

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
10:00 a.m. - 1:00 p.m.
FRIDAY, MAY 18, 1979

The House met at 10:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER: (Otteneimer) Order, please!

STATEMENTS BY MINISTERS

MR. SPEAKER: Hon. Minister of Finance.

DR. J. COLLINS: Mr. Speaker, the procedure involved in paying suppliers of goods and services to Government of necessity can be time consuming. This is due partly to the size and complexity of Government operations and to statutory requirements concerning the certification of expenditures of public funds. In recent years the length of time between the receipt of invoices from suppliers and the issuing of the related cheques has tended to increase due to several factors, two of the major ones being the overloading of existing central accounting system in my department and the decentralized nature of certain Government departments which require that invoices be sent to branch offices for certification and returned thereafter to head offices for voucher preparation.

The effect of delays in processing of suppliers' invoices has been an increase in their financial costs. Some of these suppliers, many of whom have, quite understandably, protested vigorously to Government about these delays, have undergone considerable inconvenience when payments have been unduly late. One frequent complaint received relates to the administration of provincial tax statutes which require prompt payment to Government of taxes collected by vendors, with interest and penalties being imposed where such prompt payment is not affected.

Vendors who are also suppliers to Government naturally object to Government on one hand penalizing them for late tax returns, while on the other hand refusing to pay the interest on late payments by Government to these suppliers.

DR. J. COLLINS:

The matter of paying interest on overdue accounts has been carefully considered by Government and I am pleased to announce that it has been decided, with effect from April 1, 1979, to pay interest, at nine per cent per annum, on invoices which are not paid within sixty days of receipt, subject to certain conditions as listed below: (1) Payments must have taken in excess of sixty days from the receipt of an invoice acceptable to the Government, or the delivery of the goods or services whichever is the later; (2) All requirements of the contract, purchase order or other purchasing authority must have been met to Government satisfaction; (3) Interest will be paid only upon the receipt of a separate written claim within sixty days of receipt of a late payment by the supplier; (4) Where an invoicing problem is attributable to the act of the supplier, interest will be calculated from the date that the problem is resolved to the satisfaction of the Comptroller of Finance; (5) No single claim for interest amounting to less than five dollars will be considered; (6) This policy will not apply to employees of the public service, provincial Crown corporations,

DR. J. COLLINS: agencies or boards. The central accounting system in the Department of Finance is now under revision and the procedures involving processing of payments will be improved within the next few months in order that payment of invoices will be expedited. It is the sincere desire of government that this policy will help to relieve any inequities which have resulted from the prior policy of refusing to pay interest on late payments by government to its suppliers.

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for LaPoile.

MR. S. NEARY: Mr. Speaker, I am rather surprised and taken aback with this kind of a ministerial statement, Sir, when we were led to believe so often in this House that there was no problem with the government paying its bills. I would suspect, although the minister did not say this, that the main reason for the government not being able to meet their obligations is not because of the load but because the government finds itself occasionally strapped for money. That is probably the main reason.

So, Mr. Speaker, the hon. gentleman did not indicate how much this was going to cost the Public Treasury. The hon. gentleman must have some figure in mind, some estimate of what this is going to cost the taxpayers, this procrastination. And perhaps the hon. gentleman can give me some idea of the financial cost to the taxpayer involved in now adding a 9 per cent interest to invoices that are paid within sixty days. Let us hope, Mr. Speaker, that all invoices for goods and services will be paid within sixty days so that the taxpayers will not be called upon now to pay an additional penalty.

I would have been pleased to hear the minister if he had told us that 9 per cent interest was going to be paid on salaries and wages that are withheld by government for longer than sixty days. I am told that last year some people who worked for forestry, it was three months before they got their pay cheques. Three months! This here will take care of the well-to-do again, but it will

MR. S. NEARY: not take care of the ordinary person like the people who have to wait for their vacation pay, who have to wait for their pensions, who have to wait for their salaries and wages. I do not think there would be any joy in the streets of Newfoundland because of that kind of a ministerial statement, Mr. Speaker.

MR. SPEAKER (MR. OTTENHEIMER): The hon. Minister without portfolio.

MR. W. MARSHALL: Mr. Speaker, I just want to, under Statements by Ministers, inform everybody in the House as well as the press that the government intends when we adjourn today to move a motion that we adjourn until Thursday next - Monday, of course being a statutory holiday, Tuesday being election day and then certain members will be off in their district, I would imagine, during the Federal election period.

MR. MARSHALL: because many of them are from out of town there will be a day for coming back. So we will be returning on Thursday.

MR. SPEAKER (Ottenheimer): The hon. member for LaPoile.

MR. NEARY: That is debatable. Could the hon. gentleman indicate to the House what we will be doing when we come back on Thursday? Will we be doing legislation? Will the budget be brought down? If, after Tuesday, we are going into a provincial election? Just what will happen? What kind of business will we be doing in the House after we come back on Thursday?

MR. SPEAKER: The hon. Government House Leader.

MR. MARSHALL: Mr. Speaker, I had mentioned this fact about the postponement to the hon. gentleman yesterday afternoon. I had assumed that the Opposition were in accord with it.

MR. NEARY: No, we had no choice. We do not have the majority in the House.

MR. MARSHALL: With respect to the question, and I think it is a fair question - both sides of the House should obviously know what business is coming up. On Thursday we will be proceeding with the bill with respect to the Lower Churchill Development Corporation. And then we will be proceeding with the rest of the legislation and in due course of course we will be bringing in the budget as soon as possible. As for the election, that of course is not within my purview to comment upon, but I just have to say the Opposition will have to just shiver and shake for a little while longer and in due course they will find out when they are going to meet their Waterloo.

ORAL QUESTIONS:

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, back on November 1st., Sir, over six months ago, I wrote the Minister of Justice asking for a

MR. NEARY: police investigation into a very suspicious transaction that took place between Sterling International of San Francisco, International Forest Products, who were the exclusive marketing agents for Labrador Linerboard, and a dummy company in Bermuda known as EGRET. Could the Minister of Justice tell the House what has been done to date in connection with that request? What steps have been taken to investigate this matter by the RCMP?

MR. SPEAKER (Ottenheimer): The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, the investigation into this matter was initiated immediately when it came to my attention. I have enquired from time to time as to the progress. I have been assured that the RCMP have completed their investigation within Canada but some of the alleged witnesses referred to in the correspondence reside in the United States and certain procedures are now underway to try

Mr. Hickman: and solicit their co-operation, which they have not been inclined to give. These are not, I might add, the people who were complaining about, but others. That is, being done in co-operation with the law authorities in the United States so I am told.

MR. NEARY: A supplementary.

MR. SPEAKER (MR. OTTENHEIMER): A supplementary.

MR. NEARY: Mr. Speaker, would the hon. gentleman indicate whether or not Canada's national police force, the RCMP, have been in touch with the FBI in connection with this investigation? Have they asked for co-operation or in any way solicited help from the FBI to investigate this matter South of the border? Just what procedure do they go through to get this investigation underway in the United States?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, there has been an investigation going on in the United States. In most incidents where you have witnesses who are interested in the truth and who are co-operative, there is no problem. The RCMP can simply go in themselves and take the statements. If there is a witness or witnesses who may have relevant evidence who are not co-operative, then there are other procedures under American law which may include consultation with the FBI, but certainly I know the hon. gentleman for LaPoile (Mr. Neary) would not want me to give away what the police and their collaborators in the United States intend to do in order to get the co-operation of people.

I repeat that immediately following this public statement by the member for LaPoile, the solicitor in Newfoundland for Mr. Kraft and the others wrote and offered full co-operation. So they have been most co-operative. There I would suggest that he direct his - if he has any questions in that matter that he direct it to Mr. Clyde K. Wells, Q.C., of Corner Brook, the solicitor for these gentlemen,

Mr. Hickman: and he would be very co-operative indeed. These are not the people, I am told, that the RCMP are having the trouble with, but it is the trouble that they intend to overcome. And I would ordinarily, Mr. Speaker, because ordinarily it is not proper for my opinion, for an Attorney General to comment on the outcome of an investigation, but in this case where there were public accusations made, if the investigation indicates what has been indicated so far, then obviously to preclude any libel against anyone it will be obligatory to indicate publicly the outcome of that investigation.

I know now what the outcome of the

MR. HICKMAN:

investigation was in Canada. But that is a matter that I guess will have to wait a little while. But it is where in my opinion there has been libelous statements or public accusations and they turn out to be false, there certainly is an obligation then on the Crown at the conclusion of the investigation to advise the public accordingly and that will be done.

MR. NEARY:

A supplementary question,

Mr. Speaker.

MR. SPEAKER: (Mr. Ottenheimer)

A supplementary.

MR. NEARY:

Is it customary, Mr. Speaker,

can the minister tell me if it is customary for Canada's national police force to call up one of the parties directly involved, ask for their co-operation six months ago, be assured that they would get their co-operation, and then not follow up by calling on this party that is directly involved to pick up the data or to get the information that they asked for on the telephone? And would they expect, would Canada's national police force expect to have the records of this company thrown open just merely by placing a telephone call? Is this the procedure that is used in these cases? It seems to me to be a rather sloppy way to carry out an investigation. And why has it taken so long? Six months have gone by.

MR. SPEAKER:

Hon. minister.

MR. HICKMAN:

I am not in the position

to say why it is taking so long, Mr. Speaker. There could be many reasons, some of which may be procedural. There is another reason that could be very, very relevant and that is the refusal of a witness to co-operate. Fortunately in the United States if a witness refuses to co-operate I am told that there is a procedure which can be invoked. It takes a little time but I am sure that the Royal Canadian Mounted Police, who have very properly been described in law enforcement circles in the free world as the free world's best police force, know the procedures to be followed and

MR. HICKMAN: the effective manner in which they are to follow these. If on the other hand the hon. gentleman is aware of any person in the United States of America or elsewhere who is ready, willing and able to co-operate simply by a visit from the Royal Canadian Mounted Police, then I am sure that in the discharge of his public duty he will advise them. But I would alert him that he may not be in possession of the facts.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: The hon. gentleman is aware, Sir, that I attempted as an elected representative of the people to get the facts and the hon. gentleman had his deputy write the people that I was

MR. NEARY:

doing business with to bar me from getting the information that I wrote these companies for. So the hon. gentleman is on very thin ice when he asked me if I can produce the information. I almost had the information and can still get it, by the way, just for the hon. gentleman's benefit. But I am not the law enforcement officer, as the hon. gentleman indicated in his letter that he wrote, I am not the one conducting the investigation. But I am conducting an investigation, and what I am uncovering I do not like.

Mr. Speaker, I would like to ask the hon. gentleman if the Attorney General, the Minister of Justice for this Province, the Justice Department in conjunction with Canada's national police force have gone into the records of International Forest Products down in Massachusetts, gotten a court order and gone in and asked for an accounting of International Forest Products during the time they were marketing agents for Labrador Linerboard in this Province?

MR. SPEAKER: (Mr. Ottenheimer) The hon. the Minister of Justice.

MR. HICKMAN: Mr. Speaker, I repeat what I said earlier, that all relevant information that is required by the investigative police force with respect to International Forest Products can be acquired without any court order because they have been most co-operative through their local solicitor - no problem at all. What they have found I am certainly not going to disclose. My responsibility and the responsibility of the police force is to get all the facts, and the police force are the only people entitled to carry out investigations.

I repeat that when this is completed and if these accusations turn out to be untrue, which would make them grossly libellous, then, obviously, there will be an obligation to make public that fact, which is not ordinarily the procedure that is followed. In this case I know that the RCMP are moving very carefully, very efficiently, and there has been no lack of co-operation by the people just referred to by the hon. gentleman. And if he has any doubts about that, I am sure that their local solicitor would be more than happy to allay them.

MR. HICKMAN: The responsibility with respect to other people, I am sure that in his interest to get all the facts he would not wish me to publicly indicate to those who have a precarious interest or a biased interest or a prejudicial interest, to indicate to them the nature in which the RCMP intend to

MR. HICKMAN: continue their investigation. There is always a very salutary part of an investigation by any police force, but if in the course of their investigation they should come up on other matters they have the responsibility to complete that part of the investigation as well if they feel that there has been any breach of the law. And that is why we should always take comfort in the fact that that investigation is in the hands of such a strong police force who, when once they are given instructions to investigate, very properly carry out their investigation unimpeded and in their own efficient manner, and in this case they are doing it but I am not going to disclose what I understand will be their next move in co-operation with the United States authorities.

MR. NEARY: Mr. Speaker, a supplementary, Sir,

MR. SPEAKER (Ottenheimer): A final supplementary.

MR. NEARY: Mr. Speaker, my understanding, Sir, from what I have seen in this case so far is that we are talking anywhere from \$30 million to \$40 million paid into a bank account in the name of a company in Bermuda called EGRET. International Forest Products have admitted, through their solicitors, the hon. gentleman indicated, that EGRET is a subsidiary of International Forest Products. This money was paid in for no reason that is apparent at the moment. I can give the hon. gentleman the name of two other companies in the United States who acted as middlemen in the selling of linerboard and I estimate that \$10 million, that is only an estimate on my part, went into the bank account of this company called EGRET in Bermuda for no reason. The reason given by the company originally was that it was for shipping. I am told by an official of Sterling International that it had nothing to do with shipping, absolutely nothing! It was a straight fraud on the Linerboard mill. Now would the hon. gentleman indicate to the House if this company, EGRET, is also under scrutiny by the RCMP, by Canada's national police force?

MR. SPEAKER (Ottenheimer): Hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, firstly I do not know where the hon. gentleman gets his investigation about fraud but I would strongly urge him, based on what I know and based on the report, that he is being very ill advised in making that statement and I would urge him never again to make it outside of the protection of this House because I can tell him he is wrong, absolutely wrong, 100 per cent wrong. As to the nature of the investigation, the manner in which it is being conducted, I am not going to aid and abet those whose interests are certainly not the administration of justice in carrying out their nefarious little schemes, and he did mention the name a minute ago

MR. T.A. HICKMAN:

of a company. They will be given their opportunity whether they like it or not to co-operate and I do not think they like to co-operate.

MR. S. NEARY: Final supplementary, Mr. Speaker.

MR. SPEAKER: (Ottenheimer) Just to keep our precedents straight, I had recognized the former one as a final supplementary but no other hon. members wished to ask questions so, obviously, the hon. member for Lapoile.

MR. S. NEARY: Mr. Speaker, I want to ask the hon. gentleman, Sir, this just to clarify the situation. Linerboard took a decision that they would expect to get \$320 a ton for linerboard, and they got that \$320 a ton, but the marketing agents for the Linerboard mill out in Stephenville got \$320 a ton plus \$110, half of which went to the middleman and half of which went into a company called EGRET in Bermuda. That \$110 should have gone to Labrador Linerboard. Now, what would the minister call that if it is not a straight, outright fraud?

