for example, nothing is more irrational than having me, as a member, represent Sopps Arm, Jackson's Arm on one side of the bay and a portion of the Baie Verte Peninsula on the other, and then the boundary cut right down through the Baie Verte Peninsula, and my colleague, the member for Green Bay, has to leave Springdale and drive scores of miles to go on the Baie Verte Peninsula, into communities which I pass every day, going into communities on the left-hand side of the road. The thing is idiotic in this day and age, but there was a good, sound, rational reason when these boundaries were drawn up first and as they continued up until, say, the last ten or fifteen years. But now, Mr. Speaker, the time has come to change the actual boundaries because the whole method of transportation now is based on land transportation and therefore the districts should represent certain areas of land. By and large they will represent peninsulas. The Baie Verte Peninsula, for example, would give you one indication of what can happen. Obviously, a member there, I am not saying this is what I want or what I desire but any member that runs there and gets elected there can, I would submit, in the future expect, without wanting to or without even thinking about it, can expect to represent the land mass known as the Baie Verte Peninsula, which would be oriented around

the road transportation and every bit of commercial activity and all types of activity are all centered in that peninsula and that is the way it should be, and a similar situation exists throughout the province.

That is the reason why it was not, as certain members on the other side have tried to intimate, that there was crazy and foolish gerrymandering going on - there might have been, who knows? I was not around at the last redistribution. But I do know from an historical perspective that this is the reason why some of these apparent anomalies which members see now did grow up over the last number of years when the districts first came into existence.

I would also like to touch on, Mr. Speaker, a point made by the Minister of Justice in which he talks now about the great disparity again which exists again say between the smallest districts, Labrador South with just over 2,000 voters, and the largest district which is St. John's North, I think with 16,000 voters, and tries to make it look like again that this was some crazy scheme dreamed up in an earlier day.

Well for the sake of the record, Sir, the redistribution which took place in 1962 was based on the census which was made in 1961, the year before, and this is the 1962 voters' list which I have here. Now, Mr. Speaker, when you go over it you realize that the disparity is not all that great and when there is a disparity it is generally for fairly good reason.

Labrador West, for example, in 1962 had 1,100 voters. Obviously that had to be made a separate district at that time because everybody who had any sense at all could see there was going to be a great boom in population so it was foolish not to give Labrador West its own separate seat. Now, for example, I submit it has gone away above the quotient, which is supposed to be established

here.

Labrador South had nearly 2,000 voters, 1,800 odd. Labrador North had 2,600. Hermitage had 3,700. Harbour Main, a dual seat, had 6,900. You cut that in two and you have 3,000 odd. Harbour Grace 4,500; Bay de Verde, just over 3,000; Green Bay, 4,400; Fortune Bay, 3,100; Fogo, 5,300.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: When? He is talking about 1962.

MR. WM. ROWE: I am back in 1962 now. If the honourable member would care to listen, I am saying that when the voters' list was drawn up in 1962 and the redistribution bill brought into the House here at that time, there was not a great disparity, which in present day terms now exist. There was not that great disparity then.

Twillingate 3,800; Trinity South 6,100; Trinity North 7,000, fine Liberal districts in those days and hopefully in time to come but they were large districts. St. Mary's 2,400, and then when you come to St. John's and the urban areas, you see that in Humber West and Humber East, for example, 8,800 and 8,300, certainly not out of line, large urban districts which were about twice as large as some of the rural district and only about one-and-one-half times as large as other rural districts. Certainly not out of line even in today's mode of thinking, Mr. Speaker, for a closely knit urban district to have twice the number of voters in it as some of our far-flung rural districts.

In St. John's, for example, St. John's West had 9,300 in those days; St. John's South 9,900; St. John's North 9,000; St. John's East 5,100; St. John's East Extern 7,100, again twice as large say, in most cases, twice as large as the average rural district and certainly not out of line in my estimation for an urban district as compared to a rural district.

Most of the large growth has taken place in St. John's North and St. John's East Extern, the northeast development for example, which is contributed to the top heavy districts in St. John's now that we have, as compared to our smaller rural districts. The same thing may happen between now and 1983 or whenever the next redistribution is to take place and certainly at that time nobody is going to say that the commission or the House that approved of the redistribution should have had their heads examined. You cannot forecast, Mr. Speaker, when the population trends are going to start taking place, when moves are going to be made. You could have in respect of Labrador West but you could not say where people were going to go in St. John's, for example. That depended entirely on where developers developed, where land became available, where people wanted to go and a number of other imponderables.

So, I think that we should get rid of this rather stupid notion that back in 1962 the rural districts had about 1,000 voters in them and the urban districts all had about 20,000. That just does not hold water. It was a fairly rational difference between the rural and the urban. It was roughly two-to-one in the average case but there were rural districts which had as many as 6,700, compared to some urban districts; St. John's East with 5,100. There were rural districts which had more, particularly closely knit rural districts, an island, for example, which was easy to represent and which was fairly closely knit and not very widely spread out.

I think the thing was done on a fairly rational basis and that people should get rid of the idea that there was massive gerrymandering going on and that the urban vote was worth nothing compared to the rural vote. The facts, Mr. Speaker, do not bear it out.

Now looking at the bill itself, I notice that in clause 4 (2) of the bill, "the membership of the commission shall consist of four members, composed of a chairman and three other members," I believe that is in line with the Ottawa legislation on the same subject.

Clause 4 subclause (5) the three members of the commission other than the chairman who will be named by the Chief Justice, I believe from among the judges, as the chairman of the commission; the other three members shall be appointed by the Speaker of the House of Assembly.

I am aware again, Sir, that this legislation follows along the lines given by the federal legislation in Ottawa. I believe the Speaker there appoints the three members of the committee.

But, Sir, what might be valid and sensible in a large House like the Parliament of Canada, the House of Commons of Canada, may not be sensible in this House where a smaller number of members, perhaps a little more personal acrimony and that sort of thing going on, members very well known to one another, small population and all the things inherent in that state of affairs, It may not be a wise thing for the Speaker to be given this power. The reason I say it is not that I doubt the impartiality of the Speaker, Your Honour, or the actual Speaker of the House, I do not doubt the impartiality of that but I do think it is unfair to him, to the Speaker, because the Speaker may, I am not saying this government is going to do it, but the Speaker may come under tremendous pressure from the majority supporting the government (the government is supported by the majority) to appoint certain individuals who may be anathema, who may be not the type of person, not considered impartial or unbiased by a considerable number of members of this House.

The only recourse then that members would have is not to review the decision of the Speaker but to bring some kind of a motion into the House to actually censure the Speaker for having made these appointments. No Speaker in a small House such as this should be put in that invidious situation. It could happen, and it would be unfair to a Speaker to have that kind of a thing hanging over his head. Also, Mr. Speaker, I would submit that once the Speaker had made his appointment and some sort of a vote of censure or something had been brought in against the Speaker, this would cast a pall of suspicion and doubt over all the names of the people who had been appointed by the Speaker.

I think it is a much more sensible thing for the government to have the courage of its convictions and rather than have the Speaker appoint this committee, bearing in mind that the Speaker is a political partisan outside of this House, not in the House, he observes the rules and enforces the rules with utmost impartiality but he is a political partisan outside of this House, ran for election for a certain party, belongs usually, always belongs to the party representing the majority in the House and supporting the government in the House.

Therefore it might be unfair to the Speaker to have his motives and his actions suspect, upon the appointment of certain individuals. So I would say that section 4 (5) of the bill should be amended and I will bring in an amendment when we sit in committee, to say that the three members of the commission, other than the chairman, shall, subject to section 6, be appointed by the

Lieutenant Governor-in-Council, subject to the approval of the House of Assembly, by resolution, from among such persons resident in the province he deems suitable. That means, Mr. Speaker, that the government which is partisan as well but the government will be on its toes I think when it brings in appointments to be submitted to this debate in this House. The government will make sure that since there is a power of debate and revision of their decision that the utmost in impartiality in terms of judgment will be used in selecting these men. And also it will mean that if the government, to take a ludicrous example, were to try and pressure a speaker or brought into this House an appointment such as, not to besmear the gentleman personally, but say Harvey Cole who was appointed as Chief Electoral Officer recently, a partisan put in what should be an nonpartisan position, if a government or a speaker were pressured into doing that, Mr. Speaker, we would at least have the benefit of exposing that in this House of Assembly and debating the merit of such an appointment and the people of the province would be well aware of what in fact was going on.

Now I am sure that it would never come to that because what I am suggesting would act like a good policeman by making sure that such appointments are subject to debate and exposed to the light of day and the government are accountable to this House and to the public and that members of this House who disagree strongly with appointments can voice their opinion and debate the resolution. The government will then be sure and certain to bring in for approval by this House, by resolution, a list of three members who will beyond reapproach.