MR. SPEAKER: Hon. Minister of Justice.

MR. T.A. HICKMAN: Mr. Speaker, I repeat that the hon. gentleman talks about thin ice. I have never seen a man on such thin ice making such erroneous statement -

MR. S. NEARY: Here it is here, look.

MR. T.A. HICKMAN: - as the hon. gentleman has made. Fortunately, he does not understand the law, Fortunately, he knows nothing about investigation. I would urge him to await the completion of that investigation because I have also seen another bit of evidence that has now turned out to be totally incorrect that arose in this House and that will be dealt with when the investigation is completed and will have to be dealt with by this House.

MR. SPEAKER: Hon. member for Terra Nova.

MR. T. LUSH: Mr. Speaker, I have a question for the Minister of Education (Mr. T.A. Hickman) and it is relating to the recent Task Force on Education and specifically concerning a recommendation made by that Task Force - a recommendation, I might add, Mr. Speaker, that has caused quite a bit of concern and, indeed, alarm among educators in the Province, particularly teachers. The question is in relation to the recommendation which allows School Boards extra administrative personnel and programme co-ordinators. The question to the minister is this; could the minister briefly and clearly indicate to the House the Government's present position, its immediate position, with respect to that particular recommendation, a recommendation that allows School Boards extra personnel in terms of assistant

MR. T. LUSH: superintendents and programme co-ordinators?

MR. SPEAKER: (MR. OTTENHEIMER): The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I am quite sure this information has already been made public. Certainly the school boards are aware of it and have been for quite some time aware of the government's position. There was an interim report of the task force and included in that interim report were some recommendations dealing with additional central office staff such as assistant superintendents and programme co-ordinators. Now a decision was made some time ago that these recommendations would be deferred for at least one year. This decision was taken, and I am sure the school boards are aware of it, for the purpose of providing the department and the school boards an opportunity to consider more fully the implications of the recommended change. And we want to hear the considered views of the school boards and the teachers and other groups before doing it.

The one thing that the department is not interested in doing, Mr. Speaker, is building up a large central office staff at the expense of increasing the pupil/teacher ratio. Now we are very interested in promoting better educational programmes and improving the learning experiences for students, but these things must be kept in perspective. Obviously if an inordinate amount of the tax dollar is going to go into providing for supervisory staff and programme co-ordinators, this will have to be done at the expense of the classroom teacher. And as of now we have not seen convincing evidence which would indicate that that kind of approach would be acceptable to school boards, to educationalists and certainly it would not be acceptable to taxpayers and parents.

It may be worthy of note that despite a decline in the student population in Newfoundland for this year of 3,000 in enrolment, there will be at least ten more teachers on staff this year than there were last and probably more

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MR. HICKMAN: after that very salutary decision
that was made in consultation with educationalists to prevent
loss of teachers in any one year by any board to go below

MR. HICKMAN:

3 per cent regardless of the size of the decline in the enrollment in any particular school board. So if the hon. gentleman has heard of a school board which is not aware of that government decision, I would certainly like to know who they are because they were made aware of it at least a month ago, if not more, and I believe - in fact they were made before I became Minister of Education, and my predecessor in office nods his head in agreement, and I am sure that you will not find any unhappiness on the part of the school board with respect to the decision to spend a year looking at it and seeing how many programme co-ordinators, and how many assistant superintendents. And I know that is in line with the thinking of the hon. member for Terra Nova (Mr. Lush) because I have heard him so many times lash out, Mr. Speaker, about too many superintendents, and the administrative cost of school boards and I am -

MR. LUSH: The member will tell you his side of it if I can get a chance.

MR. HICKMAN: - sure he very much agrees with the policy -

MR. LUSH: I can tell you my view but I cannot get a chance.

MR. HICKMAN: - and the prudence that has been emanating from the government in this very vital matter.

MR. LUSH: A supplementary.

MR. SPEAKER (Otteneheimer): A supplementary.

MR. LUSH: Thank you, Mr. Speaker.

Well, Mr. Speaker, that is, despite what the minister says, that is certainly new information; this information given by the minister now is not information that is known generally by teachers throughout the Province. Indeed,

Mr. Lush: the impression was that the government agreed with this recommendation. So what I am asking the minister now is to state categorically whether the government does agree with this recommendation, because my understanding is that school boards have been instructed to take on some of these people, particularly programme co-ordinators, that school boards - or assistant superintendents, I am sorry, and maybe both, but certainly in one or the other school boards have been instructed that they can hire them this year, but they will not receive the pay that they are entitled to. In other words, that they will receive their regular pay that they are entitled to as teachers, but if school boards are willing to go out and hire these people under these conditions, that is to tell these people that you do not get the extra pay that goes with being an assistant superintendent or the extra pay that goes with being a programme co-ordinator, but take your regular teacher's salary, then school boards are allowed to hire these extra personnel. Could the minister comment on that?

MR. SPEAKER (MR. OTTENHEIMER): The hon. Minister of Education.

MR. HICKMAN: Mr. Speaker, there may very well be some school boards who have appealed to the professionalism of the teaching profession and ask if some of them would this year, pending a final decision on the task force recommendation with respect to assistant superintendents, if they would be prepared to do this work at the same pay,

MR. HICKMAN: the same salary that they are presently receiving, and I have no doubt that any teacher worth his or her salt, who has any commitment to his or her profession, a commitment to the education of our youth, will gladly, readily and happily accept that challenge. That is not the issue. The issue, Mr. Speaker, is whether or not there should be additional central staff, office staff, such as assistant superintendants and programme co-ordinators at the expense of the classroom teachers. That is the issue and that is why we are moving with caution and prudence and in consultation with the Newfoundland Teachers' Association and with the school boards and the Federation of School Boards and our own educationalists before embarking upon what may very well be a wise programme. But I repeat, we are not going to do it at the expense of increasing the pupil - teacher ratio. And I am really surprised if the hon. member for Terra Nova (Mr. Lush) has some information indicating that school boards or the NTA were not aware of this decision which, my recollection is, was publicly made quite some time ago.

MR. LUSH: A supplementary, Mr. Speaker.

MR. SPEAKER: (Mr. Ottenheimer) A supplementary.

MR. LUSH: I am still not clear as to what the government's position is now. One, the minister says the decision on going through with the recommendation is deferred to give the government a better chance to get a clear idea as to how educators feel about this recommendation. And then he goes on to say that there are cases where boards are allowed to hire these people. Now what kind of an arrangement is that? They can hire them but they are not allowed to pay them! And I say what will happen in the event that next year the government decides not to go through with this plan, that we have hired those people as assistant superintendants and we have hired them as programme co-ordinators and just a final question, a (b) section of that, is I agree with the minister that the important

MR. LUSH: thing at stake here is not so much these positions they could be good positions, desirable positions the important thing here is the formula that is used in getting these people because nobody wants these positions to affect the number of classroom teachers we have. So the other question is, can the Minister assure this House, and in so doing assure educators throughout the Province that if the government agrees with hiring these extra personnel that they will in no way affect the number of classroom teachers, teachers in classrooms throughout this Province?

MR. SPEAKER: (Mr. Ottenheimer) The hon. Minister of Education.

MR. HICKMAN: Mr. Speaker, I think the hon. member for Terra Nova (Mr. Lush) has got himself hoisted on his own petard and I do not know if I should get him off the hook or not. I find it inconceivable that he, as a very competent teacher and one-time superintendent, is not aware of what has been the policy and the right of school boards going back - well, I can go back to the 1950's when I was involved, to internally adjust within their own sphere of influence and their own sphere of responsibility, the teaching areas and teaching responsibilities and how many programme co-ordinators that they are going to have.

MR. LUSH: But what is the formula?

MR. HICKMAN: Now then all I have said is if the school board wants to continue to do that and if they want to appoint an assistant superintendent, so be it. I repeat that our determination is, and that has certainly been proven beyond all reasonable doubt by government's decision a couple of months ago with respect to the declining enrolment, is to see that there not be any further increase in the pupil-teacher ratio. In fact in some boards next year we may be down to one to nineteen and I doubt if there is any place in Canada which has achieved that very desirable end. The thing that we have also to bear in mind, as I am sure the hon. gentleman is aware -

MR. LUSH: Answer the question! Answer the question!

MR. HICKMAN: I have answered the question. I am now trying to educate the uneducatable.

MR. LUSH: We are not close to answering the question.

MR. HICKMAN: And I am doing my very best in that respect and obviously I have been woefully unsuccessful. And I suggest to the hon. gentleman that after the next election he is going to have to take a refresher course. But be that as it may -

MR. NEARY: At least he has the courage to run.

MR. HICKMAN: Yes, in his own district. The pupil-teacher ratio -

MR. NEARY: The hon. gentleman may be right. I could take another one. one.

MR. HICKMAN: Why do you not try LaPoile? You belong to a different party than the hon. gentleman who represents it now does.

MR. HICKMAN: In any event, Mr. Speaker, the government's commitment to maintain a pupil-teacher ratio remains intact. What we are doing is to provide an opportunity not only for the department to consider the full implications of these recommended changes with respect to the central office staff, but at the same time we want the considered views of the school boards, the Newfoundland Teachers' Association and other groups. And hon. gentlemen will, I am sure, be very pleased to note that in the committees that have been set up to implement Grade XII that we have parent representation, not with any particular group, but parents who have the interest of Newfoundlanders and Newfoundland children at heart.

MR. LUSH: What?

MR. HICKMAN: The hon. gentleman seems to have some difficulty understanding what I am saying.

MR. LUSH: Yes, I have, very much.

MR. HICKMAN: And I will gladly repeat it again, Mr. Speaker, but then I would have to crave the indulgence of the House.

There is going to be no worsening of the pupil-teacher ratio, and what the school boards do within their own sphere of influence in adjusting their staff is their prerogative. And I hope that the hon. gentleman from Terra Nova (Mr. Lush), being an educationalist himself, shares my firm conviction that any teacher committed to his or her professional status will gladly accept the challenge to take on any administrative post regardless of whether there is an immediate increase in salary.

SOME HON. MEMBERS: Hear, hear!

ORDERS OF THE DAY

On motion, that the House resolve itself into Committee of the Whole.

Mr. Speaker left the Chair.

MR. CHAIRMAN: (Mr. Cross) Order, please!

MR. MARSHALL: Mr. Chairman.

MR. CHAIRMAN: The hon. the Government House Leader.

MR. MARSHALL: I should like to bring to the attention of the Committee that there is a slight printing error in the Order Paper, in that Order 18, "An Act To Amend The Maintenance Orders (Enforcement) Act," (Bill No. 20) is there put down as being up for second reading, whereas in fact it passed second reading yesterday and is now eligible for Committee of the Whole. So I would call that one first.

Order 18. Bill No. 20.

A bill, "An Act To Amend The Maintenance Orders (Enforcement) Act," (Bill No. 20).

On motion Clause 1, carried.

On motion enacting clause, carried.

On motion title, carried.

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

MR. MARSHALL: Order 9. Bill No. 31.

A bill, "An Act To Enable Gaden's Limited And Labatt Breweries Of Newfoundland Limited To Become Federal Corporations," (Bill No. 31).

On motion Clauses 1 through 4, carried.

On motion enacting clause, carried.

On motion title, carried.

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

MR. MARSHALL: Order 8. Bill No. 30.

A bill, "An Act To Amend The Securities Act," (Bill No. 30).

On motion Clauses 1 and 2, carried.

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On motion enacting clause, carried.

On motion title carried.

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

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MR. MARSHALL:

Order 6, Bill No. 27.

A bill, "An Act To Amend The Income Tax Act." (Bill No. 27)

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

On motion, a bill, "An Act To Amend The Income Tax Act," read a third time, ordered passed and title be as on the Order Paper. (Bill No. 27)

MR. MARSHALL:

Order 5, Bill No. 12.

A bill, "An Act To Amend The Interpretation Act." (Bill No. 12)

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

On motion, a bill, "An Act To Amend The Interpretation Act," read a third time, ordered passed and title be as on the Order Paper. (Bill No. 12)

MR. MARSHALL:

Order 4, Bill No. 7.

A bill, "An Act To Repeal The Teachers' Loan Act." (Bill No. 7)

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

On motion, a bill, "An Act To Repeal The Teachers' Loan Act." read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 7).

MR. MARSHALL:

Order 3, Bill No. 2.

A bill, "An Act To Amend The Increase Of Pensions Act, 1961." (Bill No. 2)

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

On motion, a bill, "An Act To Amend The Increase Of Pensions Act, 1961," read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 2)

MR. MARSHALL:

Order 2, Bill No. 15.

A bill, "An Act To Provide For The Ratification Of The Sale Of Labrador Linerboard Limited And The Conversion Of The Linerboard Mill To A Newsprint Mill." (No. 15)

MR. NEARY:

Mr. Chairman, before we get into Labrador Linerboard, Sir, the Premier yesterday said before this bill goes into Committee of the Whole that the government would table the agreement with Abitibi in its entirety, would also give us access to the records of Labrador Linerboard from the time the government took over up to the time that the Linerboard mill closed. The hon. gentleman is not in his seat but could the Government House Leader indicate whether we are going to get that agreement today on the table of the House as promised yesterday by the Premier?

MR. MAYNARD:

Mr. Chairman, there were a number of schedules to the principal agreement, and the principal agreement is set out of course in the Bill that is before the Legislature now. The agreements were number LLL-2 to LLL-12, I think it was, covering various aspects of the items that made up the agreements, the hydro agreements on and so forth, with the exception of two which I believe are numbered LLL-4, a statement regarding claims and contingent liabilities which I understand applies to internal company documents, Abitibi, and LLL-5, which is the advance tax ruling from the Federal government. These two are not included in the package that I have here, but I have a copy of all the others for the hon. member if someone would like to take them over.

The forestry agreement that was questioned by the hon. member yesterday is in the bill; this is the one and only forestry agreement in existence.

There was another thing that the hon. gentleman asked for, the annual reports or the auditor's report, and they are available, obviously since it was incorporated under the Companies Act, it is public knowledge anyway.

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MR. E. MAYNARD: and what other reports the hon. gentleman will want I do not know.

MR. S. NEARY: What is available?

MR. E. MAYNARD: The financial reports -

MR. S. NEARY: I did not ask for the financial reports.

MR. E. MAYNARD: - the auditor's financial reports -

MR. S. NEARY: I asked for the annual reports of the company. It is a Crown company, the same as a Crown corporation.

MR. E. MAYNARD: There were no actual year end reports submitted as such other than the minutes of the Board of Directors meetings that were held and these are obviously not available. But there was no actual year end report such as this one, I would assume the hon. gentleman saw me with a report that, for instance, Newfoundland and Labrador Hydro files every year or some other Crown corporation. And these were not compiled.

MR. S. NEARY: Mr. Chairman, if I may.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. S. NEARY: I am completely shocked, Mr. Chairman, to learn that this government after spending \$300 million of taxpayers' money on the linerboard mill and asking us now to ratify an agreement with Abitibi, are refusing to give us access to the records, to the minutes of the meetings, to ask questions to be able to find out what happened to that \$300 million. What the minister is saying, in actual fact, is go down in the registry office. He is repeating the same thing that his colleague, the Minister of Justice (Mr. Hickman) told me to do, go down in the registry office and all you will find is the share list. You will find nothing else but the share list!

Now, Mr. Chairman, I have done a little checking into this matter and I believe before we start discussing item by item, clause by clause of the agreement that there are a couple of things we have to get straightened out. First of all, I think we are in an illegal position because under the old agreement, the Stephenville Linerboard take-over agreement back in 1972, it is clearly stated in this agreement

MR. S. NEARY: that the linerboard mill cannot be sold, leased or anything done with it unless it is sold to a Crown corporation. It is in the agreement, Sir! I draw the ministers' attention, especially the Minister of Justice (Mr. Hickman), to clause number six of the original act, the takeover when the press, the people of this Province and members of the House were deluded into believing that this was going to be a Crown corporation when in actual fact it turned out to be a Crown company. And I still do not know what the difference is; I have looked at the Interpretation Act, I have asked for advice on it and I am told that there is no difference, that if it is a Crown company or a Crown corporation it should report to this House. \$300 million of taxpayers' money have been spent and we have heard all kinds of accusations and insinuations and reports of skulduggery and corruption in connection with the \$300 million, RCMP investigations going on since 1973, no report made to the House yet, no action taken, no charges laid, if indeed charges should be laid. The Minister of Justice should give us a report on that.

Mr. Chairman, I would like to ask the Minister of Justice, Sir, if what we are doing is legal. No, Mr. Chairman, I do not think it is.

MR. HICKMAN: Yes, it is.

MR. S. NEARY: Well, all right. The hon. gentleman says 'yes'. Well, would the hon. gentleman then explain clause number six of that agreement for me?

AN HON. MEMBER: Pardon?

MR. S. NEARY: I am talking about the takeover agreement. We can do nothing, we cannot sell that linerboard mill to Abitibi according to this agreement. Let me read it for the hon. gentleman.

The hon. gentleman remembers it. "Subject to the prior approval of the Lieutenant-Governor in Council, the minister on behalf of Her Majesty may from time to time complete the construction of the project and operate it," (b) "Enter into

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MR. S. NEARY: agreements with any person for the completion of the construction and the management and the control of the project and its operation upon such terms and conditions and for such consideration as the Lieutenant-Governor in Council approves." or (c) "Sell, lease, entrusts or otherwise dispose of the project or any interest in it to any person upon such terms and conditions and for such consideration as the Lieutenant-Governor in Council approves. Or to do any of the things referred to in paragraphs 'a' and 'b' provided the project except any part of it which is being used or is no longer necessary for or in connection with the operation of Labrador Linerboard as defined in

Mr. Neary: Clause 10-01, sold or otherwise irrevocably alienated or leased or otherwise disposed of for a period exceeding five years, to any person other than a Crown corporation without authority of the Legislature."

MR. MARSHALL: I can explain that.

MR. NEARY: I beg your pardon?

MR. MARSHALL: If the hon. member would sit down I would tell you all about that.

MR. NEARY: All right, well, I will sit down now because -

MR. MARSHALL: You can get up again.

MR. NEARY: Sure I can get up a dozen times, and I am going to, because this matter of this \$300 million that was spent we have to get an accounting in this House for it. So far the government have stone-walled. And when I was asking the Minister of Justice (Mr. Hickman) some questions today the little veiled threats came across the House again. Well I can tell the hon. gentleman right now to his face that if the hon. gentleman is talking about a document that was brought into this House, that I have a tape to back it up that would make the hon. gentleman's hair stand on end. The hon. gentleman thinks now he is slick and he is smart and he is a Perry Mason, but the hon. gentleman is on very, very thin ice. And I can tell the hon. gentleman on very thin ice in connection with this takeover where he has ill-advised his colleagues. And the hon. gentleman has refused to give me - I read the letter in the House - refused to give me the report, access to the documents, to the minutes of the Board of Directors meeting, to other documents in connection with Labrador Linerboard, merely sloughed me off and said, "Go down to the Registry Office!" I have a complete file from the Registry Office that gives me nothing but the share list and shows the hon. gentleman

Mr. Neary: as a director of that company for two years.

I do not know, Mr. Speaker, but I could go down in the court and get a writ of mandamus and can force the government to give me access to the records of Labrador Linerboard. I have a mind to do it. It will probably be the first time it was ever done in the history of this Province, and I have a good mind to do it. Three hundred million dollars, Sir, of taxpayers' money squandered, wasted, corruption of the worst kind, and the minister stonewalled and refuses to give the House any information in connection with this \$300 million. The biggest scandal on the North America Continent, and the minister gets up with his little veiled threats and says, "Oh, well, the hon. gentleman, we will deal with a certain matter." Well, I have that certain matter on tape in case the hon. gentleman is interested. If the hon. gentleman is talking about -

AN HON. MEMBER: Taped without a person's knowledge?

MR. NEARY: Oh, Mr. Speaker, -

MR. DOODY: Bring it in and play it.

MR. NEARY: Yes, if I were allowed. Am I allowed to play it in the House? Am I allowed to play a tape in the House?

SOME HON. MEMBERS: Oh, oh!

MR. HICKMAN: (Inaudible).

the other person did not know. Make up your mind.

MR. NEARY: Mr. Chairman, I object to it because I was not the one who did the tape, but I have it for my own protection.

MR. HICKMAN: ah! That if the hon. gentleman does the taping there is nothing wrong with it, but if somebody -

MR. NEARY: No, Sir.

Mr. Hickman: - else does there is.

MR. NEARY: No, Sir, I have it for my own protection because I had a feeling that that hon. gentleman was going to be threatened, and he was threatened. If the hon. gentleman is talking about a certain affidavit that I put on the Table of this House, that gentleman was threatened.

MR. HICKMAN: What is he talking about?

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: I know what the hon. gentleman is talking about.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: So, Mr. Chairman, there is no way, Sir, no way that we as elected representatives of this House should allow this takeover to go ahead without, Sir, having first an accounting for that \$300 million, access, Sir, to the records -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, could I have a little silence, please? Could Your Honour silence the psychiatric patient down there?

MR. CHAIRMAN (MR. CROSS): Order, please!

I would ask hon. members to refrain from interrupting.

MR. NEARY: So, Mr. Chairman, there are too many unanswered questions and I believe we are proceeding illegally on this matter. And I would refer Your Honour to the Stephenville Linerboard Mill Agreement Act, the takeover of Labrador Linerboard.

Mr. Chairman, just listen to this, the insult, the insult to the members of this House! Here we are asked to ratify an agreement between the Newfoundland Government and Abitibi, and the minister tells us that the agreement will not

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Mr. Neary: become legal until it is passed in this
House. And yet yesterday or the day before

MR. S. NEARY:

Lundrigan's were awarded a contract by Abitibi to convert the mill from linerboard to paper, awarded a contract. What happens if the House says no? They are proceeding, Mr. Speaker, they are proceeding as if the thing was already cut and dried and it is cut and dried. Anything we say in this House will not change one paragraph. It is all a charade and I do not believe we are going to get the information that we want in connection with this \$300 million. I do not think we should do a thing, Sir, until we find out if the Government can get a better deal, a better deal. It should have been sold to a Crown corporation according to my interpretation of this act.

AN HON. MEMBER:

That is nonsense.

MR. S. NEARY:

That is nonsense! Well, Mr. Chairman we will find out. Now the minister says it is nonsense, well, I am not a lawyer, Sir, but I can read. Let me read it again what it says "Provided that the project, except-" I am only just quoting Section C, "Provided that the project, except any part of it which is not being used or is no longer necessary for or in connection with the operation of Labrador Linerboard, as defined in Clause 101 (E) of the Principal Agreement, may not be sold or otherwise irrevocably alienated." What does that mean?

MR. W. MARSHALL:

What else does it say? It says the word except.

MR. S. NEARY:

"or leased, or lease or otherwise disposed off for a period exceeding five years to any person other than a Crown corporation without authority of the Legislature, additional to that provided by this act specifically authorizing or ratifying such sale other irrevocable alienation lease or disposition."

MR. DOODY:

We are now seeking the authority (inaudible)

MR. NEARY:

Mr. Chairman, that is exactly the point the hon. gentleman just put his finger right on it. The linerboard mill has been sold, contracts have been let to convert

MR. S. NEARY: it from linerboard to paper. and it has been sold illegally.

AN HON. MEMBER: Do you suggest we should stop it?

MR. S. NEARY: Yes, I would suggest the hon. gentleman stop it. I certainly would.

MR. W. MARSHALL: Is it a bad deal?

MR. S. NEARY: It is a bad deal and if the Government took the time to go out into the world they would find out today that linerboard is in demand, was never as much in demand as it is at the present time, the price was never as good and if the hon. gentlemen would make some wood available they can get four times as much for the mill as they are getting right now. But they want to give it away, they want to give it away to their buddy, Mr. Desmarais.

AN HON. MEMBER: He does not have anything to do with it.

MR. S. NEARY: Ah, Mr. Desmarais has all to do with it.

MR. MARSHALL: You want to give it to your buddy Mr. Doyle.

MR. S. NEARY: No, Sir, I do not want to give it to - , Mr. Chairman, I am not in a position to make decisions, the Government is in the position to make decisions. I am not in a decision making role.

MR. DOODY: You just make pilgrimages!

MR. S. NEARY: Ah, that is right, Sir, I make pilgrimages on behalf of the people of this Province and the hon. gentleman may not like it. But, Mr. Chairman, let me say this to the hon. gentlemen, who are getting their little snide remarks across the house, Sir, why do not the hon. gentlemen go out and bring me in the information I ask them about the other day on this company in Hamburg that was marketing linerboard, that was hired by International Forest Products to market linerboard? Why does not the hon. gentleman - that information should have been provided to the House two days ago. I only ask the hon. gentleman if these was a law suit, if it was settled,

MR. S. NEARY:

what were the outstanding items.

MR. DOODY:

It was not three days ago, I was not here.

MR. S. NEARY:

Well, I asked the hon. gentleman outside the House, I asked the Premier, the hon. gentleman said I would get the information.

Mr. Chairman, I submit to this House, Sir, that the marketing agent for Labrador Linerboard and I would even be satisfied -well I want two things investigated, the shipping contract and the marketing of the Labrador Linerboard, two things I want investigated. This House has refused to have an investigation even though evidence of wrongdoing has been laid on the table of the House. It is a crime, Mr. Chairman, according to the Criminal Code of Canada to put secret amounts of money into secret companies in Bermuda, that is a crime against the Criminal Code. And you should have seen the Minister of Justice (Mr. T.A. Rickman), this morning, twist and turn and squirm when I was putting the questions to him. The hon. gentleman has no intention of .

MR. NEARY:

conducting a full-scale investigation into this matter, he is attempting to cover it up as he has done so often in the past, as we have seen from the Soper Commission of Inquiry about cover-ups. And I can tell the hon. gentleman about a few more things that he has attempted to cover up. They are orchestrating Canada's national police force and they have no intention of getting underneath this and turning over the rocks to see what kind of skulduggery and scandals and corruption is involved, no intention at all. There are two guys over in Switzerland in a place called Zug who got \$3 million illegally - illegal commissions from Labrador Linerboard, and I will give the names: Mr. Hans Swmen and Mr. Erik Myer, now living in Zug, Switzerland, compliments of the taxpayers of this Province. And the hon. gentleman thinks that is funny. He gets up with his little veiled threats, and no member of this House can conduct an investigation on behalf of the people of this Province. He wants to orchestrate it his own way and try to protect the administration that he belongs to in the process.

There are two other companies that I know of down in the United States that were middlemen, that paid money into EGRET in Bermuda, and as I said earlier this morning, I estimate that \$10 million went into that dummy company, that offshore company in Bermuda.

Mr. Chairman, let me make it abundantly clear, Sir - yesterday I had a chat with what I consider to be one of the more intelligent members on the government side of the House, and the hon. gentleman told me he did not understand the Stirling International implication, what I was getting at. Well, let me see if I can make it clear, Sir. The board of directors of Labrador Linerboard agreed that they would be satisfied if they could get \$320 a ton for linerboard. They would be satisfied with that - they would like to get more, but they would be satisfied with that. So they took a decision, 'If we can get \$320 a ton in the United States for our linerboard that would be very good.' Now, the marketing agent, Mr. Kraft, was also on that board of directors. He was on the share list. So Mr. Kraft and Mr. Ingram, who were in

MR. NEARY: collusion, then went out and sold the linerboard for \$375 a ton. But because poor old sucker, Labrador Linerboard, only wanted \$320, why give them \$375? Excuse me, I am sorry, I am wrong there. It is \$110 plus \$320 - they got \$430 a ton, believe it or not, for Labrador Linerboard, but they agreed to give the middleman \$55 a ton and put \$55 in the company called EGRET in Bermuda.

MR. CHAIRMAN: (Mr. Cross) I would ask the hon. member to yield for a moment.

MR. NEARY: Yes, sure.

MR. CHAIRMAN: I am pleased to announce that we have in the gallery this morning twenty Grade VIII students from Norris Arm Integrated Elementary School at Norris Arm, accompanied by their teacher, Mr. Fleman Menchenton. I know that all hon. members will join with me in welcoming this group to this hon. House of Assembly.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: In case they are wondering where their member (Mr. Freeman White) is, Sir, he is out in his district doing some work for his constituents.

Mr. Chairman, let me run through this again just in case, Sir, there is anybody on the government benches who does not understand what I am saying. The board of directors of Labrador Linerboard got together and took a decision. They said, 'Look, if we can get \$320 a ton for our linerboard in the United States we will be satisfied. The marketing agent, being at that meeting, being on the share list, then went out and sold the linerboard for \$430 a ton, but only gave Labrador Linerboard \$320. The other \$110 was split up two ways - \$55 went to the middleman and \$55 went into the company called EGRET in Bermuda. Now, do hon. members have it straight? And the Minister of Justice (Mr. Hickman) has the gall to say there is no fraud involved. Why, there is enough to boggle your imagination. And the hon. gentleman sort of makes little veiled threats at me then because I am trying to do my duty - 'The hon. gentleman had better be careful,' and 'The hon. gentleman had better do this.' He squints up his eyes and tries to give me a little bit of a warning.