I think that this amendment we will be proposing in committee will have the salutary effect of making certain that the government, not only this government, there may be another government two or three years from now and, thereafter, that this government or any other government will make sure that the names they do bring in for appointment are the best possible names available in the province, nonpartisan, apolitical, well qualified people to do this particular job. That is the type of an amendment which

I will be moving, Mr. Speaker, when the Committee of the Whole sits.

Now, Sir, one other thing I would like to bring before -

MR. DOODY: The last redistribution commission, who are the members of this?

MR. ROWE, W.N. The last redistribution commission I think was Frankie Wall, if I remember correctly.

AN HON. MEMBER: Jim Higgins.

MR. ROWE, W.N. Oh, Jim Higgins! We should not talk about a member of the bench like this, I suppose. But Mr. Higgins carved out a district I think, Mr. Justice Higgins at one point.

MR. MURPHY: Where in 1962 he was standing for election himself, sure.

MR. ROWE, W.N. That is right. He picked a district for himself, he did not get elected though. I should not be saying this, Mr. Speaker, I might have to appear in court tomorrow, I might be prejudicing my clients case.

MR. MURPHY: It was that way with Harvey Cole in 1959, he went P.C.

MR. ROWE, W.N. Well look, if the honourable junior member for Harbour Main, you know, is trying to throw doubt on what I am saying by reference to the past -

MR. DOODY: (First part inaudible) experience to add to this.

MR. ROWE, W.N. Well Frankie Wall, Mr. Justice Higgins who has had experience, Harvey Cole. That is three there, they should do a fairly good job.

But I think, Mr. Speaker, what I have had to say on that point is a half decent suggestion which at least the government, the Minister of Justice should consider between now and the time that the Committee of the Whole meets.

Also, just a minor point, I think that there should be three members of the commission to constitute a quorum rather than two members. The minister might want to think about that between now and the time the committee meets. I realize that the Ottawa legislation has two members of four for a quorum but I think we should have a majority as a quorum sitting on such an important matter. The majority should be making decisions on it.

Clause(9) of the bill, Mr. Speaker, says that the commission shall be responsible to the minister. Well I think there should be an amendment to this bill to say that the commission shall be responsible to the House of Assembly. This commission should be the servants of the House of Assembly like the Auditor General is and as I believe the Comptroller General is. They are servants of the House of Assembly. Certainly reports can be submitted to the minister for tabling in this House and that sort of thing. But I believe that especially if my suggestion is incorporated that they should be responsible to this House of Assembly not to the minister or not to the government. Their responsibility should be set out in law as being responsibility to this House.

I hope that when they read our terms of reference they see that the responsibility is to the House of Assembly rather than to the executive arm, the government or a minister thereof. There again it might have a salutary effect on their deliberations. It is the House of Assembly that they are directly responsible to and not a minister. They are not responsible to the minister or subject to any kind of suggestion or pressure by any minister whoever he might be but they are responsible to the House of Assembly. The minister might want to consider that between now and then.

In Section (14) there is set out the redistribution and population quotient. It is set out that the province shall be divided into fifty-one proposed one member district. Now once again he and I are all in favour of increasing the number of districts and seats in this province. If for no other reason than it is a travesty and makes a laughing stock out of the whole idea of responsible parliamentary government when you have now, as you had a couple of years ago under the former administration were you had a majority of the House of Assembly either in the cabinet itself or in a minister's office or the Premier's office, which could be equivalent to responsibility to the minister or to the Premier rather than this House primarily. In other words, he would be responsible to the cabinet, he would be in terms of responsibility equivalent to a cabinet minister. We have a majority of the House of Assembly, actually in the

government, or the next thing to it.

When responsible government grew up in Britain, by responsible government meaning a government is responsible to the House of Commons, when it grew up in Britain, there might be twenty or thirty ministers with 600 or 700 members and there was no doubt whatsoever as to who controlled whom. The House of Assembly or the House of Commons controlled the government and not vice-versa. The way that it has grown up in this province is a small number of seats, is that the government or the equivalent of the government has absolute mastery and control over this House of Assembly and makes a laughing stock and a travesty of the whole idea of responsible government and a government being responsible to the majority of the members of the House.

Therefore, I am in favour of the number of seats in this province in the House of Assembly going up. Also, Mr. Speaker, for another reason as well, it is always a difficult job for a Premier to choose good timber, good quality timber, from among a small House of Assembly, for his cabinet. If you have say thirty or thirty-five members elected, it might be difficult for a Premier to choose from among those members fifteen or eighteen cabinet ministers of the type that he wants. At least by putting up the number to fifty or fifty odd there is a greater possibility of choosing a variety of talent and a variety of qualifications when he is putting his cabinet together. That is another reason for putting up the number of seats in the House of Assembly.

But in doing so, Mr. Speaker, I decry the arbitrary figure which the government and the minister have put into the bill, dividing the province into fifty-one proposed one-member districts. Where did that figure come from, fifty-one? I remember some months ago the Premier was the successor to fifteen minutes of Joey everyday, except the Premier only has it on Friday mornings I believe. I believe the Premier flung out a figure, ten more or something. Is this where it came from? That there should be ten more districts or something, forty-one to fifty-one. Because it seems to me just to grab fifty-one out of the air may not in

fact be in the best interest of the province. What I would suggest is that the hands of the commissioners not be tied to that extent, fifty-one, that there be in the bill they divide the province into between, inclusively, fifty and fifty-two or forty-nine and fifty-two because when these commissioners come to divide up this province they may find that fifty-one is an awkward figure to have to use. It might mean that there may be some communities

which do not fit very rationally into the scheme that they have developed which does not quite make a very good seat or a very good district in the House of Assembly. Why not at least give them some leeway and some leverage, between fifty and fifty-two, for example?

AN HON. MEMBER: (Inaudible) Bell Island.

MR. W. N. ROWE: I see. Oh, that is the reason.

Mr. Speaker, certainly set the guidelines for the commissioners, make sure that they do not come in with, say, one hundred and fifteen or with twenty-three, saying that twenty-three seats are too many or are enough seats in the House of Assembly or enough districts in the province. There is no real need to tie their hands to the extent of just imposing an arbitrary figure. Make it, say between forty-eight and fifty-two or forty-nine and fifty-one or something like that so that then they can have some leeway. If the scheme that they propose makes fifty seats a sensible arrangement, so be it! If it is fifty-one, so be it! If it is fifty-two, so be it! While there should be firm guidelines, there should be some leeway possible to the commissioners to make the best possible division in the province, both on the island and in Labrador.

Now, Mr. Speaker, I am glad to see that in clause 16, reference is made to the fact that: "the commission may depart from the strict application of this quotient where special geographic considerations, including the sparsity, density or relative rate of growth of population, the accessibility of a region or the size or shape thereof, appear to the commission to render such a departure necessary or desirable." That is good. It means that the commission will have as part of its duty, will be incumbent on the commission to make sure, hopefully, that the special geographic considerations, etc., will be taken into consideration and we will see that our more rural and remote districts with a great number of small communities, hopefully, will have a greater population in the districts and that the number of voters will be smaller, making the member's job easier and making sure

that he can do an adequate job in representing them.

The twenty-five per cent swing up or down to establish the minimum or maximum in a particular district is, I think, what is generally recognized across Canada. I believe in the States they have a ten per cent swing up or down but, of course, in the States there is seventy-five or eighty per cent urban population - a very small rural population these days; great urbanization has taken place and therefore the swing up or down does not need to be so large. This brings up another case. I believe my colleagues here, Mr. Speaker, are more or less in agreement with the twenty-five per cent up or twenty-five per cent down from the quotient.

I, myself, representing a rural area would not be adverse to that being made slightly larger, maybe thirty-three and one-third per cent up or down. I can even see a case for making it fifty per cent up or down. If there are 4,000 voters in a district, - it seems to me that there are situations where say one district might have 2,000 voters and another district have 6,000, I can foresee situations. I think the Labrador case would be a case in point. I think that other areas of the province, on the Northwest Coast certainly would be a case in point. But the minister has brought in twenty-five per cent more or less and perhaps we should go along with that, although he might have been better advised to bring something a little larger, thirty-three and one-third per cent up or down. It might then fit our circumstances a little more aptly in this province.

Now, Mr. Speaker, clause 21 of the bill, which is the final clause, is unique or at least different in that it departs very drastically from the federal act which governs redistribution across Canada. All the way through this bill the minister has followed, the government have followed the scheme set out by and large in the federal legislation. When they came to the actual implementation of the report

of the commissioners, the redistribution commissioners, they have diverged quite markedly.