MR. NEARY:

Mr. Chairman, I have to say this; I wrote Sterling International and I wrote the law firm down in Bermuda - it is a mail address in Bermuda, and I gave copies of my letters that I wrote to these two firms to the RCMP. The inspector that I gave them to, I said, "I am giving you these letters on a confidential and private basis because I do not want the Justice department or the minister, especially, to find out what I am doing because if they do," I said, "I distrust them. I distrust the way the Justice department has behaved in the last six or seven years. I distrust them. I distrust the minister in the carrying out of his duties in this Province as Minister of Justice (Mr. Hickman) who has spent all his time protecting the administration." And the inspector left my office and made a beeline to Mr. Macaulay's office, presented him with the two letters - I have one of the letters, I think, in front of me right now. See what the hon. gentleman said. The hon. gentleman took it upon himself to have Mr. Macaulay write Sterling International and write the law firm down in Bermuda and tell them not to give me any information, that the RCMP were conducting an investigation in this whole matter of a rip off. I would think - not a rip off but of straight fraud of \$30 or \$40 million of taxpayer money, not to give me any information, to save it for the RCMP. And as hon. gentleman heard me this morning ask questions, so far all the RCMP have done with Sterling International is to call them up on the phone, one phone call in six months and no follow-up. You would think that would be the first thing they would have done, would have gone straight to that company. I did get a reply from Sterling International telling me unfortunately, because they had a letter from the Deputy Minister of Justice, that they could not give me the information, they would save it for the RCMP. I do not have the letter with me but they indicated in the last paragraph that my suspicions were true, were correct, that there was no authority for paying out this \$55 million to EGRET in Bermuda, no authority for it.

MR. NEARY: Mr. Chairman, I think we should call a halt to the Committee of the Whole on this bill until we get the documentation, until we have the records of Labrador Linerboard produced in this House from the day the government took it over until the day it closed. I am not just talking about finding out mismanagement to embarrass the government, I am talking about corruption and crimes being committed. And crimes were committed and why the government is stonewalling on it I do not know. \$300 million of taxpayers' money spent by three directors of a private company, more or less, who operated it as if it were their own and threw the money away on extravagance and waste and now refuses to give the House access to the records of Labrador Linerboard. It just cannot be done, Sir. The people of this Province should be rising up in arms, they should be furious. The newsmen and the press of this Province should be screaming for the records of Labrador Linerboard.

Mr. Chairman, let me put it this way. Let me put it to the House this way; Let us assume that everything is straight and above board, let us assume that there is nothing wrong, let us assume that there was no mismanagement and no corruption, let us assume all that and if the government has nothing to hide, why do they not give us access to the records? Why does International Forests not give us access to their records and the records of EGRET. if there is nothing to hide? If everybody is clean why not give a Select Committee of this House or the Public Accounts Committee or the Auditor General - and that is another thing, Sir, the Auditor General was not permitted to audit the records of this Crown company, it was done by Peat-Marwick and yet we were led to believe that this was a Crown corporation.

MR. MARSHALL:

Speaker.

MR. CHAIRMAN: (Mr. Cross)

MR. MARSHALL: (inaudible) rising on a point of order (inaudible).

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Tape No. 1449

AH-3

MR. MARSHALL

member speaking in this

vein is that some people get a mistaken impression that you are rising on a point of order other than the order itself. Now we have now heard what the hon. member said. We are now in Committee of the Whole. This bill has already passed second.

MR. MARSHALL:

reading, it has been adopted by this House in principle and we are now considering the clauses, clause by clause. I would submit, number one, that the hon. gentleman is in a debate with respect to the principle of the bill itself.

He is also into what are matters that are completely extraneous, they may not be in second reading where we heard all this before in second reading, but in clause by clause, completely extraneous to the concerns of this bill itself.

Now you know you sit here and you listen to it and we all know the hon. gentleman's views, he is against a lot of our institutions, against the provision of justice and against the provision of the RCMP and what have you, and it gets a little bit tiresome sometimes to have to listen to it. But the fact of the matter is he has gone on now from a half to three-quarters of an hour talking, in effect, about the principle of the bill and irrelevancies and I think we should get back to what the Committee is all about, the clause by clause consideration because this House has already passed the fact and endorsed the taking over of this mill by Abitibi itself.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Chairman, what a display of ignorance of the rules of this House, Sir. Your Honour knows that that is not a point of order. That is merely a difference of opinion between two members. I am arguing that we should not proceed with Committee of the Whole on this bill for the reasons that I have stated, that I think we are in an illegal position in the first place, and in the second place we cannot proceed until we know what we are selling. And, Mr. Chairman, the only way we can find out what it is we are selling, the value of the asset, is to have access to the records of Labrador Linerboard and the government refuses to give us access to these records. So how can we proceed, Mr. Chairman, like intelligent people, to sell an asset, to sell something when we do not know what we are selling.

MR. MARSHALL: You agreed to this in first reading and second reading.

MR. NEARY: Who has agreed to it?

MR. MARSHALL: You did.

MR. NEARY: Mr. Chairman, we have not agreed to it, we have asked to have the records of Labrador Linerboard laid on the table of the House. The minister again this morning told us that the government refuses to give us access to these records.

MR. MARSHALL: (Inaudible) with it.

MR. NEARY: It does have all to do with it. And so I would submit, Your Honour, that I am completely in order.

MR. CHAIRMAN (Cross): To make a ruling on that matter I would recess for five minutes.

MR. CHAIRMAN:

Order, please!

I am now in a position to give a ruling on the point of order. Certainly the point of order that was raised was that the principle ready been passed in second reading and now we are doing what we had already done before. In second reading, certainly it is the principle that is debated, in the Committee of the Whole it is the details that must be agreed upon. Certainly in Bill No. 15 the principle is outlined in the long title of the bill and perhaps I should read this, "An Act To Provide For The Ratification Of The Sale Of Labrador Linerboard Limited And The Conversion Of The Linerboard Mill To A Newsprint Mill." So here we have the principle having been debated in the long title and certainly in committee I would like to quote from Beauchesne, page 220, paragraph 712.(3) "In Committee the details of a measure are the primary objects of consideration with alterations in its provisions being proposed." So I would therefore rule the hon. member for LaPoile (Mr. Neary) out of order on the point of order.

MR. I. STRACHAN:

Mr. Chairman.

MR. CHAIRMAN:

The hon. member for Eagle River.

MR. I. STRACHAN:

Mr. Chairman, I do not want to appeal you ruling or argue with you ruling. If we have to be specific in Committee then let us be specific. We are discussing at the moment section 1, 'This act may be sighted as a Labrador Linerboard Limited Agreement Act, 1979.' Then, of course if we agree to pass this section that we are now debating then we move on. Of course, there are other sections further down where we can bring up a number of points, the principle agreement, for instance, is defined, there is definition, we can refer to the appendix in which we start dealing

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MR. STRACHAN: with some very, very specific parts of
the sale of the mill. So then in trying to apply myself to this
very narrow section, as you stated, the very narrow

MR. STRACHAN: section, what you are saying here then basically, is that if we agree with section 1, if it is passed, the Labrador Linerboard Limited Agreement Act, 1979, the agreement, that we therefore agree with its sale.

In the earlier debate here in which you gave your ruling the minister indicated quite clearly, and it was indicated earlier on in the House, that before we get into the third reading and the sections here, that what would occur would be that the - laid on the table of the House would be all pertinent documents, all necessary documents concerning the sale of the Linerboard mill so that this agreement can be agreed to, or disagreed, of course, by some of us. What we are asking, Sir, and what has been stated here is that the agreements were tabled, or the schedules that we asked for were tabled by the minister in this section here so that we could get on and now debate the sections of the bill. What astonishes us, of course, was that what was tabled by the minister were a number of things but, of course, not the pertinent things that we would like to see before we get onto these sections here and agree to these sections here.

We see that when we ask for a balance sheet, an accounting of the corporation that there is no accounting of the corporation to be presented in this House. It cannot be presented, there are none. We can look at, for instance, and I make comparison here, to the Hydro report which we can through and although it is the bare bones of the matter, certainly we can look at the consolidated balance sheet and we can look at the income and returned earnings and the changes in the financial position and the notes and so on and we can very carefully go through this and read this and if there is any part of it we want to discuss ever in Hydro we can therefore discuss it.

Similarly, I would state that I have a small company and I have, for income tax purposes in a small company and for the satisfaction of the shareholders, I have to prepare a

MR. STRACHAN: balance sheet, an accounting to the shareholders and to the income tax people. What we have asked for here and what has been denied us, and we therefore cannot allow this section one, to agree that it is an agreement, what we have asked for is an accounting of the Labrador Linerboard mill. It is astonishing that everyone of us here and everyone in the Province is a shareholder in Labrador Linerboard. We have a right therefore, the same as my shareholders in this small company, the same as everyone in this Province is a shareholder in Hydro, a Crown corporation,

Mr. Strachan: that we have a right therefore to have placed in front of us an accounting of the financial position of the Labrador Linerboard mill. If we cannot have that, how can we, in specifics here, how can we agree that this bill may be cited as the Labrador Linerboard Agreement Act? How can we agree to go through this unless we have all pertinent information? How can we approve of this Agreement Act? We have to vote against it, we have to vote that we do not approve of this, because we have no accounting, no accounting has been placed in front of us.

And we have been told by the minister, in what I thought was a strange and shocking statement, that there are no accountings available, there are no details of finances available, that they do not have like Hydro an accounting, financial positions that we can look at.

So these are the points that we are getting to and we will have to, almost every time that it is mentioned here, in specifics, the sale setup. For instance, if we go down through the principle of the agreement it refers to a subsection, appendix, or we can get into the subsection, appendix, which is referred to in 2 (a), and 2 (b), and similarly all the way down we can argue ad infinitum, go on and on arguing, but I how can we agree to these subsections unless we have an accounting of the financial position of the Labrador Linerboard mill? And as far as we are concerned it is the right of every one in this Province to an accounting of the Labrador mill.

MR. NEARY: Three hundred million dollars.

MR. STRACHAN: It is astonishing to find out that the minister in his introduction -

MR. CHAIRMAN (MR. CROSS): Would the hon. member yield for a moment?

MR. STRACHAN: Sure.

MR. CHAIRMAN: I am pleased to welcome to the gallery ten Grade VII students from Laval High School in Placentia, accompanied

Mr. Chairman: by their teachers, Brother Turner and Brother Howard. I know all hon. members will join me in giving the usual welcome to these students and their teachers.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: Mr. Chairman, what I am trying to state here is that what is good for the goose is good for the gander. If the minister can stand up and table some documents but state quite clearly in discussing this short title under this Clause, if the minister can state quite clearly that there are no accounting positions, no financial positions to show, the books of the company or the corporation are not available - he does not know even if they can have a position such as the Hydro position, that these are not available, then as far as we are concerned how can we allow this section to pass until we can see it. We are talking about \$300 million. We are talking about a sale, a Linerboard Limited agreement, a sale. And then we get down in the subsections of this to see the rights of the vendor and the rights of the company or corporation who are going to buy it.

Surely in this situation here we have got to get into the details. We have got to get down to the fine tooth-combing, and this is what we are trying to do here. It is an astonishing position that what we are saying is that we are selling a \$300 million business without any financial position, any financial accounting, any statements, balance sheets, sales contract being tabled in the House and shown to the people of the Province. That \$300 million is the cost of it, and everything is aboveboard, there is no problem with it, then what is the argument. Why can we not have something the same as Hydro can produce, a Crown corporation, or something which even us as a small private company has to produce for income tax purposes have to produce, must produce, in fact, we would be fined if we do not produce it, charged in court if we do not produce it every year, given a leeway. What we are stating is that something for Labrador Linerboard exactly the same

Mr. Strachan: as this, which is by law required, cannot be tabled in this House. So we therefore have to agree that this bill will be called the Labrador Linerboard Limited Agreement Act, How can we agree to that when we have no accounting? It just cannot be done. It is impossible. And we will continue to argue that there must be some accounting to the people of this Province for the operation of Linerboard and for the sale of Linerboard since we are, in effect, coming to an agreement here which is after the fact. It is agreed that what we are doing here is debating something which has already occurred, that this is retroactive, the sale has occurred, and we are now getting down to agreeing here to this Agreement Act, we are now getting down to saying that what has happened, the horse has now bolted, and we are going to close the door.

Surely it must be done,

MR. STRACHAN:

it must be placed on the table of this House, all the accounting, the balance sheets, the market contracts, the sales contracts. The financial position of the Linerboard must be placed on the table of this House. We must see it so that we on this side and all the people of this Province can see that, first of all, what we are selling is correct - not the fact that it is going to open up. It is, in a political sense, very good for it to open up and provide jobs and get moving and go on. That is fine. That is wonderful but at the same time we must have an accounting. The job of this House and the job of this Committee is to make sure that in this subsection that we deal with here, we must look at it very finely, filter through it, sift through it and find out exactly what the situation is with Labrador Linerboard. How can we be asked, Mr. Chairman, to agree, to call this, "The Labrador Linerboard Limited Agreement Act, 1979," which later on would be retroactive to the sixteenth of November, 1978, for the sale of a public corporation, the sale of something which belongs to each and every one of the people of this Province without ever having an accounting, a financial accounting to the people of the Province? It cannot be done. Certainly in a private company it would be certainly immoral if not illegal, immoral certainly, to try and sell something without going through the Board of directors, to try to discuss with the board of directors exactly the situation. And although we may, through a political arm of this House form a smaller board of directors, they, in essence, were entrusted with running this Labrador Linerboard Corporation for all of us in the Province. And what we are stating here, before we agree to this, is that we would like to see as shareholders of the company - not as directors but as shareholders of the corporation - the financial position and an accountability, a financial accountability of the Labrador Linerboard mill over the last number of years, certainly the last year, before we can agree to the sale of that mill to a

MR. STRACHAN: private corporation or
to anyone for that matter.