Clause 21 says: "If the House of Assembly, by resolution, approves or approves with alterations the recommendations of the commission contained in the copy of the report laid before the Legislature, the government shall as soon after such resolution as conveniently may be introduce a bill to implement such resolution."

There are two things about that, Mr. Speaker: One is that in the federal legislation it states that (I am speaking from memory. I have not read it recently) the commission's report, I believe, is tabled in the House and then if a certain number of members, ten members, object to the report, then there is a resolution or it can be debated and the comments of the members of the House of Commons are sent, together with the report, back to the commissioners, with a request undoubtedly that the commissioners look at it and see if the fruit of these comments should be incorporated into their final report. Then the final report comes back and it is laid on the table of the House and then by the mere efflux of time, after a certain period of time has passed I believe it then becomes law. Is that not right? Neither the government nor the House of Commons has any say over it. It then becomes the law as regard to the boundaries and populations of the various ridings throughout Canada.

I believe this is what the situation should be in this province. If we are going to have any faith in the commissioners, one a judge of the Supreme Court, two others appointed either by the Speaker, hopefully and undoubtedly in a most nonpartisan of fashions or, as I have suggested, by the House of Assembly, after a resolution is brought in thereto from the government, a nonpartisan commission is set up - these commissioners, if they are going to be trusted, should be trusted all the way, with provision for public hearings, as there is in this bill, and provision for the views of dissident members of the House of Assembly to be

transmitted to the commissioners for incorporation if they see fit into their final report. Then it should be the law. It should be set down when the report becomes law and when the redistribution becomes law. It is possible under this legislation for the government to delay bringing in a resolution until very shortly before a general election and certainly if they cannot delay the resolution, to delay the actual implementation by bill until very shortly before a general election, catch the opposition or the general public at large unawares, giving them very little time for respective candidates, very little time to get out into their constituencies that they hope to represent and to campaign in there, to get to know or to size up a constituency and try and decide where one should run. I think that the thing should be set out and that before hand members of this House and members of the general public should know exactly when they can expect the redistribution law to be made. That can be done as is done in Ottawa by the mere passage of time, once certain procedures have taken place.

Then, if the government or a majority of this House disagree vehemently with the commissioners in the way they have lined up the districts in the province, then the situation can be remedied by a bill being brought into the House by the government and a full-fledged debate being taken on that bill. At least the government would have to really take the initiative in that case, Mr. Speaker. They would have to fly flatly in the face, confront directly the commissioners and the commissioners' report, to bring in a bill which would alter or change the report and the redistribution as set up by this body of nonpartisan, apolitical commissioners. That is the way it should be, as it is in the legislation which governs the Government of Canada and Canada as a general electorate.

The way it is here now, the report, the commissioners are responsible to the minister. The minister gets a report which he must table within fifteen days. The minister brings in a resolution with certain alterations for some reason or other, maybe political grounds, maybe not. That can be debated here

but the government obviously forces it through because of the majority which they have in the House and the majority which they have in the cabinet or the equivalent of the cabinet. It is still possible under this scheme for a government in power to gerrymander. All they have to do is be brazen enough, Mr. Speaker, all they have to do is just be a little more brazen than has been necessary in the past, all they have to do is bring in a resolution which instead of approving the commissioners' report in toto approves it with certain alterations. That is a much easier thing to do, Mr. Speaker, than the situation where the commissioners' report is considered to be inviolate, is considered to be the situation, the law to force a government if it wanted to change it to bring in an actual bill to change the actual law in respect of what the commissioners have laid down. I think very few governments would have the brazen gall to take that latter step. Maybe there are governments who would be willing to go along with the procedure as outlined in the bill. I think when committee of the whole again sits on this bill, Mr. Speaker, we shall move that something akin to the House of Commons legislation should be incorporated into this bill deleting clause (21) so that the commissioners, if they are considered to be trustworthy and qualified and sensible and rational then we should be willing to abide by their decisions and accept that as the law and people in this province, and members of the House and members of the general public alike should be able to know when the boundaries are going to be set and to know when the boundaries and the districts, as promulgated by this commission, actually become the legal districts for members to run in or for candidates to run in.

With those few suggestions, Mr. Speaker, I have no hesitation in saying, as we said at the outset, this opposition, this party supports completely and implicitly the idea of one man, one woman, one vote and one vote should not be outrageously more valuable than another and there should be broadly and generally representation by population with

necessary safeguards to take into consideration the differences between some of the regions in our province and the difference between the urban and the rural situation in our province.

Thank you, Mr. Speaker.

MR. M. MARTIN: If nobody else wants to say anything, I will, Mr. Speaker. I would like to say that I too support the principle of the bill. Having listened to my colleague from White Bay South, I think there is very little that I can add to it - a couple of minor points maybe. I do believe that as far as possible we should attempt to have representation by population but as everybody has agreed, I think geographic consideration should also be taken into account. I will go a little further than this and say that in addition to geographic considerations we should also take in cultural considerations here. The point being that it is all very well to say one person, one vote but having voted and got a representative into this House of Assembly, then it becomes a matter of representation, fair and equitable representation and the person who is charged with representing any district should be able to do so in such a manner that he is going to be able to represent one person in that district equally as well as the representative from another district should be able to represent one person. If that sounds a bit complicated, what I am trying to say in essence is that really it boils down to a matter of a community of interest and as the hon. member for White Bay South pointed out that it is much easier to represent an urban district such as maybe one of the St. John's Districts because there is a greater community of interest, a closer community of interest.

When we get into a situation such as we have on the Labrador Coast in particular, then you are running into areas where there is not only a sparsity of population over great distances but you have segments of the population which are culturally diversified within that district.

For instance, in the Northern districts, the district represented by my friend from Labrador North, he has a threefold problem wherein he has the urban centre at Goose Bay, then the Indian communities, where many of the people do not speak English, and the Eskimo communities where the same fact holds true, where many of them speak only Eskimo. This makes it all the more difficult then to provide equitable representation in an Assembly such as this, because the needs are so diversified.

The hon. member for Burin, I think I would take issue with one part of his statement, but perhaps he will not take it too seriously. It is not too serious a matter when he referred to the mainland part of Newfoundland and of course there is no mainland part to Newfoundland but there is a mainland part to the province, which is called Labrador. If I may digress just for a moment here without getting too far off the track: We had a little bit of wool pulled over our eyes a couple of years ago when our former Premier decided to change the name of the government to the Government of Newfoundland and Labrador. Prior to that we did not take issue with the name of the province as we were quite happy to be known as the Province of Newfoundland and we were that part of the Province of Newfoundland called Labrador. However, having raised that and brought it forth in public, we now feel that we quite like the idea of being called Newfoundland and Labrador and sooner or later this government is going to have to decide what we are, whether we are in fact the Province of Newfoundland and Labrador or the Province of Newfoundland. For the benefit of the hon. Minister of Justice I would refer him to a document that is the draft of the latter statement, March 28, 1876, which reads in part, "There shall be a governor and commander-in-chief in and over our Island of Newfoundland and the islands adjacent and all the coast of Labrador," so even away back there you see they recognized the fact that there was a country, at that time independently

made up of Newfoundland and the Coast of Labrador. So maybe all of these years prior to Joey Smallwood we have been operating under false premises.

As far as the electoral district boundaries are concerned, there is only one point which I would again like to reinforce, the point raised by my friend from White Bay South, and that is section (9), "the commission shall be responsible to the minister," I do believe he had a very good point when he said that the commission should be responsible to this House. It is laudable to see a government willing to give up the kind of power that it has, in being able to draw up districts according to whatever way they wish, commonly known as gerrymandering. For a government to be able to take that and affix certain guidelines and rules which will in effect limit our power, I think that is a laudable action. While they are at it, Mr. Speaker, I would suggest that they perhaps go all the way and make a small amendment to section (9) and also section (21) in accordance with the suggestions made by my friend from White Bay South.

With respect to the Labrador territory of this province, I believe we have precedent under the rule set forth in the regulations affecting the federal electoral boundaries where there is a certain floor put on representations from certain provinces originally built into the constitution. I would like to see such a regulation, such a safeguard built into the new electoral boundaries with respect to Labrador and I think perhaps if you look at the population that we have now and the guideline set forth in these proposals we are going to find that we have in fact only two districts coming out in Labrador South. It is all very well to talk about population 28,000 and then divide that by the quotient but when you stop to consider that you have large blocks of population in Labrador West and in Goose Bay there is no way that you can provide equitable representation taking your minimum allowable population out of those blocks in Labrador West and in

Labrador Centre, if I may call it that, Goose Bay - Churchill Falls. Then you have to take a small slice out of one of those urban areas and lump it in along with the coast; and this will only increase the distance.

So what we are going to have, in fact, if you apply these rules strictly, is two seats in Labrador. As far as putting in one seat in one part of the district of Labrador, across the Straits, and making one district of both sides of the Straits, I look at this with mixed emotions. Frankly, I do not think the time is yet. I do not think it can work, there is such a great disparity between the two sides of the Straits. It is difficult enough to move from here to St Barbe North, it is even more difficult to move from St Barbe North to Labrador South, even though it is only less in time as part of the furthest distance. So I do not believe that that particular formula is going to work. On the other hand, I would like to see such a thing happen for one very good reason; that the province would then be well and truly united.

If we are going to talk about equitable representation, I do not think that we can put both sides of the Straits into one district and come up with an equitable representation.

That is about all that I have that would go contrary to what the hon. member from White Bay South has already said. I do not want to delay the House in simply going over the matters that he brought forth.

I support this bill in principle. I think it is generally speaking a very good piece of legislation.

MR WINSOR: Mr. Speaker, while we are debating, if there is another speaker, either the Premier or the hon. Minister of Justice is going to speak and close the debate, I would just like to make one or two references to the bill, naturally agreeing with it in principle. I share the sentiments of the member for Labrador South and the hon. member for White Bay who have spoken on this bill, and I contend that special consideration should be given to Labrador. Now if you think of the geographical problem, you have that vast, long mass of Labrador, 110,000 square miles, and just think, Mr. Speaker, that land mass of Labrador is greater than the Province of Nova Scotia, the Province of New Brunswick, the Province of Prince Edward Island

and the island part of the Province of Newfoundland all put together. That is what we are talking about. If we are only going to have two members to represent that district, then we are going back to where we were prior to 1962. In 1956 I was first elected as the member for Labrador North, and there was one other member. Now there is a member for Labrador South. The extent of Labrador then was from Blanc Sablon in the south to Cape Chidley; so I found myself representing a district which included Labrador West, from 1956 to 1962, I represented Labrador West, including Labrador City, all the way to Chidley. It used to take me about three weeks, with good flying weather -

AN HON. MEMBER: Inaudible.

MR WINSOR: No, MacLean Strait. Well then we will have to take in the MacLean Strait, to go the other way. This is one case where MacLean would justify his existence. But, Mr. Speaker, this is the problem I see arising in Labrador. We do not know what is going to happen to many of our districts. The District of Fogo, naturally I am very concerned with, as I am sure honourable members are concerned about other districts, but Labrador I think the minimum should be now extended to four districts. Because, we have a population in Labrador, right now, as of November, I think the last census that I had taken when I was in Labrador, in November of 1960 the population of Labrador was thirty-five thousand people - thirty five thousand people, and at that time we had three members. So I think, Sir, if we are going to do justice to this legislation, justice to this bill - the hon. Minister of Justice has some comment? Thirty-five thousand in November, 1968

I have the list. If you will bear with me one moment, Mr. Speaker, and I can find it. That is right. The Labrador population in November, 1968, was 37,644. I can run through them but it would probably take too long. Nevertheless the Happy Valley and Goose Bay Area, 7,200. In that list there were 8,500 U.S. service personnel, but some of them, undoubtedly, have gone. But let us take off five thousand and we still have 3,200. The population in Goose Bay at the moment has increased, and I do not know but we are evened out now with the loggers working in Labrador to almost replace the Americans. Then we have the FCAF, which replaced the D.O.T., so I would say we are

pretty close to thirty-seven thousand population right now.

This is where I think we have to be very careful, Mr. Speaker, in this legislation, to be sure that Labrador will get (not better) increased representation, judging the landmass, the geography of the location and the population.

I am a great defender of Labrador and it is certainly much easier for, the hon. Minister of Justice said that it may be argued that it is much easier to represent sixteen thousand people in St John's than represent two thousand people in Southern Labrador, which is correct.

MR MURPHY: You do not have them on your doorstep every meal hour.

MR WINSOR: Let us hear the hon. minister -

MR MURPHY: All broken up about the great area they have to cover.

MR WINSOR: How much travelling would the hon member have to do during the course of a year? You say they are on your doorstep. Is not that very convenient, to have your constituents come visit you and sit on your doorstep waiting to see you? From a physical point of view?

That is only an excuse. I visited the district winter, summer and autumn.

MR MURPHY: My heart bleeds for you, every one of you. Always out on snowshoes -

MR WINSOR: We are only pursuing the argument, not the argument but the reference, what the hon. Minister of Justice said. He said that it could be debated, and I agree that it could be debated. Mr. Speaker, seeing the honourable minister is under a terrific strain representing that district, let us hear from him now and find out exactly what strain there is in representing the district which he represents.

MR MURPHY: If I may, I am never under any terrific strain as far as my constituents are concerned, but I laugh, you know, when I hear these members, the amount of travelling they have to do. They visit their constituents two or three times a year, it is as much as most of them do. As much as they do! I was getting quite a chuckle out of the hon. member for White Bay South and he whitewashing the gerrymandering that took place in 1962. In 1966 we had six members

in St. John's. In 1920 we had six members in St. John's, three in the east and three in the west.

AN HONOURABLE MEMBER: How many in Labrador?

MR. MURPHY: I do not know really about Labrador at the time. I am not quite sure quite frankly whether there was anybody in Labrador. The point that I am trying to make is the fact where representation - and here we were in St. John's in the year 1966 representing twenty four point four per cent of the electorate. Twenty-four point four per cent of the electorate still elected six members out of forty-two. Whereas back in 1920, I think there were, there were twenty-eight or thirty members and St. John's still had six.

So, when we talk about joeymandering or anything else the way they took the pencil -

AN HONOURABLE MEMBER: Any Tories in 1920?

MR. MURPHY: I did not know the difference between the Tories and a Liberal or what they were, my son, not in the least of the rest of them. I was only a little boy, like some of the boys on the other side, still damp behind the ears. They do not know where they came from, where they are going or what they are going to do about it. That is the only few words that I have to say, Sir, on this thing here I quite agree and again the great champion stands up and says, "Look do not forget Labrador." God help us, almighty, the great champions of the people! I suppose in all the history of the world, in twenty-three years of government there was never more neglect shown to any area than was shown to Labrador by the former Liberal Government, absolutely.

When I moved in for the few short months into the Labrador Affairs, God help us almighty, what I had to look at just turned me! Look, take Labrador South, the phone calls and the letters from that area, it was completely forgotten, wiped off the map as far as Newfoundland was concerned.

AN HONOURABLE MEMBER: Did the honourable member ever live in Southern Labrador?

MR. MURPHY: Yes.

I never made any statement that I visited, I said the phone calls and the letters. I was Minister of Provincial Affairs keeping house while the Department of Labrador was being phased out. That is why I took that job.

This redistribution, Sir, I feel and it was something actually I think that was drawn up three or four years ago by the then P.C. opposition, the same thing was more or less projected. The minister says again, "Now look this could be thought up over-night, be sure and give us lots of notice of what is going to happen." So, I think it is a good idea. We might also put into that that we should give a years notice when election is going to take place. I think that would be fair too. I often maintained that the election should take place every fourth or fifth year on a certain date, like they do in the United States, Sir, I think where it is a certain date set forward.

AN HONOURABLE MEMBER: Inaudible.

MR. MURPHY: Well, if you are taught more responsible governments, all right we will discuss that, but I am referring to what happened in the last government, the Liberal government.

Mr. Speaker, I think this is all to the good. I am very happy to see that the way it is being set up that there will be a Justice of the Supreme Court, whether the Speaker names them or the cabinet names them or who names these members, it does not make that much difference but I am sure that whoever they are will be honourable enough to look at all areas of the province and give equal representation. As I say, I represent St. John's Centre. I think this is the first time St. John's Centre has been mentioned in the House. I did not hear any LIP projects or any winter works or anything for St. John's Centre.

AN HONOURABLE MEMBER: Inaudible.

MR. MURPHY: Not a think in St. John's Centre that we can talk about. What we have down there, we worked for down there. We have wonderful people. They have wonderful taste. They are tremendously intelligent people. As far as we are concerned and I think St. John's, the whole area, and as I see it split up and I think of a place like Mount Pearl, for example, who over the past eight or ten years, I would say, Mount Pearl in population

exceeds over fifty per cent of the electoral districts in this province, they the Town of Mount Pearl.

AN HONOURABLE MEMBER: Well, the member for White Bay South was mentioning the way that it was done. You know, it had to be done because of coastal boats. That is why St. John's North -

MR. MURPHY: Yes. That is the time the coastal boat was not trawling in the Baird Development. That is why the Premier left it out. That is why Mr. Smallwood missed that. The regular coastal boat was not visiting Mount Pearl.