So we must place on the table of this House, and that is what we have been arguing about, we must place on the table of this House as far as we are concerned, all data, which the Premier, I believe, had agreed to, all data concerning the Labrador Linerboard operation. For the minister to stand up and state that there are no consolidated balance sheets, that there are no financial positions, income and retained earnings, the change in the financial position, the sales operation, that there are none for the Linerboard or if there are they certainly are not available to us here, then how can we argue and how can we discuss the sale under the Labrador Linerboard Limited Agreement Act? We cannot. There is nothing to sell. We do not know what we are selling. We are getting no information to do it with. So, Mr. Chairman, I think that we can obviously - as your ruling states here, we must get into specifics and not get involved with the principle. We will get into the specifics and deal with the specifics but it is obvious that we can play with words and move around and make sure that what we are discussing all the time is the agreement. For instance in Section 2(a) we talk about agreement and as qualified by Section 5 set out in Schedule B in the appendix, we can talk about the principal agreement, we can talk about selling something which is already sold, agreeing here to sell something which was already sold on the sixteenth day of November 1978. We can get into all these specifics of the sale set out in detail here and we have done so many, many times in this House. And so we will, of course, find the mechanism in order to be able to carry on and to do this. But what we are asking for is this, to place on the table of this House, the accountability, the financial statements of the Labrador Linerboard Corporation prior to the sale, the exact position of it, the previous sales contract, the previous situation

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MR. STRACHAN: of it so that we can see
what we are doing here and did we get a fair dollar for the operation.
Was it sold for a fair price?

MR. NEARY: That is right. Now you
are getting at it.

MR. STRACHAN: So what we are arguing
here then is, is the asset we have, which all of us own in this Province,
that

MR. STRACHAN: asset, a linerboard mill in Stephenville, is that asset that we are about to sell or about here to agree to sell, everything we think it should be? Are we getting every dollar, every penny, from the corporation purchasing it?

MR. NEARY: Yes, that is right.

MR. STRACHAN: And we therefore must argue -

MR. NEARY: Right on!

MR. STRACHAN: - that until we know the value of that possession, because it is ours, Mr. Chairman -

MR. MARSHALL: Mr. Chairman, on a point of order.

MR. CHAIRMAN: (Mr. Cross) A point of order.

MR. MARSHALL: The hon. gentleman is talking about issues such as whether we received a fair price for this mill. This is a matter that has been determined by this House in second reading. Now it may so happen that the hon. gentlemen may think that that is not a good price. They may think, as they said, that it is a bad deal, and they may feel that this is not the type of industry that should go in Stephenville, but as a matter of fact, the House has already resolved this issue. It has already supported the government's position that we sell the Linerboard mill for this price. And when the hon. gentleman is talking in those terms he is talking about the principle of the bill and the very basis of it and thus is out of order.

MR. NEARY: Go away, boy! What are you trying to do, muzzle us over here? Are you ashamed to produce the records? What are you hiding? Produce the records.

MR. STRACHAN: What I am arguing about surely, is not the principle of the bill. What I am arguing about, Mr. Chairman, is that there is a short title here which we must agree to. The short title reads that this is Labrador Linerboard Limited Agreement Act, 1979. Whether we agree that there is an agreement or not, we say there cannot be an agreement until we know the full details of what the operation is worth. We are not arguing whether it is a bad deal or we have a good deal or what kind of deal, all we are arguing is that without the information, Mr. Chairman,

MR. STRACHAN: we cannot say what kind of deal it was.

MR. NEARY: That is right.

MR. STRACHAN: And that is the point we are trying to make.

MR. CHAIRMAN: (Mr. Cross) To that point of order, I feel that what has been debated in the principle of the bill, is an agreement possibly to sell. As to whether or not the price was a fair price that was gotten, I think that can be repeated. I rule that there is no point of order.

I would ask the hon. member to continue.

MR. STRACHAN: Just to finish off, then, Mr. Chairman, on this specific part. What we are asking then, Mr. Chairman, before this goes through Committee stage here, before we agree that this Act may be cited as the Labrador Linerboard Limited Agreement Act, 1979 - what we are asking for is that before we agree to that in specific - not principle, but in specific - and all the other sub-sections of this bill - what we are asking, Is there going to be any accountability? Before we agree to this Act, before we agree to this statement here, are we going to be told whether the operation was worth \$1, \$100 million, \$500 million? We can then make our judgement whether it was a good deal, a bad deal or a proper deal. In order to make that position clear and to agree to this short title, before we agree to that we want to see on the table of the House a total accountability of the operation.

MR. MARSHALL: Mr. Chairman.

MR. CHAIRMAN: (Mr. Cross) The hon. the Government House Leader.

MR. MARSHALL: Mr. Chairman, first of all, I would like to say that from any objective assessment, this is the last government that is going to try to keep the details of the financial condition of any Crown corporation or of the government, itself, from the people of this Province.

I will not allude to what the hon. the member for LaPoile (Mr. Neary) said, because Your Honour has judged he is out of order, so I suppose it would be out of order for me to even respond to him except to say that when the hon. member indicates that

MR. W. MARSHALL: and he asks how can we possibly first of all - now what they are asking for is certain financial details of Labrador Linerboard mill. Labrador Linerboard mill is now to all intents and purposes out of existence. It is now being taken over through the offices of this government by Abitibi Price which is going to put it on a firm foundation. So he asks how can we make the judgement? Mr. Chairman, there is plenty of information available to the Opposition and the Opposition will know it, in order to make their judgement and assessment on this point. Year after year since the takeover of Labrador Linerboard, this creation as a Crown corporation there has, as a result of the actions of this government, come before this House bills detailing and stipulating how much the Legislature had to vote of public funds to bolster Labrador Linerboard mill. And we know how much they are and that amounts to, unfortunately \$300 million. I am not going to get into the reasons why it was spent except to say the hon. gentlemen opposite should well know the reasons why they were spent because they were the ultimate cause of this expense to the public.

So they have in their possession, Mr. Chairman, they know the total amount of involvement of provincial money in Labrador Linerboard mill and they can use that as an assessment with respect to the amount of the purchase price or any other judgement that they wish to make. Now the fact of the matter is, I think that the hon. gentlemen opposite are being rather dogged in their approach. Certain ones of them have indicated that this is a bad deal and have gotten across to the public that this is a bad deal. I know that certain of their colleagues, many of them do not agree with them. But the fact of the matter is, we have this agreement now, we have the Opposition sticking in on it, and they can stick in if they want to all day today and all day the next day and what have you, and if it gets to the stage where they continue to dig in their heels, as they can under the rules of this House, and they do not think that this House is competent

MR. W. MARSHALL: to make the judgement, I am sure the people in Stephenville would be very interested to know that the Opposition are really, in effect, taking a position because they think it is a bad deal in attempting to do everything they possibly can to delay the operation of it. Now the reason why these points are being brought up is not because the hon. gentlemen opposite do not have enough information, at all. The fact of the matter is they have enough information, they know the total amount of involvement of provincial money in Labrador Linerboard mill and surely that is quite enough to assess the situation. Really what, in effect, they are doing is they are attempting to find certain details, they are making allegations - from one particular member, obviously, it comes from time to time and there is no mystery as to why these questions are being made or no mystery as to why they are being made at the present time, with a federal election underway, in their attempts to cast innuendos and smears in certain quarters. And all the government is interested in in this particular bill is putting an industry which was defunct and on its ears in a viable position to provide some 600 to 1,200 to 2,500 jobs for Newfoundlanders. And if the Opposition wishes to be dogged in using the rules of the House in delaying it, as I say, they can and I am sure the people of Stephenville and the West Coast of Newfoundland and indeed all of Newfoundland itself will judge them accordingly.

Now in connection with this, when this bill was introduced in second reading the government made its position quite clear. There were questions raised about certain exhibits to the agreement itself that appear, LLL-1 is the audited financial statements of the company. And the minister did not, when he was in reading give what the member for Eagle River (Mr. Strachan) had the impression that he said. The member for Eagle River said that the minister said all things pertinent would be given and that is not exactly the way it was. I heard the hon. minister himself when he got

MR. W. MARSHALL: up and he indicated that he would have to assess with respect to the items that were asked for as to whether or not they could be given out. And the sole criteria that he was using was not an attempt to hide things from the public but it was purely and simply to assess as to whether or not any of this information could be of bad effect upon Abitibi Price which is taking over the company, whether it will affect its operations in the takeover because this is one -

MR. S. NEARY: Who are you protecting, Abitibi Price or the taxpayers?

MR. W. MARSHALL: - of the areas, as has already been indicated, where the problem was with Labrador Linerboard. It is was in the one hand a Crown corporation and being a Crown corporation certainly the people of the Province were entitled to know the details of the expenditures that were made from time to time. But as against that, unfortunately, this Crown corporation was also involved in commercial activities and to give out the information at the time would have been to

MR. MARSHALL: give out unfair advantage to the competitors. Now in this particular one that is asked for, these particular details, I assume the hon. gentlemen there opposite are really asking for a tabling of LLL-1 that appears in the principal agreement in Schedule A that is attached there. The fact of the matter is, that the government has no desire whatsoever to withhold details from the public of this Province, but it is a matter of assessment as to whether or not those financial statements once released are going to cause any bad effect upon the proposed operations of Labrador Lumber mill in its new characteristic under the management of Abitibi Price. And whether the hon. gentleman likes it or not, the fact of the matter is the government is determined to do everything it can to put this industry on a viable basis and in order to put it on a viable basis it has to consult with the partner which has been entrusted with the management of it, that has been sold this asset of the people of Newfoundland. And I can tell hon. members opposite that if the government finds that it is not in the interest of the Abitibi Price judge, it is not in the interest to give this information out because it will affect their relationships in the market, because it will affect their bringing into being this project, as it may well because Abitibi Price operate against competitors, then as far as the government is concerned it will assess it and I am pretty sure that the government will assess then that if it is reasonable at all, the interests of the people of Newfoundland will dictate they take due credence to the wishes of Abitibi Price.

Now what I am saying is that the government will consider this and if it is necessary, if it can possibly be given out it will be given out in due course. But we cannot give it at this particular time. And that is really not what the Opposition opposite - all they are asking for is the balance sheet here, and the balance sheet they do not really need to know you see, Mr. Chairman, this information

MR. MARSHALL: to make the judgement that they feign to need to be able to judge the worth or benefit of this act. They know they do not need that because they have the information necessary to make this judgement. They know the amount of money I keep saying that has been poured into this project by the people of this Province over a period of time. They know the purchase price that is being received. They know the benefits that are being received, the jobs that are going to be in Western Newfoundland, so they know all that and that is not the purpose I submit, Mr. Chairman, for their enquiries. The purpose of their enquiries is to see what they can do to blot this particular deal itself which they themselves after all have stylized as a bad deal for the people of this Province. In effect they are against this deal and this is the reason why they are trying to use the machinery of this Committee to delay the operation of this bill and I hope that the message gets to the people of Stephenville. I can only say that I hope that the hon. members there opposite will reflect, and I hope the hon. member for Eagle River (Mr. Strachan), and the hon. member for Terra Nova (Mr. Lush) can prevail upon the de facto Leader of the Liberal Party and get him to come down to a reasonable position on this, and realize that this is for the benefit of the people of Newfoundland.

Now there is no doubt about it that the hon. member has a certain view, their Leader has a certain view and their Leader has been a guest of a fugitive from justice for this Province who had an interest in this mill and from time to time he asked questions with respect to the mill itself. But I say to this Committee and to this

MR. W. MARSHALL: House that John C. Doyle is not going to affect the position and the interest of the people of Newfoundland and the provision and the chance to provide good, stable, strong, longlasting employment from a project which, in its original character, was one which was doomed to disaster anyway and thank heavens that this Government got in office to be able to take it over and to provide for the people of this Province properly on a sane and rational basis and thank heavens we have Abitibi Price. Now, if we are going to continue on in this way when you have Abitibi Price out there now working to bring about this project itself, if the House does anything other than enthusiastically endorse this measure, as most members of the House on both sides do except the hon. member for LaPoile (Mr. S. Neary) then, in effect, what you are going to have, you are going to have a very detrimental situation occur and we are going to have a situation where we could impede the progress of this very valuable industry and the involvement of this strong company in this Province.

AN HON. MEMBER: Hear, hear.

MR. CHAIRMAN: (Cross) The hon. member for LaPoile.

MR. S. NEARY: Such a small narrow-minded tirade Sir, in this hon. House I never heard before in my life. What a devious mind that hon. gentleman must have, Mr. Chairman. And how he ever got John C. Doyle into the debate, well, of course, I understand why, because his predecessors always used this gentleman as a scapegoat. When they wanted to cover up, when they wanted to divert attention from their wrongdoing and their mismanagement they always seem to drag Mr. Doyle's name into it. But that is wearing very thin in the Province, Mr. Chairman, especially with the news media. Did you notice, Sir, did you notice in that outburst by the hon. gentleman, that small narrow-minded outburst that the hon. gentleman answered none of the charges, none of the accusations that have been made. The hon. gentleman retaliated by saying that he knows what we are up to, that we are doing this

MR. S. NEARY: because there is a federal election on. And the hon. gentleman said, "Will the hon. member for LaPoile be reasonable." Well, Sir, I am satisfied to be reasonable and here is my proposition to the Government, My proposition to the hon. gentleman who spoke and then ran out of the House as he always does. Maybe he will take his bike now and ride down around St. Thomas or Windsor Lake somewhere and get his batteries recharged and then come back and try to squirt some more poison in the House. The hon. gentleman can squirt a little more venom probably.

So, Sir, here is my proposition to the hon. gentleman if he wants us to be reasonable. The hon. gentleman made a statement, Sir, that every member of this House knows that \$300 million was spent on Labrador Linerboard. \$300 million was spent to finish the mill, to start it up and to maintain it over the period that the Government took it over and operated it. That is a statement of fact, Sir. Everybody in the House knows that. I know it, my colleague from Terra Nova (Mr. T. Lush) knows it, my colleague from Eagle River (Mr. I Strachan), Burin - Placentia West (Mr. P. Canning), everybody knows that. But the hon. gentleman stopped there, Mr. Chairman, and the hon. gentleman could have gone a little further and he could have said what the Opposition wants is access to the records. There is an accounting of that \$300 million, that is what we are asking for, that is what the people of Newfoundland are asking for and that is what the people of Stephenville are asking for because everybody but everybody in Stephenville knows there was corruption and wrongdoing in connection with the management of that mill. Everybody in the Province knows it except the Minister of Justice (Mr. T.A. Hickman). He gets up and wants to defend the people who committed the crimes and his colleague, sitting to his left, wants to get up and defend Abitibi. He says, "If it is going to affect Abitibi then we are not going to put the information on the House." What about the poor old taxpayer? The hon. gentleman was elected to fight and defend the

MR. S. NEARY: rights of the taxpayers not Abitibi, not one of the wealthiest corporations on the North American Continent, Paul Desmarais' outfit, Power Corporation of Canada, the hon. gentleman was not elected for that. And, Mr. Chairman, let me say that the information that the minister put on the table of the House this morning we have not even seen it yet, we do not have copies of it. The agreements that were laid on the table of the House this morning, we have not even seen them,

Mr. Neary: They have not been circulated to us yet. And we are asked to make a judgment on giving away this mill to one of the richest corporations on the North American Continent for \$45.5 million, plus tax concessions, plus other concessions from this government, and the Government of Canada, when in actual fact they are getting a \$750 million asset for nothing. They will have money in their pocket when it is all over. And we are asked now, the gentleman asked us to approve this Act cited as the Labrador Linerboard Limited Agreement.

Well, Sir, I will make the hon. gentleman a reasonable proposition, if that is what he is looking for. And we will go right back to square one. Mr. Chairman, I am prepared to let this matter drop about the \$300 million and about the marketing of the linerboard, all the skulduggery that went on in the marketing process, the corruption and the fraud.

MR. MARSHALL: Alleged.

MR. NEARY: I beg your pardon?

MR. MARSHALL: Alleged.

MR. NEARY: Alleged fraud.

Well, Mr. Chairman, we have a case, Sir, in front of us of wrongdoing, and the hon. Minister of Justice (Mr. Hickman) knows that, to put money in a secret account in Bermuda, money that should have gone to Labrador Linerboard is a straight fraud on the Labrador Linerboard.

MR. MARSHALL: What do you know about Liechtenstein?

MR. NEARY: Well, Sir, I could tell the hon. - yes, if the hon. gentleman asks me I will tell him, the Liechtenstein matter as the hon. Minister of Justice knows to his chagrin, has been put to bed forever not -

AN HON. MEMBER: Oh, no.

MR. NEARY: Oh yes, Sir. - not guilty. There is such a thing as double jeopardy in this country. The Societe Trans-shipment that the hon. gentleman is referring to, that matter was settled

Mr. Neary: in the Quebec Superior Court. Two decisions were handed down, and the documents, the Minister of Justice (Mr. Hickman), much to his embarrassment, had to return the documents to Canadian Javelin.

MR. MARSHALL: It has not been settled in the Province of Newfoundland.

MR. NEARY: It has been - well, Mr. Chairman, nothing has been settled in the Province of Newfoundland, nothing where you have - well, what kind of justice do we - all we have in this Province is - well if the Minister of Justice and his colleagues feel like taking you out and hanging you, they can do it, political personal vendettas. And the hon. gentleman should be ashamed. I would be ashamed to admit that I headed up that department with the hon. gentleman's track record.

MR. HICKMAN: Wait until the report comes in.

MR. NEARY: I will wait until the report comes in, do not worry. I have my report now in front of me, down in my office.

MR. HICKMAN: Wait until it comes in.

MR. NEARY: What report is the hon. gentleman talking about? What report is the hon. gentleman talking - Mr. Chairman, the hon. gentleman is over there, "Wait for this! Wait for this!" "The hon. gentleman had better be careful about this."

Look, Mr. Chairman, let me tell the hon. gentleman that he does not frighten me in the least. When you have got the facts in front of you, when you have got the facts, and the hon. gentleman who has orchestrated, him and his former colleague, have orchestrated Canada's National Police Force for the last six or seven years, and it is coming to an end.

MR. HICKMAN: That is not true.

MR. NEARY: That is true, Sir.

MR. HICKMAN: It is totally untrue, Sir.

MR. NEARY: I can tell the hon. gentleman, Sir, -

MR. HICKMAN: On a point of order.

MR. CHAIRMAN (MR. CROSS): A point of order has been raised.

MR. HICKMAN: These comments by the hon. gentleman are totally out of order. Apart from the fact that they are totally untrue, they are totally out of order, not relevant to this debate, and could only emanate from a gentleman with a weak mind.

MR. NEARY: To that point of order, Mr. Chairman. Mr. Chairman, the hon. gentleman knows full well, Sir, what I am talking about to that point of order. His colleague the former Premier of this Province went to him once and asked him if he could tape certain conversations, and the hon. gentleman said, "Well, of course you can for your own protection." These conversations were taped by the former Premier of this Province. They were entrusted to the RCMP, the RCMP got involved innocently. Two gentlemen, the hon. gentleman's former colleague, and the former bagman for the Tory Party brought these tapes and said, Will you hold these for us in case there is some evidence of blackmail-

MR. HICKMAN: Oh, oh!

MR. NEARY: - in case we are -

MR. CHAIRMAN: Order, please!

The hon. gentleman when he rose to speak I anticipated he was rising to speak on the point of order, I just could not let him sort of ramble on. Certainly the hon. member for LaPoile's (Mr. Neary) statements that he has made in the last minute or two have been certainly irrelevant to the debate that is going on regarding Clause (1) of this bill.

MR. NEARY: Thank you, Your Honour. The remarks are in order then, the only thing is they were irrelevant to the matter under debate. I thank Your Honour for Your Honour's ruling. It is just a matter of opinion between two hon. gentlemen, the minister should know that.

But the hon. gentleman said, Will the member for LaPoile be reasonable? Well I will be reasonable,

MR. NEARY: Sir, and if the hon. gentleman is sincere when he is defending Abitibi, this multi-national company, and not showing any apparent interest for the taxpayers, and that is all I am interested in is protecting the taxpayers, nobody else, I am interested in getting information for the taxpayers so that they can make an assessment, will the hon. gentleman undertake to do this? We have not had an accounting, there has been no accounting of the stewardship of the three ministers who sat on the Board of Directors of the Labrador Linerboard from the time, dating back to 1972, that it became a Crown company. Three ministers, in the name of Her Majesty, held the shares of Labrador Linerboard, in the name of Her Majesty, sat on the Board of Directors. They were not always the same people, Sir, they changed during the interim period up to the time the Labrador Linerboard closed.

Now, Mr. Chairman, these three ministers spent \$300 million. They varied from time to time, spent \$300 million. The hon. gentleman has already agreed that that is roughly the figure, \$300 million, and we agree that is the figure. But, Sir, we want to know how it was spent. Now I happen to know, or I have an idea that \$155 million of that went towards the completion of the mill, was spent in completion of the mill. The other \$155 million we have no more idea than my little Mexican Chihuahua what happened to it. We have no more idea if it was spent realistically, thrown away, we have no more idea how much extravagance and waste was involved in it. Now that is one aspect of it. So, Sir, if the hon. gentleman will undertake to reactivate the Public Accounts Committee immediately, and turn this matter over to the Public Accounts Committee that would satisfy me for the time being.

Other than that, Sir, I will make the hon. gentleman another reasonable proposition, and I will ask the hon. gentleman to let the Auditor General go in and take a look at the operation of Labrador Linerboard from the time the government took it over and operated it. Is that a reasonable request, Mr. Chairman? Ask the Auditor General. The Auditor General up to this moment, because

MR. NEARY: I checked with him several months ago, has been refused access because it is not in his terms of reference. Peat-Marwick did the audit, Peat-Marwick looked at the procedures. Peat-Marwick were the ones who reported.

MR. MORGAN: (Inaudible) Doyle.

MR. NEARY: Ah, Mr. Chairman, the hon. gentleman thinks a leak of a police report is very important but when you are talking about \$30 million or \$40 million of taxpayer money that has been robbed and stolen that is not worth talking about in this House, not worth talking about. And I am surprised the press, Sir, \$300 million, they have written more editorials, more newspaper items about a leak of a foolish old police report than they have about \$300 million spent by the government that they refuse to account for in this House. Just imagine, Mr. Chairman - Look, if they are worried about my style, or they are worried about my credibility, good for them, but what they should be worried about is not me, if they are worried about my raising it well I will get somebody else to raise it, if they can do a better job than I can. They should not be worried about me. They should not allow themselves to be diverted to Panama and Doyle. They should look at the problem head on, \$300 million of taxpayers' money spent and no accounting given to this House. That is the argument, Sir. That is the point, and therefore we do not know what we got here.

And the other thing, Sir, is the marketing of the Linerboard, the marketing. If my hon. friend, I will again make him a reasonable proposal if that is what he wants, if my hon. friend will let a select committee of the House, the Public Accounts Committee or the Auditor General take a look at the marketing of that Linerboard, Sir, that will satisfy me for the moment. I cannot be any more reasonable than that, unless I just surrender as the hon. gentleman would like for me to do, give up, surrender, cave in, knuckle under and allow this great scandal to go on unchallenged just because Abitibi is now taking over and three months from now the whole thing will be forgotten. Well, Mr. Chairman, I have news for the

MR. NEARY:

hon. gentleman, I can tell the hon. gentleman right now that I have no intention of letting this scandal be swept under the rug, none. And if I go and offer myself in the next election and I go down the tube, well and good. Outside the House I will fight it through the courts, \$30 million to \$40 million of taxpayer's money stolen through corruption and collusion and the hon. gentleman sits there day in and day out making snide remarks.

MR. MARSHALL: A point of order.

MR. CHAIRMAN (Cross): A point of order has been raised.

MR. MARSHALL: Probably as much for the blood pressure of the hon. member as anything, Mr. Chairman. The fact of the matter is, Mr. Chairman, look this item that the hon. gentleman is now speaking about, has been raised time and time again by him, and there are places in the House where he can raise them from time to time, we are now talking about - we are going through clause by clause on this bill with respect to the Abitibi Price involvement in Stephenville. and the matters that he is getting on, which are certainly interesting and all that but the fact of the matter is, the fact that they are interesting does not make them relevant and the hon. member is not being relevant in the matter.

MR. NEARY: Mr. Chairman, I am answering, Sir. Your Honour did not rule, nor did I raise a point of order when the hon. gentleman was speaking on this particular clause, and I am merely answering the hon. gentleman, Sir. If I am out of order then the hon. gentleman must have been out of order. I am answering the hon. gentleman, Sir, and I am trying to stay relevant to the matter that we have under discussion at the moment and I would submit, Your Honour, that I am in order and that the hon. gentleman is just trying to silence me, he is trying to cover up, and he is not prepared to give the House the information that we are asking for.

MR. CHAIRMAN: To that point of order, I would have to rule on that point of order that the hon. member for LaPoile (Mr. Neary)

MR. CHAIRMAN (Cross): has been repetitious, has strayed from the realm of relevancy. I would have to ask him to remain within the realm of relevancy.

MR. NEARY: I thank Your Honour. Now, Mr. Chairman, as far as the federal election is concerned, the hon. gentleman is looking for a reasonable proposal. The hon. gentleman said, "I know why they are doing it." I could have gotten up on a point of order then, Mr. Chairman, because the hon. gentleman questioned our motives. I can assure the hon. gentleman that it has nothing to do with a federal election and that the hon. gentleman wants a reasonable request, and I am a reasonable man, I would say let us postpone the debate on this particular clause until after the federal election is over. It is not going to change anything. The contract for the conversion of the mill is already let. So let us let it hang over until next Thursday when we come back. Now that eliminates the possibility of us playing politics with it. Will the hon. gentleman agree to that? Then the hon. gentleman's statement will not be valid. Just let it hang over. The hon. gentleman wanted a reasonable request, I am trying, Mr. Chairman, in the best way that I know how, in my simplicity and in my frustration of trying to get an enquiry into the marketing of Labrador Linerboard, in trying to get an investigation into the changing of the shipping contract, and all the corruption and skulduggery and extravagance and waste and mismanagement in connection with that mill, I am trying to bring it up into the light of day, and the hon. gentlemen keep trying to knock me down and not allow me to bring it up.

The taxpayers want to know. The people of Stephenville want to know in case the hon. gentleman is interested. I have gone down there and they say, "Oh what do you think of the Abitibi coming in?" I say, "I think it is great. It is going to be good for the area." They say, "Yes, it is good for the area, sure, but what about all the money that was squandered and wasted down here?"

MR. MARSHALL:

Mr. Chairman, on a point of order.

MR. CHAIRMAN (Cross):

A point of order has been raised.

MR. MARSHALL:

The hon. gentleman has been called to order by Your Honour with respect to the area that he is now speaking. We are in clause by clause consideration of a bill with respect to the involvement of Abitibi Price and the Stephenville Linerboard mill and the ratification of that agreement. His comments with respect to what went on when it was within Labrador Linerboard, the Crown corporation, they are as interesting as he may think them to be, but they are irrelevant to this particular debate and the consideration before this Committee at the present time. Now Your Honour has so ruled and I think it is incumbent upon the member for LaPoile (Mr. Neary) to accept your ruling. The principle of this bill, this area was open in debate when we were

MR. MARSHALL:

debating the principle of the bill and the House has made its resolution with respect to that in second reading. Your Honour has made a ruling already, and as is typical of the hon. the member for LaPoile (Mr. Neary), he says, 'I accept your ruling,' and then in two or three minutes he is going on again in the same stream of words.

MR. NEARY:

To that point of order, Mr. Chairman.

Of course, the hon. gentleman is trying to leave the inference that I am not abiding by Your Honour's ruling. In actual fact that is not true. That is a psychological approach to try to turn Your Honour against me under a camouflaged point of order, and Your Honour knows that is not true. Your Honour knows I am completely in order. I was answering the hon. gentleman about what he said about a federal election and what he said about asking for a reasonable request, and I am trying to present my case, Your Honour, and I would submit I am in order. Otherwise, the hon. gentleman was out of order.

MR. CHAIRMAN: (Mr. Cross)

To that point of order. The hon. the

member for LaPoile has, I think, again strayed from relevancy in Committee by not getting into detailed debate on the clause that is now being debated, and I would ask him to keep his remarks relevant.

MR. NEARY:

Well, okay, then, Your Honour, maybe

I will deal with a more technical aspect of this particular clause that we have under debate. I am sure Your Honour is aware that the clause we have under debate, if we pass it, automatically rescinds the old agreement, the 1972 Stephenville Labrador Linerboard Agreement Act. Your Honour, I presume, is aware of that. If we approve of this clause that we now have under debate, that means the old agreement is finished, gone! That is what we are doing. I do not know if Your Honour has the agreement in front of him or not, but it certainly gives us a lot of leeway. It automatically rescinds the old agreement, and in rescinding the old agreement, of course, Mr. Chairman, a lot of questions pop into our minds.

Now, Mr. Chairman, I think the main question here is, Are we getting a fair deal, as my hon. friend from

MR. NEARY: Eagle River (Mr. Strachan) indicated? Is this a fair deal? Are we getting a fair price for the mill? What is the value of the asset that we are talking about? Well, as far as I can learn, Sir, the value of the asset we are talking about is somewhere in the vicinity of \$750 million. The government are giving it away for \$45.5 million without making any attempt, any endeavour at all to go out through the international business world to find out if anybody else were interested in that Labrador Linerboard mill to take it over and operate it to produce linerboard - without making any endeavour or any attempt at all, just struck up a sweetheart deal with their buddy, the President of the Power Corporation of Canada, and in return for giving him a linerboard mill, at the same time also made him Vice-President and Chancellor of the University. That was his reward for taking the government off the hook.