So, quite frankly, Sir, I support this bill whatever the implications are or will be. I think basically that we are honest. We will try to be honest with the whole thing. I would like to assure, and I do not have to, the members for Labrador that we too are as conscious of the rights of Labrador as anybody else. There is no need for the mealv-mouths of the past administration bringing it up (I am sorry) to plead and take out the handkerchiefs and cry for any area of this province, which they should really because they neglected them so badly. Again, Sir, I feel that this is a good thing and when it comes to pass it will be done properly.

MR. THOMS: Mr. Speaker, in principle I support the bill but like every other bill it has its deficiencies.

First of all, I think I support my honourable friend from Labrador South in his endeavor to obtain more representation for Labrador. I think that we should give it some special consideration. If you take the present voters or the present population into account you will find that all you can give Labrador is the present representation that it has today, three members. I would like to see something imbedded in this bill to guarantee the area of Labrador either for, at least a very minimum of four seats and possibly five. I think something should be imbedded in this legislation, something similiar to the federal legislation I believe, as it pertains to the problems of P.E.I. in which the legislation says that representation in P.E.I. shall not be less than four seats. I think we should have something in this legislation, something similiar to

this where it should say that the Area of Labrador should not have less representation than at least either four or five seats. I cannot see it falling below four seats.

I disagree with my honourable friend for St. John's Centre when he says that it is more difficult to represent a district within the City of St. John's or within any other city, Corner Brook for example or Grand Falls, than it is one of the outlying districts. At the present time, Mr. Speaker, the honourable member for St. John's Centre or for that matter from St. John's East can walk from one end of his district as a morning exercise or an afternoon exercise but Mr. Speaker, the fastest transportation in the world, the aircraft, can only take me from one end of my district to the other in about fifteen minutes. Where you can walk from one end of yours, it would take me at least fifteen minutes to fly.

Not only that, Mr. Speaker, but the problems in an outlying district are of a greater magnitude and are more versified than they are in an urban centre. There is no comparison as far as problems are concerned, no comparison whatsoever.

For example, St. John's East or St. John's Centre have not got to worry about problems of the Trans Canada or secondary roads, forestry or agriculture. The only thing that I can possibly think you would have in your district would be maybe a pollution problem. That one did not register at all.

Well, Mr. Speaker, while I think that the urban centres need representation basically based on population, I think there should be plenty of leeway for the commission to allow a district in our urban centers to cover a larger population than do our rural centres.

Now, Mr. Speaker

I agree with some of the remarks made by my honourable colleague from White Bay South but I do not believe that this commission should have to sit down and draw or cut out fifty-one seats. I think the number of seats that it is to cut out of the Province of Newfoundland and Labrador should be up to the commission. I cannot see how it will work any other way, that is work in any effective way.

Also, Mr. Speaker, I think that in choosing these three members for the commission, the Minister of Justice should take that responsibility off the shoulders of the Speaker of this House. He should either put it on the shoulders of the Premier or on himself. He certainly should take it off the shoulders of the Speaker of this House.

AN HONOURABLE MEMBER: Give it to George McLean.

MR. THOMS: We can criticize the Minister of Justice. We can criticize the Premier. We do not like to criticize the Speaker. Therefore, I would not want to see the Speaker put in that position. Therefore, when the amendment that my hon. colleague from White Bay South mentioned comes before the committee, I will certainly support it and I trust that all members will. Now, Mr. Speaker, we should give this committee such powers to carve out these districts of our province, not necessarily fifty-one districts, but carve this province into districts that it thinks would give our people fair and equitable representation.

Now there are many districts, apparently, under or if they come under this bill, there are at least six that will disappear. Most of them are within the minimum and maximum range. There are others that are far outside the maximum. This I agree with. I cannot see how any member of this honourable House can represent almost seventeen thousand people or seventeen thousand voters, which in population would be much larger.

Mr. Speaker, I hope that this honourable House will allow this commission enough room to maneuver and to do a right and a just job as to carving out districts within this province.

MR. F. ROWE: Mr. Speaker, there are a great number of points I wanted to bring to the attention of the House but most of them have been covered except one, and I would like to refer to Clause 20 (1) of the bill:

I will read it, Sir: "The Commission may in the performance of its duties under this Act sit at such times and places in the Province as it deems necessary except that before completing its report, under Section 15, it shall hold at least one sitting in the Island of Newfoundland and at least one sitting in Labrador for the hearing of representations by interested persons."

Now, Sir, I think if the people of Newfoundland are going to have the feeling that they really have an influence on the makeup of the various electoral districts in this province, I feel that this clause should be broadened to the point where people on the South Coast and on the West Coast and in Labrador and in Central Newfoundland and the Eastern Regions of the Province and the Northeastern Regions of the Province have something to say with respect to the actions of this particular commission. I know, Mr. Speaker, that they suggest here, you know, at least one sitting on the Island of Newfoundland and one in Labrador, but I think it might be a better idea if the suggestion in this particular clause were made that these public hearings (I guess you could call them) were held in, at least one public hearing in each of the federal ridings in the Province of Newfoundland and Labrador. That would give some reasonable representation with respect to the South Coast, the West Coast and Labrador and the central parts of the province as well as the Eastern Regions of the Province. Sir, I do not think I need to elaborate on that any more than that, except to suggest that probably when it comes up in committee level we might contemplate moving an amendment to that particular clause.

Sir, in view of the outburst from the hon. member from St John's Centre, I would like to point out that there is a terrific difference, in my view, in representing a rural district in this province and representing an urban district. Sir, to be quite frank with you, being a member of the

opposition, I feel I have a duty to represent my constituents as best I can, I also feel, Sir, that I have a very important responsibility in representing the province in various areas, in my case education, municipal affairs and housing, and I can say, quite frankly, Sir, that by the time I complete my work with respect to representing the various constituents of St Barbe North, there is very little time left in the day to research these areas that I am responsible for in this honourable House.

In St Barbe North, for example, there is only a voter population of approximately twenty-seven hundred people, a total voter population. However, there are twenty-seven separate communities, most of them small communities, in that particular district. There are only two communities that have a community council. Most of the communities of St Barbe North simply do not have any form of local government whatsoever and therefore, for every single thing they turn to their member for assistance. In the cities, in the towns of Newfoundland, that have local government, many of the citizens of a particular community would turn to their community council or their local government for such things as water and sewerage. The local government would be representing the people of that town in that respect. They would be making representation to their local government in terms of pavement of streets and provision of sidewalks, in terms of snow clearing in the winter. Sir, the people in most of our rural districts in this province have to turn to their member for such things. I am convinced that many members representing the rural districts spend a tremendous amount of their time doing nothing except answering telephone calls and letters and making representations to the various provincial government departments.

Another point, Sir, is the people of most of our urban areas do not have these social structures imbedded in their own districts, those social structures that they can turn to. In a town or a city like St John's or Gander or Grand Falls, there are government buildings, there are departments of government, extension of the various departments of government in various buildings in these particular centres. If a person wants to find out something with respect to something as simple as getting a building permit, he either goes to the town council or he goes to the government building. This does not happen in the case of

people in those other areas.

With respect to educational facilities, there are vocational schools, extensions of the Fisheries College, vocational and trade schools, extensions of the university and the university itself in a place like St John's. These facilities are available to the people, to the citizens of these particular communities, and that is where they go, Sir. Most of the social institutions, religious institutions are centred, their head offices at least are in these major communities, and these experts are available to the people.

In a district like St Barbe North, Labrador South and many other rural areas, it is the member to whom these people turn. Sir, telephone services are inadequate in many of our rural districts. The information that the people get through the media, through newspapers and through even radio and television, is somewhat diluted

when you go into the more rural areas of our province and consequently once again the people, the only person that these people can turn to is normally the member for that district and there are hon. members on the other side of the House in exactly the same position that I am describing at the present time. So, Sir, I would like to suggest that even this business of having an upper and an lower limit of some 7,500 people to approximately 12,500 people, I do not know whether that range is sufficiently large. I would like to support the suggestion of my colleague from White Bay South that possibly that there are certain regions of our province that should be given consideration with respect to going outside of that plus or minus twenty-five per cent. Sir, I would like that to be given some very strong consideration. I do not know whether my colleague from White Bay South was prepared to move an amendment to that particular clause or not but, Sir, I thought I would make that particular point.

So, Sir, I do support the principle of the bill. I think it is a good thing.