Now, Mr. Chairman, we know that \$300 million was spent. We know the replacement value of the physical plant in Stephenville is \$450 million, approximately. That is \$750 million. We know in the process of operating the mill that some 400,000 tons of linerboard was produced - that is according to the government's own prospectus. Four hundred thousand tons multiplied by an average, say, of \$250 a ton - How much is that? How much is it? - \$2 billion worth of linerboard they produced and sold? And in the process of doing this, Sir, \$30 million or \$40 million was extorted.

Now, Mr. Chairman, let me ask the hon. gentleman a question. If the marketing had been handled properly, if all the money that was put into the treasury of Labrador Linerboard that was put in offshore accounts in Bermuda and in Switzerland and in Europe and in other places, if all that money had gone into the account of Labrador Linerboard where it should have gone, would that Linerboard mill not still be producing? Would it be necessary to sell it at all? Could they not have carried on? With the demand for linerboard today never as great in the world as it is at the moment, and with the price never as high as

MR. S. NEARY:

it is at the moment, could they not - I will tell you what they are doing, Mr. Chairman, when they are selling this to Abitibi, they are leaving \$100 million worth of equipment in that mill, they are more or less putting a seal on it for the next four or five years, not to be used, \$100 million worth of equipment, Does the hon. gentleman realize that, the member for Exploits (Dr. Twomey)? \$100 million of equipment inside of that mill will now lay there for the next five years, will not be used. They are putting in a paper machine, Abitibi when they take it over, putting in a paper machine, it is crazy. They could be producing linerboard and creating more jobs and more work.

MR. W. MARSHALL: On a point of order, Mr. Chairman.

MR. CHAIRMAN: (Cross) A point of order has been made.

MR. W. MARSHALL: The hon. gentleman, when he is speaking along these lines, is really speaking to the consideration as to whether or not we received good value for the sale of the assets of Labrador Linerboard to Abitibi Price, and in doing so, he has, undoubtedly, speaking to the principle of the bill. Now the point I emphasize, ad nauseam, is that this House has already determined that the mill should be sold for the price of \$43,500,000 and it has also resolved with respect to the other items as a matter of policy. The policy has been accepted by this House itself. Now, we, in Committee of the Whole, we do not have a second debate on the bill because the House has already resolved it and Committee of the Whole is for clause by clause consideration of the bill that has already been passed. And consequently, the hon. member is out of order once again because he is going into the principle of the bill.

MR. S. NEARY: I am sure that the hon. gentleman, Sir, this may hurt his feelings and he does not want to hear what I am saying, but I am talking about, Sir, -

MR. W. MARSHALL:

I heard it before.

MR. S. NEARY:

No, the hon. gentleman did not hear it before. We are talking about an act that may be sighted as The Linerboard Limited Act which gives Abitibi a linerboard mill for a gift which rescinds an old act that we had and I am talking about the necessity for doing this and the conversion of the mill. I am perfectly in order, Your Honour. The hon. gentleman does not like to hear it, that is all.

MR. CHAIRMAN: (Cross)

To that point of order, I feel that the hon. member from LaPoile (Mr. S. Neary), for the last two or three minutes, has been, rather than the principle, debating as to whether or not government did get a fair price for the Linerboard Mill. I feel I will have to rule him in order on that point and ask him to continue.

MR. S. NEARY:

Thank you, Mr. Chairman. Does my hon. colleague want to have a few words? Well, I will let my colleague have a few words.

MR. CHAIRMAN:

The hon. member for Eagle River.

MR. I. STRACHAN:

Mr. Chairman, the hon. House Leader (Mr. W. Marshall) opposite, on debating this short title, brought up some points which, if they were in order for him, I feel it would be in order to respond to. He made some statements which I find very difficult to accept. He stated quite clearly that the Opposition knows the amount of money poured into the operation and we know the purchase price and, therefore, there should be no argument over the agreement, as to why we should agree to this. I think he has totally missed our point. Before we can agree to this - in any company which sells something, we know the amount of money which is poured into it, we know the amount of money that is loaned to it, we know the amount of money put in by shareholders and directors and we, of course, know the purchase price. But in any agreement to sell anything, any agreement whatsoever to sell anything, the purchase price or the selling price would obviously be dictated very much by the viability of the operation and by the method of operation over the

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MR. I. STRACHAN: number of years in which the purchaser will look at. He will, obviously, look at the financial statements and look at the background, look at the viability, look at the operation, look at the amount of money that was poured in, look at the amount of money which went out and how it went out, look at the sales and so on. So what we are saying is that

MR. STRACHAN: Abitibi Price obviously in order to make a decision and come to an agreement with the government on this Liner-board mill, obviously had to know all these kinds of things and this had to be gone into in detail. There is no question whatsoever that for the people of Stephenville and the people of the West Coast, the fact of Abitibi Price taking over this operation, and running this operation has been a benefit to the people there. There is absolutely no argument with that whatsoever. They will probably, as a private corporation, run that operation very well, very efficiently, will provide everything that we know they can provide, hopefully stable long-term employment, a viable operation. But what we are arguing about here, basically then, is not that point there, not the agreement for Abitibi Price or any other corporation who have ability in this field to run this operation, not that that is a bad thing, it is obviously a very good thing, what we are arguing about is that before we can agree to this, the Agreement Act 1979, and we look at the appendix and it says, "an agreement made the 16th. day of November, 1978," an agreement essentially which has been made and is now looking for ratification of this House, what we are arguing about then is that before we can agree to this agreement we must know all the facts and to be given the information. On any sale of the amount of money which has gone into the operation over the last number of years, the purchase price is not sufficient knowledge for any shareholder to make a decision as to whether they are getting the best value for their dollar, whether the purchase price is good or what has happened to the operation to affect the purchase price. It is obviously very, very important that we must know what has happened to the operation in the past which now affects the purchase price which is then going to be put in in this agreement. If we are going to agree to that then how was the purchase price arrived at? The company obviously examined the records, and the books and the finances of the corporation and what we are stating is that we believe that we are

MR. STRACHAN: shareholders of that corporation. And as shareholders of that corporation every man, woman and child in this Province therefore must know and should know and it should be tabled in this House, exactly where the money went that was poured into it. There was \$300 million put into it, can we have an accountability so we can judge for ourselves whether the operation, the project, the mill in the final sale price to Abitibi Price, whether we got a fair deal. It was probably a good deal. If we say it is a good deal let us say it is a good deal. But we can only say that knowing how the monies were dealt with in the past and knowing the viability of the operation.

We understand full well that Abitibi Price is going to operate that business, that project and make a profit, that is the business they are into. If they can make a profit and we have not been able to make a profit, in fact went into severe debt over the five or six years in the operation, then if the answer is that government cannot run that operation as efficiently as private enterprise then that is fair and that is a fair statement. We will accept that. But what we are stating is that we believe, and some members in Opposition believe, that there were certain things in the operation which reduced the viability of the operation which caused the operation to lose money and therefore in causing the operation to lose money and affecting the viability of it therefore reduced its sale price, which affects this act here that we have been asked now to ratify.

So what we are asking here quite clearly is can we have tabled in the House all the information -

MR. NEARY: An audit. We want an audit on the procedures and an audit on the way it was spent.

MR. STRACHAN: Absolutely. The same as is done in my little operation that I have. Obviously, if we are going to sell this operation the shareholders would like to know whether before I sold it in the last year of its operation did I filter out enough money - did I filter out money and put it into my home, for instance, to build

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MR. STRACHAN: up my home -

MR. NEARY: That is right. That is right.

MR. STRACHAN: - so as to be able to build up something
for myself and therefore affect the selling price of the operation -

MR. NEARY: Right. Right.

MR. STRACHAN: - as small as it may be.

MR. NEARY: Right on.

MR. STRACHAN: So what we are arguing then, Mr. Chairman,
I think is that before we can agree, before we can pass this Labrador
Linerboard Limited Agreement Act, 1979, for a purchase which has
already occurred, and before we can ratify it, can we have on the
floor of this House, on the table of this House, the information,
not only of

MR. STRACHAN: the amount of money poured in, not only the purchase price, which the House Leader has stated we know, and in the statement he has made a number of times, stated that is all we need to know in order to agree to this bill. We have stated that that is not all we need to know. We feel that we would like to know, How much money was put in, if it is \$300 million that has gone in? Exactly how did it affect the viability of the operation? Exactly how did the losses occur? Exactly what happened over the years? Was there a filtering off of money? Were there any sales contracts which were bad? Was there any effect on the operation which then would affect its viability and affect the purchase price to Abitibi Price?

The House Leader stated - and I wrote down exactly what he said here - that we know how much money is put into it and that is enough to make an assessment whether the sale is a good sale or a bad sale. And that is clearly wrong. No one in private business would accept that as an argument put forward that you know, therefore, that if I bought something for \$1 and put \$3 into it and it is now worth \$4 and I sold it for \$2, that it is a good deal or a bad deal - or whatever amount of money. We need to know exactly what has happened to the money, whether there is in the audited statements an accountability to the people of this Province, whether the operation was run well, whether there was no money filtered off, whether there was nothing illegal or wrong or bad, or bad business practices. Well, if there were bad business practices, that is fair enough, let us state it so. But how did this affect the sale of this mill for the \$45 million that Abitibi Price paid? Is it a fair price? It possibly is. It is possibly a good price. It may not be. How do we know? We cannot say it is a good sale if they paid \$45 million for something that we have poured \$300 million into. We cannot say that is a good sale unless we can see exactly how the balance of the money that was put into it was handled over the years -

MR. NEARY: Right on!

MR. STRACHAN: - exactly where it went and what happened to it. And that is the whole argument, the bone of contention here, that we expect it to be tabled on this House exactly the same as any board

MR. STRACHAN: of directors of a company would like to have a look, and yearly have a look at the audited accounts of a business to see exactly whether that business is viable, whether it is operating right, whether the monies have been utilized properly and whether the business can make a profit or a loss. We obviously have made a loss at this operation. There is no argument whatsoever as far as we are concerned that the sale of the mill is probably the only way out of it. We are not saying to the people of Stephenville that this sale should not go through. We are not saying that at all. There is no question that for the people of Stephenville and the people of the West Coast of this Province to get steady employment it is a tremendous opportunity and a tremendous job done; to get it moving and get it operating well is exactly the aim of the government. There is no argument with that whatsoever and we commend them for that, and we are not stating that it is not good for the people of Stephenville and good for the people of the West Coast - it obviously is. If they are back to work and the operation is running as a viable operation, then it is obviously the best thing that can occur to the West Coast and to Stephenville. But that does not relieve us of our responsibilities as shareholders from knowing the details of the operation, from knowing exactly the financial position of the company or corporation which we had a share in, exactly how that was operated, exactly the state of affairs of the company. And to state that we do not have or cannot produce any financial accountability, even in the bare bones that the Hydro produces in their Peat, Marwick, Mitchell auditor's report, their annual report, that we cannot even get the consolidated balance sheet of income, the financial position - the financial statements, we cannot get these, then I think this is a scandal, it is a ridiculous situation that this cannot be presented to this House so that we can therefore go over it with a finetoothed comb, examine it, and if there is a good sale and if there is nothing there of major consequences, major filtering off of money, then we can say that whatever went through that it was an excellent

MR. STRACHAN: purchase price, we are glad to get the \$45 million plus the fact that there is going to be benefits of operating the mill as a financial viable operation. So that is exactly what we are asking here, that before we can get into this Labrador Linerboard Agreement Act much of which is covered in the appendix, the agreement and it spells out all the details of the stock and the shares and the LLL-1, LLL-2, We have been told that we cannot have that, that we as shareholders cannot demand that, that the Board of Directors of the Labrador Linerboard Corporation which are members of government are not prepared to present the shareholders, that is every person in this Province, an accountability. And as far as we are concerned it is bad business practice and it would not be accepted in a private company let alone be accepted or asked to be accepted by a public corporation in which we all have shares. So basically that is the position that we have. There is not any argument about whether it is not good for the people of the Province and not any argument as to whether the purchase price is a good purchase price or not. We cannot determine that. It is impossible on the information to determine whether it was a good sale or a bad sale. We can, from a political point of view, and from people's benefits right now, and from the West Coast point of view, state that it is a good sale. People are working, so it must be a good sale from that point of view. But from a financial point of view we cannot determine whether it is a good sale or not. And this is surely the responsibility of us in the House in Committee stage to find out exactly the situation with it and to find out the details of that. And if it could be produced in the House then we could get on with it and make up our minds one way or another and have a vote on the different parts and get on with it and get the mill operating and this ratified. So that is exactly our position and we see nothing wrong with it. We see nothing wrong with arguing it in the Committee stage. We have debated on the principle of the bill, we have debated the whole principle of the operation. If we

MR. STRACHAN: brought up some smaller parts during that argument or debate on the principle we were told, well you can get that when you get down to the clause by clause. Now that we are in clause by clause what we are asking for are the details, or the fine details so that we can then make up our own minds and see exactly what the situation is.

Mr. Chairman, we think our position is a responsible position and the only position that we could take.

MR. NEARY:

Mr. Chairman.

MR. CHAIRMAN: (Mr. Cross)
LaPoile.

The hon. member for

MR. NEARY:

Mr. Chairman, I want to congratulate my hon. colleague, Sir, on being right on target. The hon. gentleman, Sir, has made a major contribution to the discussion on this particular clause that we have under scrutiny at the moment. My hon. friend is right on, Sir. What we are doing, Mr. Chairman, as Your Honour knows, is asking the government to give us some accountability of the operation of the Labrador Linerboard from the time the government took it over until it closed. Let us assume that there is nothing wrong, forget everything I have said, we are entitled to an account of the stewardship of that operation from the time the government took it over and closed it down. We are entitled to know if the marketing was in order, if the shipping contracts were in order. My hon. friend is right on. This has a very big bearing on the clause that we have under debate to turn this mill over to Abitibi. My hon. friend is right on. That is what we are asking for, Sir. And, Mr. Chairman, somebody may get the impression that we are being repetitious, and I am sure there are people up in the press gallery who will say, "Why do they not shut up? They have made their point. Why belabour it? All they are doing is boring us. We want to go home. The sun is shining outside."