MR. M. WOODWARD: Mr. Speaker, I would like to add a few comments to this particular bill. As the other members on this side of the House, I do support the bill in principle. I feel that, as the member for Labrador South and the hon. member for White Bay South stated, that there is direction given to the committee by the mere act of passing this bill. We have told the committee that we want this province divided into fifty-one seats. We want "X" number of people to be appointed by certain people, as the hon. Speaker will appoint people to the committee. I feel that we should go a little bit further with amendments and I feel that with the development and the increase in population, when we look at Census Canada 1971, when the last census was taken there were some very gross errors made in the census in Labrador. After doing some research, by a number of people, we feel that there is a population in Labrador

today of, not to include the American population at Goose Air Base, there is a total population of somewhere in the vicinity of 38,000 people. We feel the census is wrong. We feel that with the - and something to add to that, Mr. Speaker, that Labrador has the fastest growth rate of any part of Canada. So taking this into consideration and looking at this particular bill, I feel that we should, I do not think we should divide the coastal Labrador into two seats taking in the coastline of somewhere in the vicinity of 800 miles stretching from Blanc Sablon to Nain or adding the radar station of Saglek or going all the way to Cape Chidley where we have a population of merely 8,000 people in our coastal communities.

I feel that this should not be done, I feel that the districts in Labrador, and the hon. member for Labrador South did bring up I feel a very pertinent and a very important aspect of this when he touched on the cultural aspect of the districts. Nowhere else in the province do we have the ethnic groups, the Eskimos who only speak Eskimo and the Indian people who do not speak English. This should be looked at as well but then again -

AN HON. MEMBER: That means that a member should be trilingual.

MR. WOODWARD: Trilingual and if you want to be a part of Canada, you would have to be -

AN HON. MEMBER: Quadrilingual.

MR. WOODWARD: Quadrilingual. So in this case I do not think this in itself presents a problem but in my particular part of the district, if one has the means to travel and can bear the expense of travelling then you can do your district quite easily if you have the means whereby you can charter an aircraft and travel for four days or three days whatever the case may be and pay a transportation bill of \$480.00 a day, which is normally what an aircraft costs you. If you want to do your district, then you do your district twice a month and you can do the district in a matter of two days. If you are going to travel by any other conventional

means, to do my particular area of the district is going to take you five to six days to get out of Goose Bay. I feel that the hon. member for Labrador South, if he wants to do a tour of his district, other than doing it by aircraft, it is going to take him at least two to three weeks by conventional transportation to do his district.

So I feel if this committee, Mr. Speaker, can direct the commission to say, "Look we want the province divided into fifty-one seats," let him go at least a step further and say, "Look we want you to draw up the boundaries for four seats in Labrador, adding the increased growth in Labrador where a number of our people from this province, from the island portion of the province are now resettling in Labrador. When we take a look at the tremendous growth in the West and taking a look now at another community just added, a permanent community of Churchill Falls, I think maybe I would like to see this bill go a little bit further and add amendments to it that there will be four seats in Labrador. There is nothing wrong with the merit of having a seat distributed between the Island and the Labrador sector, like Labrador South, to bring unity. I feel there is a great need for unity between the island portion of our province and the mainland portion. I have no dispute with that, Mr. Speaker, but then again I feel that we should have four seats and I feel that maybe the only way we will get four seats is if the hon. minister in his wisdom, seeing he is directing this bill and had it drafted, to go a little bit further and say, "Look why do we not have four seats in Labrador?" Maybe we can hear now from the members on the government side of the House as to their views. We are not hearing too much on this bill from the hon. members and ministers on the other side. Maybe, Mr. Speaker, we can hear something in this respect.

MR. NEARY: Mr. Speaker, is there anybody on the other side who wants to speak? Mr. Speaker, it is rather disappointing to see the number -

MR. ROBERTS: Let us have a quorum call.

MR. NEARY: Yes, let us have a quorum call.

MR. SPEAKER: Would the clerk count the House please? I am informed that we have a quorum.

MR. NEARY: I would have hoped, Mr. Speaker, that more members on the government side of the House would have spoken on this bill which I consider to be a very important piece of legislation. It is probably one of the most important pieces of legislation to come before this session of the House of Assembly. I would have hoped, Sir, that more of the members on the government benches representing rural areas would have spoken on this bill. I do not know why they have chosen not to speak on it, Sir. I am not surprised but it is disappointing. I am not surprised because all throughout this session hon. members have been silenced, for some reason or other, tongue-tied and they have not been participating in the debates of this House

and this is most disappointing, Sir. I did not intent to speak on this bill myself.as a matter of fact, tonight I am suffering from the flu, and so I am rather slow tonight.

AN HON. MEMBER: Inaudible.

MR. NEARY: No I am not on the wine. If some members on the other side had spoken, Sir, I would have foregone my participation in this debate.

But, Sir, one thing I have to say at the outset and I agree with the bill in principle, I think, redistribution is necessary. One thing that I have to say at the outset is this, I do not really know how to put this, but I have to pick and choose my words. I just had a note shoved in front of me there "let us not leave the impression....." I better destroy that, Sir.

If this bill is passed, Mr. Speaker, what it does really is to put the power in this province in the urban centres. Up to the present time, since Confederation and prior to Confederation, the power base in this province, Mr. Speaker, has been in the outports, in the rural areas, especially since Confederation. Members on the government side of the House who were here in opposition often referred to the government as "Her Majesty's Outport Government."

AN HON. MEMBER: It still is.

MR. NEARY: It still is. That is why, Mr. Speaker, that I was rather disappointed that more of the members representing the rural areas did not speak on this bill. They still have a chance to do it. Maybe when I am finished, I may provoke them into speaking on the bill.

Since Confederation and prior to Confederation, Mr. Speaker, the great ambition in this province was for the famous St. John's cocktail set to get power in this province.

AN HON. MEMBER: Lawyers.

MR. NEARY: The well-to-do lawyers, that is right.

AN HON. MEMBER: Inaudible.

MR. NEARY: The businessmen and the millionaires tried to get control of this province, Sir. They tried it before Confederation. They fought against Confederation. Then after Confederation the man who was asked by the Prime Minister of Canada to form a government in this province at a difficult time to get enough members -

AN HON. MEMBER: Inaudible.

MR. NEARY: The former government, the former and interim government.

AN HON. MEMBER: Inaudible.

MR. NEARY: Today he may be trampled to death, but not at that time, Mr. Speaker. They did not want to have anything to do with him. He was a baywhop. He was from the outports, from a working class family, Mr. Smallwood.

AN HON. MEMBER: Inaudible.

MR. NEARY: He was a baywhop. A good many of his years, Sir, he lived in the bay. He was born and raised in the outports. So they tried hard to get control of power in this province, Sir. And for twenty-three years the Premier of the day fought them off, fought them off.

AN HON. MEMBER: You opposed him.

MR. NEARY: I opposed him once myself. I ran -

AN HON. MEMBER: Inaudible.

MR. NEARY: That is right.

AN HON. MEMBER: Inaudible.

MR. NEARY: That is right. The whole world knows that. I have not said an unkind word about the honourable minister yet, except in our days in the Hotel Newfoundland we might have had a few cross words.

AN HON. MEMBER: Inaudible.

MR. NEARY: That is right.

But, Mr. Speaker, the great ambition in this province was for this famous St. John's cocktail set to get control of power. I suppose, Sir, to a certain extent they managed to do it in the last election. They managed to do it, Sir, finally got control. A lot of people in Newfoundland became very concerned, very disillusioned, very depressed over the fact

that the power base have now been shifted into St. John's East, that famous cocktail party.

So what we are doing, Mr. Speaker, in passing this bill we are really putting the power into the hands of the urban centres of this province. You know, Mr. Speaker, when you come to size it up, a party could win or lose an election now, after this bill passes, by just following the Trans Canada Highway from St. John's to Port aux Basques, there will be enough seats along the Trans Canada Highway to win or lose an election for a party, because the Trans Canada Highway, Sir, passes right through practically all the urban centres of the province.

Now I gave a great deal of thought to this, Mr. Speaker, a great deal of thought. For a while I was terribly concerned about it. I felt that this was wrong. This was wrong to put power in the hands of the well-to-do lawyers and the millionaires and the businessmen. Then, Sir, after I thought the whole thing through, I came to the conclusion that this was no longer true in Newfoundland. No longer true, Sir, that the voters of this province, after twenty-three years of democracy, have served their apprenticeship and that they are now ready for real democracy in this province.

I feel now, Mr. Speaker, although some people may disagree with me, I feel now that the people of this province are sufficiently informed through radio and television and newspapers and the "Open Line Programmes" that there is no way, there is no way that the people of this province today, especially with the improvement in our educational system and so forth, that there is no way that the people of this province will allow the power to be concentrated in any one particular area or with any one particular group of people.

I really believe this, Sir, and I therefore have no fear at all about this redistribution bill. I think redistribution is necessary. I for one am not afraid of it, not in the slightest, Mr. Speaker, and my District of Bell Island will be one of the districts that will be drastically affected by this bill.

AN HON. MEMBER: Inaudible.

MR. NEARY: Well I am in pretty good company, Mr. Speaker, because the member for Labrador South, the member for St. Barbe North, the member for St. Mary's, the member for Bay de Verde and the member for Fortune Bay, we are all in the same boat. We are all under the minimum.

Then there is another group, Mr. Speaker, who are, although they are under the quotient they are over the minimum, St. Barbe South, Carbonear, Labrador North, Hermitage, Placentia West, Ferryland, Twillingate, White Bay North, White Bay South, St. George's, St. John's East, Port de Grave, Harbour Grace, Placentia East, Green Bay, Fogo, Labrador West, Lewisporte, St. John's Centre. Six districts under the minimum, six under the quotient but over the minimum - no pardon me. Twenty-five districts definitely are going to be effected by this bill, Mr. Speaker.

and most of them are outport districts.

As far as my own District of Bell Island is concerned, Sir, the honourable Minister of Finance, and I am glad to see him back in his seat, following the October election, could not wait to take to the air waves, could not wait to get on television. I happened to be sitting in the studio that night, I think I was the only member, the only minister, at least, re-elected who was in CJON that night when the honourable minister was there, when the minister rushed in before the television cameras to inform the whole population of Newfoundland that following the next election, "there will be no District of Bell Island," He hated me so much, Mr. Speaker, he hated me so much he could not conceal it. He could not conceal it. I was sitting there and he was talking about redistribution, "after the next election," he said, "there will be no District of Bell Island. We are going to wipe it off the electoral map."

I sat there and said to myself, "well now, there is probably need for redistribution but I do not think that that is the reason we should have redistribution that the minister just gave." Then on to the March election, re-elected again, Sir, four times in a row, over on Bell Island.

Now the minister's words are coming true, Sir. They could not get me any other way so now they are going to wipe out the district. Is there any other member of this House who has been as persecuted as I have? In the last year, Sir, I think I have seen the inside of every hearing room and every court house in St. John's. I had never been inside of one in my life, it took the honourable Minister of Social Services and Rehabilitation to get me in there. So they figured they would try to get me one way or another.

Well, Sir, I got news for the honourable gentleman, I have

got news for him, because I was kind of thinking out loud tonight - no that is right, I am not going, thinking out loud, Sir, and I figure well what will happen to Bell Island. The honourable junior member for Harbour Main there says, "Well, put it back with Harbour Main." Well, Sir, I will tell you, I would not object to that but the honourable minister might be interested in knowing that my mother is from Harbour Main, from Gallows Cove and she comes from a long-tail family, and some of them voted for my honourable friend in the last election, unfortunately. They strayed away. But I do not think that will happen, Sir, I do not think Bell Island will be thrown back with Harbour Main.

The same way on the South Shore of Conception Bay, Sir, a lot of former residents of Bell Island relocated down on the South Shore of Conception Bay, and I would have no hesitation at all in taking on the honourable member if I had to, no hesitation at all Sir. I would take him on without blinking an eyelash, just the same as I would take on the honourable member for Harbour Main if I have to.

What I think is going to happen to Bell Island, and I am not trying to anticipate the commission, Sir, but the obvious thing to happen to Bell Island is that it be expanded to include a part of St. John's North, Portugal Cove, part of Torbay, Bauline (there was a time, Sir, when there was only one PC in Bauline) go down the windgap take in Flat Rock, right down as far as Pouch Cove, a little bit of Pouch Cove.

AN HON. MEMBER: Shoe Cove.

MR. NEARY: No, not Shoe Cove, yes take Shoe Cove too, yes.

I have got some good friends in Shoe Cove, so we may as well throw that in too.

So then you could call that district, Mr. Speaker, Bell Island - Cape St. Francis, that would be the new district.

I have got news for the honourable members on the other side, looking at some of these communities, my late father came from Portugal Cove, Sir and my late grandmother came from St. Phillips, she was a Squires from St. Phillips, and all the Tuckers and all the Squires in St. Phillips are related to me, one way and another. My aunt and my other relatives lived down in Flat Rock. So I would say, Sir, that I have got her made, got her made. Because obviously, Sir, the commission is not going to jump over the coast line and go down in St. John's Centre, make Bell Island a part of St. John's Centre or St. John's Centre a part of Bell Island, although it could happen, I suppose, but it is very unlikely, Sir.

MR. NEARY: that they will jump over that coastline, Sir. So, Bell Island will be expanded to include a part of Conception Bay, stretching anywhere from Marysvale, say, down to Portugal Cove and then beyond that down to Pouch Cove. I am the slightest bit worried about it! I am not the slightest bit.

Mr. Speaker, we will probably wind up in this province with ten, fourteen, nineteen, over half, I would say over half of the districts under redistribution will be in the urban centres. I am looking at the brighter side. I am looking at it in a positive way. The honourable minister says that we will be lucky if we get a third.

AN HON. MEMBER: In the urban centres.

MR. NEARY: There will be ten in St. John's alone.

AN HON. MEMBER: (Inaudible) Marystown -

MR. NEARY: Marystown, there is no way, Sir. They would be insulted if they ever heard the honourable minister talking like that. They are not townies, Sir.

AN HON. MEMBER: I did not say townies, I said urban.

MR. NEARY: "They are baywhops like myself." The hon. Premier really is a baywhop, if you want to get down to brass tacks. He is really a baywhop and I am surprised that he has not gotten up and spoken on this bill. Maybe I can get him on his feet. I got him on the George McLean debate. Maybe I can get him up now to speak on this very important piece of legislation.

What I am trying to say, Mr. Speaker, is that in this day and age, when we have good communications in this province, when people can move around freely over the roads that have been built in this province in the last twenty-three years, telephones have improved, I have no

fear at all, Sir. There was a time when I may (five years ago) have fought this bill, tooth and nail but not today, Sir. Even though I realize that the power is going to be put in the hands of the urban centres, even though I realize that, Sir, I have no fear at all about it. I know that the people of this province are sufficiently informed now, that they will see to it in the next election that is held after redistribution is approved, that they will see to it that the power is not concentrated in one area of the province or not concentrated in the hands of the few. I have sufficient faith in the Newfoundland people now, Sir, to believe this. If I did not, I would not support this bill.

Mr. Speaker, I have no hesitation in agreeing with the principle of this bill. There have been some very, very good points brought out during the debate. I hope that the government, the minister, will take into account the points that have been made regarding Labrador. I do not think, Sir, that it is proper just to base redistribution solely on population. Ontario does not do it. In the Northern part of Ontario, geography is taken into consideration. I believe the same thing happens in the Province of Quebec.

Mr. Speaker, I agree with whoever it was who made the point that members of the House of Assembly should be exposed to the redistribution plan before it is brought into the House of Assembly, because Your Honour knows and I know and the hon. member for Green Bay knows and the hon. member for Grand Falls knows, because the four of us went on a little jaunt over to Quebec City,

prior to Christmas. We attended a meeting. We walked in on a meeting which was being held, when they were re-distributing the seats in the Province of Quebec; and the members of the House of Assembly were there having their say. You Honour knows because we spoke to some of the people that were there. They were having their say, and the whole matter was going to be aired, thrashed out before the proposal was brought before the National Assembly in the Province of Quebec.

I think we should do the same thing here.

That is about all I have to say about this bill. Mr. Speaker, basically I agree with it in principle. I think redistribution is necessary and I am not afraid of it, as I would have been four or five years ago, and I have sufficient faith now in the people of Newfoundland to realize that they will not allow the millionaires and the businessmen to take control of this province.

MR STAGG: Mr. Speaker, I rise not as a result of the goading of the member for Bell Island but my remarks are somewhat inspired by the earlier remarks by the member for St Barbe North.

Mr. Speaker, I do not think that representation by population is the panacea, the answer to everything that may be posed in some quarters. I think that there should be a great bias on the part of the commissioners, and I hope they read the proceedings of this debate for some guidance. I think that the commissioners should predicate their findings upon a great bias for rural Newfoundland.

I happen to represent a district that divides very evenly into an urban and a rural district. It also divides very evenly in terms of population. The representation I have from the rural portion of that district I would say is threefold to the representations I have from the urban portion. I would like to inform the House, in my travels I visited one of our federal members, probably the greatest representative of the people that our province has ever seen, the member for Humber, St George's, St Barbe, Mr. Jack Marshall. I have seen his files and I have seen his files on the smallest district in his federal riding, which is the District of St Barbe North. And St Barbe North has more,

there are more representations from St Barbe North than there are from practically all the rest of the district combined. Now this was the case long before the present member for St Barbe North was in office, nevertheless I think it has still continued since he held the post.