MR. NEARY: Mr. Chairzman, let me answer that by saying, Sir, that it seems the only way you can get the message through, let it filter through is to keep repeating it over and over again. I am sure there is somebody up there in the press gallery who will say, "Neary is down there shooting off his face."

MR. MARSHALL: No they will not, they are gone.

MR. NEARY: I know. But they are listening. "Neary is down there shooting off his face. He has not produced anything new. He has not shown us where the corruption is." Well I have shown one example of corruption, Stirling International, EGRET, and if they want more I will go out, if somebody will pay my research grants, give me a research grant, I will go out and find more examples.

MR. MARSHALL: Is the hon. gentleman (inaudible).

MR. NEARY: I am trying to make a point, Mr. Chairman. The CSC, that great instrument of national purpose are very, very concerned about a

Mr. Neary: softball tournament where somebody apparently done something improper or something wrong. They are very concerned about that. They run a big programme about it. But when \$30 million or \$40 million of taxpayer money is involved they are not so concerned. I would suggest to the CBC that they give Michael Harris a research grant and let him go out and chase after this Labrador Linerboard marketing deal, and the shipping contract.

But, Mr. - the hon. gentleman is over there with that silly little grin on his face that upsets my colleague the member for Trinity-Bay de Verde (Mr. F. Rowe) so often, Sir. It does not upset me.

MR. HICKMAN: No?

MR. NEARY: No, not a bit in this world, not a bit in this world, Mr. Chairman.

What we are asking for, Sir, we are not even asking - well I would suggest to the CBC they do it. I know I can hear them up there now, "Nothing new in this. Oh, you know, Neary always comes up with the accusation. It does not prove anything." How many cases do you need? How many? Is one enough? Is one case enough?

AN HON. MEMBER: No.

MR. NEARY: It is not enough?

Mr. Chairman, I flung out a few names this morning the hon. gentleman should take a look at. We do not have the information yet, yet we are asked to approve this sale. What we are really asking for, Mr. Chairman, these ministers who served on Labrador Linerboard were trustees for the people of this Province, they were given a trust by the people of this Province, a sacred trust, they formed a Crown company, ministers were put on the Board of Directors, on the share list, put in a position of sacred trust to manage that operation and given funds by this House, taxpayer money to complete the mill, start it up, and operate it, and subsidize it, and what we are asking for is these people who were put in a

MR. NEARY: position of trust, to give us an accounting of their stewardship, to give us an accounting of what happened in Labrador Linerboard. What happened in the marketing? What happened to the shipping?

Invite the Auditor General to come in. My God, Mr. Chairman, surely the hon. gentleman must agree with that. Ask the Auditor General to go in and take a look at procedures and give us an audited account of the operation of Labrador Linerboard for the period of time that it was operated by this government. Is that a fair request? Is it a reasonable request? Can the hon. gentleman deny that that is not a reasonable request? And then I will not bore anybody. We will hear no more about it. And the press can go home and go to sleep, if they want to.

MR. MARSHALL: And the people of the West Coast (inaudible) to work.

MR. NEARY: And the people of the West Coast are going to get to work anyway, Mr. Chairman.

MR. MARSHALL: No, they are not.

MR. NEARY: This, Sir, this is intimidation, this is pressure brought on by the hon. gentleman who does not want to hear the facts. We are not going to be intimidated. We are not going to be coerced into ramming something through this House that is a bad deal for the people of this Province. Sure it is good for Stephenville and the people, but it is a bad deal for Newfoundland. And the reason it is a bad deal for Newfoundland is because of the mismanagement of the last six or seven years. That is why it is a bad deal, as my hon. friend pointed out.

And all we are doing, Sir, all we are asking for, Mr. Chairman, is an account of the stewardship. We are asking hon. gentlemen who served on the Board of Directors of Labrador Linerboard, including the hon. gentleman, who told me out in the corridor about all the blood that was flowing when the hon. gentleman took over. Mr. Ingram only lasted a couple of months, grin at that. Mr. Kraft was flung out in a couple of months. Why?

MR. DOODY: I did not like him.

MR. NEARY: You did not like him. They did not like the hon. gentleman because the hon. gentleman wanted to clean her up.

MR. MARSHALL: A point of order, Mr. Chairman.

MR. CHAIRMAN (Mr. Cross): A point of order has been raised.

MR. MARSHALL: I think it is quite obvious the hon. gentleman is now debating the affairs of Labrador Linerboard Limited while this mill was entrusted to a Crown corporation. And that has nothing to do with the principle of this bill per se. At the very most it is indirectly and obliquely related to this bill which relates to the

MR. MARSHALL: provision of employment opportunities for hundreds of people on the West Coast of this Province.

MR. NEARY: Mr. Chairman, obviously the hon. gentleman is getting paranoid, Sir. What I am saying is relevant. I am talking about the position we find ourselves in as a result of gross mismanagement on the part of those who served on the Board of Directors, including Mr. John Crosbie, who is not now in the House, that I am relevant. My hon. friend brought it up. My hon. friend was relevant. We are talking about the position we now find ourselves in as a result of mismanagement, skulduggery and corruption.

AN HON. MEMBER: All that.

MR. NEARY: All that. And the hon. gentleman knows that is true.

MR. CHAIRMAN (Cross): To that point of order, certainly I think the hon. member for LaPoile (Mr. Neary) was straying again into the principle of the bill rather than debating the details.

MR. NEARY: Thank you, Your Honour. I am finished my few remarks at this point in time, so I am going to let my hon. friend have a few words. But let me -

MR. MARSHALL: The hon. gentleman does not direct who speaks.

MR. NEARY: I see. Well I will direct who speaks right now because I have the floor. And the hon. gentleman is not going to be a little Mussolini or a little dictator in this House. The hon. gentleman does not own the House, not yet. The hon. gentleman would like to own it but not yet, he does not own it yet. It is still the people's House and as long as I am here it will remain that way and it will not become a social circle for the select few, for the little clique in St. John's East. It will not become a little sewing circle, Mr. Chairman. I know, Sir, I wandered a bit there but the hon. gentleman interrupted me.

But, Mr. Chairman, let me repeat again, over and over and over and over again, and if I sound like a broken

MR. NEARY: record I cannot help it. I am asking the government, Sir, I am asking the government to invite the Auditor General - is that a reasonable request? - to invite the Auditor General to go into the operation of Labrador Linerboard from the time the government took it over up to the time they shut it down. What is wrong with that?

MR. MARSHALL: I will tell you what we would do.

MR. NEARY: All right, tell me.

MR. MARSHALL: The hon. gentleman would be glad to know I am quite sure the government would be quite prepared, if he would like to tell his host in Panama that if he would like to come up to Newfoundland and examine the records, we would be quite happy to allow him to take a look at it.

MR. NEARY: Mr. Chairman, I think the press are - if the hon. gentleman is making that statement in the hope to get a little quote that will discredit me or try to undermine my credibility it is wearing thin, Sir. The question I put to the hon. gentleman, and as a matter of fact, Mr. Chairman, we might be able to get A.B. Walsh, the hon. gentleman's client to go out and do it for us, he seems to be pretty slick at stickhandling when it comes to gouging a few dollars out of the government, the hon. gentleman's friend, Mr. A.B. Walsh. The hon. gentleman, his name on the share list of Metro Engineering that ripped this government off - And so, Sir, - I am sorry, Sir, I wandered a little bit there, but every time I get interrupted, Sir, I am going to retaliate and the hon. gentleman realizes that.

MR. MARSHALL: The hon. gentleman is on a point of order then?

MR. NEARY: No, Mr. Chairman, I am not on a point of order. What we are asking for, Sir, when the hon. gentleman interrupted me with what he thought was a very smart remark, with a

MR. NEARY: defence that is wearing very thin - when I was asking for an accountability of the stewardship of the government while they managed, or mismanaged, the Labrador Linerboard mill, the hon. gentleman interrupted me. So let me repeat what I started to say again, Sir, what we are asking the government for. What are we asking them for? Are we asking them for anything unreasonable? And why are they stonewalling? We are asking the government to send in the Auditor General. Send in the Auditor General who is the servant of this House, into the operation of Labrador Linerboard mill to take a look at it from the time the government took it over until they closed it. There may be nothing in this world at all wrong. There may be nothing wrong. I am saying there was. But I am prepared, Mr. Chairman, to be corrected. There may be nothing wrong. But let the Auditor General tell us. I am not going to take the hon. gentleman's word, or the hon. minister's word, I want the Auditor General's. Barring that will the hon. gentleman agree to reactivate the Public Accounts Committee immediately and let them do it? I mean what is wrong with that? Or, Mr. Chairman, bring in a group of private investigators, auditors, and let them do it. I cannot be any fairer than that? But why

MR. NEARY: will the government not give us access to the records of Labrador Linerboard? Why?

AN HON. MEMBER: You are not entitled to it.

MR. NEARY: We are not entitled to it. That hon. gentleman was given a sacred trust by the people of this Province who elected him.

MR. MARSHALL: We did not say (inaudible).

MR. NEARY: Well, Mr. Chairman, we can only assume we are not entitled to it because they have not produced it, the government has not produced it.

MR. MARSHALL: (Inaudible) shouting.

MR. NEARY: Well, all right, if the hon. gentleman does not like my style I will keep it down. Mr. Chairman, what we would like to have, Sir, is for the government to agree to let the Auditor-General take a team and take a look at the management, give us an audited account of the management of Labrador Linerboard from the time the government took it over until it closed and is now being disposed of and being given away to Abitibi. And barring that, Sir, would the government agree to let the Public Accounts Committee take a look at it or if that is not agreeable to the government will they set up a Select Committee of the House and let a Select Committee of the House take a look at the shipping contract, at the marketing and at the management of Labrador Linerboard from the time the government had it? Now is there anything wrong with that, Mr. Chairman? Does the hon. gentleman see anything wrong with that?

MR. DOODY: That is better.

MR. NEARY: Is that better?

MR. MARSHALL: Yes, much better.

MR. NEARY: Well, Okay, but now will we get it?

MR. MARSHALL: Yes.

MR. NEARY: Because I lowered my voice will we get it? Will we get an account of the stewardship of the government from the time they operated that mill? If I thought whispering would do it, Sir, Mr. Chairman, if I am upsetting the hon. gentleman by shouting -

MR. YOUNG: You are upsetting your hon. colleague now.

MR. NEARY: The point I am trying to make is that \$300 million -

MR. MARSHALL: Your colleagues have told you to sit down, you are wasting time now.

MR. S. NEARY: \$300 million have been spent of taxpayers' money, no accounting has been given to this House, we cannot get any accounting. Plus the fact that several hundreds of millions of dollars were involved in marketing linerboard, we have no accounting of that. We know nothing about the shipping contracts that find us in a position we are in today where the government would have to give away that mill for \$45.5 million to Abitibi when the mill may be worth ten times that, where the mill may be still operating as a linerboard, producing linerboard. Could we have that? It is much better, Sir, but are we going to get it? Can I have a commitment from the hon. gentleman? The hon. gentleman who is always so quick to point out that he is prepared to give the people of this Province any information they want and, "As long as this government is here, nothing will be hidden from the people." \$300 million plus all the money that was involved in selling the product has been hidden from the people for the last seven years. And nothing is going to be hid from the people!

AN HON. MEMBER: Bring in the white jacket.

MR. S. NEARY: I have to laugh, Sir, I have to laugh! I mean I cannot help my style. I present my case my way. There is nothing highfalutin about it, I lay it out. Maybe the CBC people do not think there is anything new in it, that I make charges and accusations that I cannot substantiate. I have one in front of me, EGRET Sterling International. It has been there now for six months! Nothing has been done about it. Cross-examining the Minister of Justice (Mr. Hickman) this morning I got the shock of my life. They should have given it to the Newfoundland Constabulary and let them investigate it, they would have had the job now, instead of trying to orchestrate Canada's national police force to protect the administration and former members of the administration. Because that is what they are up to up, Mr. Chairman, make no bones about

MR. S. NEARY: that. That is what they are up to, Sir, and I wonder sometimes if these people who make these statements in the press gallery, 'Oh, Neary is shooting off again, he is making accusations,' if they are not trying to do the same thing.

MR. MARSHALL: Trying to do the same thing, what? What is the hon. member talking about?

MR. S. NEARY: Mr. Chairman, the hon. gentleman obviously was not following me. What I am talking about, Sir is cover-ups. The Minister of Justice thinks his job is to protect the administration and former colleagues of his who were in that administration, namely Mr. Crosbie is one, the other gentleman is still a member of this House. So, Mr. Chairman, I do not care, Sir, how I get the message across but it is going to get across I guarantee you that, if I have to whisper, shout, speak in a low voice,

Mr. Neary: I will guarantee you this that this government is not going to keep this situation in connection with Labrador Linerboard covered up much longer. She is going to break. She is going to bust wide open one of these days. They could save themselves an awful lot of embarrassment and an awful lot of trouble by doing as I suggest, invite the Auditor General to go in with his accountants and take a look at the whole thing, and make his report to this House. There are two or three ways it could be done, a select committee of the House, the Public Accounts Committee. And these are not unreasonable requests, Mr. Chairman.

Maybe they will uncover nothing, but at least they will satisfy the people of this Province that there was no wrongdoing. And they think at the moment that there was wrongdoing. I can go out in Stephenville right now, and the people will say to me, "Ah they will not give you an enquiry. They will not give you the Auditor General to go in to take a look at this. They will not let you put documents on the Table of the House. They are raising points of order. They are objecting. What do they have to hide?", that is what the people in Stephenville say. Because the people in Stephenville know, they know more than anybody else about all of the equipment that was purchased that was never used.

MR. MORGAN: Shame on you.

MR. CHAIRMAN (MR. CROSS): Order, please!

MR. MORGAN: Shame on you.

MR. NEARY: Mr. Chairman, if Your Honour wants to rise the Committee I will take my seat.

MR. MARSHALL: Mr. Chairman, I move that the Committee rise, report progress, Mr. Chairman.

MR. NEARY: Let us have an election and get it over with.

SOME HON. MEMBERS: Hear, hear!

SOME HON. MEMBERS: Oh, oh!

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

MR. SPEAKER (MR. OTTENHEIMER): The hon. Chairman of Committees.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report Bills No. 20, 31, 30, 27, 12, 7, and 2 without amendments, and ask leave to sit again.

On motion report received and adopted Committee ordered to sit again on tomorrow.

MR. MARSHALL: Mr. Speaker, I move that the House on its rising do adjourn until tomorrow, Thursday at 3:00 o'clock in the afternoon, and that this House do now adjourn.

SOME HON. MEMBERS: Shame! Shame!

On motion the House at its rising adjourned until tomorrow, Thursday, at 3:00 P.M.