Mr. Speaker, municipal departments, provincial government departments and federal government departments proliferate in urban areas. The rural districts have very few of these municipal bodies or well organized municipal bodies or provincial government bodies or federal civil servants to which they can refer for representation. In those rural areas the provincial member and in many cases the federal member are the only type of representation these people have. He is their ombudsman, he is their clergyman, in some cases, certainly their lawyer - in my case, a lot of it, and the commissioners should keep this well in mind when they are carving up Newfoundland. They should do more than draw lines on a map. This point must definitely be kept in mind.

I have a couple of more points I wish to make, Mr. Speaker, but I do not wish to delay the House any further.

The representation by population idea is good but I do not think it should be over estimated. The twenty-five per cent bias in favour of rural districts I think should be carried to excess and if it means that some of our urban representatives squeal, well I for one will be with the commission. Thank you very much.

MR. SPEAKER: The honourable member for Twillingate.

MR. GILLET: I had not intended to get into this debate at all, Mr. Speaker, because from the beginning I felt that my honourable colleague from White Bay South had covered practically everything, that is as far as this actual introduction of this bill is concerned. Because in effect this bill is just to establish the commission.

I presume that this House of Assembly has the power to veto or to alter, amend any recommendations that a commission of any four men might bring to it.

I was tempted to speak particularly after the honourable member for Port au Port, having heard the previous speakers, and having heard the speakers on this side tempt members on the government side to speak, and having heard the honourable member for Port au Port, because he comes from a rural district, I felt that I should add my very few words to what he has said and of course to what the previous speakers have already said.

I too feel that to carve up this province purely on the basis of population is to do an injustice to the people. I believe also that the government in drafting this bill has given scope to the commission to take into consideration every aspect of the electors and the electorate of this province.

I think a great deal depends, Mr. Speaker, on just who these men are, There I think lies the salvation of the whole bill I think we have to place into the hands of this commission before the entire work should be done in this respect. I trust too that the commissioners will study Hansard, tonight's Hansard, before they set about their task and I feel sure that as they go around this province and meet with the people that they should in the end come up with a delimitation or a new slate of districts which will enhance the government of this province no matter which

government, whether it be Progressive Conservative or Liberal or what, to enhance the government of this province to carry out its duties and to govern in the best interests of the most people, in fact of everybody, I support the contention of both of my colleagues from Labrador that because of a vast area of Labrador that portion of the province should have at least four representatives.

Mr. Speaker, I support the principle of the bill as have the previous speakers. I can only hope that the government in the selection of the chairman and the three members of the commission think and act very wisely because a lot depends on just who they are and how they conduct their hearings.

MR. PECKFORD: Mr. Speaker, I feel compelled to speak on this bill for a number of reasons, perhaps the most important of which is the fact that I have the distinction of having lived in quite a few rural provincial districts around this province. I have lived in Trinity South District, in the Lewisporte District, White Bay North District, St. Barbe South, Labrador South, Burgeo-LaPoile, Placentia West and two different districts in St. John's, besides the district I now represent, of Green Bay. I think that with such a background, especially in rural parts of our province and then with a little sprinkling as a townee, that I should have a few words to say regarding the bill. I do not think there is any question, Mr. Speaker, about the fact that a commission of this sort has to be very cognizant of rural Newfoundland. Some honourable members previous mentioned the fact of just how (I do not know about how miserable) geographically confused some of the provincial districts are. One only has to think for instance of the District of Gander, where you have to pass through the Lewisporte District, Norris Arm, to go on to Bishop Falls and Botwood and where the hon. Speaker has to leave from Lewisporte and pass through Gander District to get back into his own, over at Point Leamington, in that area.

Of course, there are other examples that can be cited as well.

In Trinity South, you have to go through Placentia East, I think, in order to get into - these things, (there is no question about it) have to be cleared up.

In the same way, there has been a lot of dispute lately now about the federal scene where you have the federal government sort of suggesting to reduce the number of federal seats in the province to six and where a lot of people are harping on the business of geography as opposed to a strict application of a population criteria. There is absolutely no question, as we have seen on the various petitions that have come into this honourable House this year and in last year's sitting, there are distinct characteristics of rural Newfoundland that make it far more difficult to represent than say a city or an urban riding. There is no question about that. If you have a district, like most rural members have now, where you have almost fringing upon an urban area. - like for instance in Green Bay, where I have Springdale and where the hon. member for White Bay South has Baie Verte which for all intents and purposes now with the services they have and are about to get and so on and with the middle to upper middle class people you have there and skilled jobs, occupations and whatever, you have a real highbred type thing. You have the more urban area and at the same time to whom you have to cater in a different way than you do to the more rural areas of Seal Cove, Harbour Round, Brent's Cove or Mings Bight in the district of the hon. member for White Bay South or in mine, when you are talking about Shoe Cove or Tilt Cove or Sunday Cove Island or somewhere like that.

It is much more difficult to represent. Then if you complicate that with the geography involved where you have to drive eighty-five or ninety miles to get to some of those communities to see eighteen families or in my case if you have to drive -

I have to drive from where I live in South Brook to let us say Round Harbour about ninety miles and we have about four or five families in Round Harbour in the winter and in Snooks Arm you have about sixteen families. If somebody really has a problem down there, a particular problem there that they want to see you about and it is very urgent, well it really means a lot of your time and a lot of your money to get down to those areas.

So I think it is a matter of geography and it is also a matter that we are going to see a lot more of this. It is true of Lewisporte District as well where you have this added complication of a sizeable urban population and at the same time an even larger rural population and hence you have many more problems. You have the problems of the housing which is prevalent in an urban riding like in Springdale or Baie Verte or even, Port Saunders is in St. Barbe South is it? Yes. Yours would be Flowers Cove, Flowers Cove would be the more urban I suppose although it is not true so much in St. Barbe North as it would be in Green Bay or in Lewisporte District or in White Bay South. So it really complicates matter for a rural member.

So I think there is no question that this whole business of geography has to be a major consideration in any committee's deliberations on this matter and if a committee brings in a report, redistribution to fifty-one seats, where you still have some of these glaring errors in geography. You take the hon. member for Bonavista North and myself, for instance, have besides the fact of a Springdale or a Gambo and besides the fact of a, let us say a Centreville and a Sunday Cove Island, to give the two opposite poles of the urban versus the rural, we have added problems of islands to represent where we have to take ferries or get there some other way. He with Greenspond and St. Brendan's and myself with Little Bay Islands, Long Island and Sunday Cove Island, so we have even an added problem and I should like

to see on behalf of the hon. member for Bonavista North and myself that this commission look very seriously at this and take this into consideration, that we are a rural area which has within its district a number of islands, with four or five hundred people, which is more than that which St. Brendan's has, seven or eight hundred people - five hundred, the same as Long Island and Little Bay Islands. Greenspond has about two hundred and fifty or three hundred. Five too? The same as Long Islands and Little Bay Islands in my district.

Well, this should be an added consideration for limiting that district, because it is an extra consideration you have to take into account if you are going to try to represent these people.

Then they have their problems, as both of us know, in the last three or four weeks or two months almost, with the ice problem, the people not able to get their livelihood from the sealing, especially in my district. So here is another added problem they have. So that any deliberation, I should like to see the commission look very kindly on districts such as ours, to ensure that if some member has two or three islands in his district, that should be added consideration for reducing the population part of it and the geography, to make it easier for a member to represent such islands.

I do not know if there is any other district in the hon. House now that has any more than two or three island, besides Bonavista North and Green Bay. I do not think so. Well, you have the hon. member for Twillingate, where it is a different situation. Change Islands, I guess. That is in Fogo, is it not? That is in Fogo. That is where my ancestors were from. You have Green Island, close to Green Bay.

So I do not think, Mr. Speaker, that too much can be said about this business of geography as it relates to redistribution of seats in this honourable House. I know from myself, being in these districts, Labrador South, I am very familiar with the District of Labrador South. I spent two summers down there, a total of about six or seven months, travelling up and

down the coast, from Henley Harbour in the South, just south of Cartwright in the north, in a twenty-seven foot skiff. I have been down north for a couple of months as well, but not in any official capacity, working or anything, but in Labrador South I was. I went into all the small coves, George's Cove, Port Hope Simpson (which is large), and Sandy Hook, which is a community in the summer time, which goes into Port Hope Simpson in the winter and Tub Harbour and Snug Harbour and all the other, and Triangle (there is a place down there called Triangle).

AN HON. MEMBER: The honourable member has at least sixty minutes left.

MR PECKFORD: Fine. Yes, could I move then that we adjourn the debate, Mr. Speaker.

On motion debate on second reading of bill adjourned.

MR SPEAKER: It now being 11:00 o'clock, I do leave the Chair until 3:00 P.M. tomorrow, March 21, 1973.