

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
THURSDAY, MAY 24, 1979

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

PRESENTING PETITIONS

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for St. George's.

MRS. MCISAAC: Mr. Speaker, I beg leave to present a petition on behalf of 2,370 residents of the St. George's district. The prayer of the petition is as follows: "Electricity is one of the basic essentials of living. Newfoundland has one of the highest electrical rates in the country coupled with the highest rate of unemployment. Low income people and those on fixed incomes are finding it very difficult to meet the rising cost of living. This rate increase sought by Newfoundland and Labrador Hydro must be disallowed by the provincial government and we, the undersigned, petition the government to take a firm stand against it and also request that government seek alternate sources of inexpensive electricity for the people of the Province. We cannot afford another increase."

Mr. Speaker, in speaking to this petition I sincerely support the petition presented by 2,370 of my constituents. I think this is a big majority of the voters of the district considering the fact that quite a few of the people from my district were included in the petition that the hon. member for LaPoile (Mr. Neary) presented a few weeks ago, along with the fact that I still have seven communities that still have not sent in their petitions. So this is certainly a sign or an indication that people are very, very unhappy with the proposed increase in electricity rates. The people realize, as I do, that they just cannot afford and do not know how they can possibly pay higher rates for electricity. Their price now with the cost of living is so high that most of them are falling behind in their electrical bills along with other bills and there is just no way in the world that they can cope with it.

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MRS. MCISAAC:

So, the only alternative is to try and get government to do something about it, to probably freeze the rates or put the clamps on Newfoundland and Labrador Hydro in some way or form so as to allow the people in the Province to be able to eat instead of having to dish it all out in electrical rates. Most of them are going without other things. They are

MRS. MCISAAC: cutting down on their grocery bills, they are going without some of the other necessities because they find themselves with bills that range from \$70 a month, if you do not have electric heat, up to probably around \$200 if you do have electric heat, and they just cannot cope with it. And I sincerely hope that the Premier will take a sincere look at this. This is not the only petition that has been presented, as we know. We have had petitions presented from other areas and I will be back with another one from seven other communities shortly, if the House is open. And I hope that the Premier will take a look at it and see just what he can do about it as far as freezing the rates are concerned. I do not imagine that he can lower them any but I hope that he can prevent them from increasing again.

Thank you.

MR. SPEAKER (Ottenheimer): The hon. Leader of the Opposition.

MR. W. ROWE: Mr. Speaker, I would like to once more, for I guess the twentieth time this session, perhaps the fiftieth time in the last couple of sessions, I would like to associate myself with the remarks made by an hon. member of this House, this time in the person of the member for St. George's district (Mrs. McIsaac), who very capably presented a petition on behalf of her constituents. Did you say 2,200 names?

MRS. MCISAAC: 2,370.

MR. W. ROWE: 2,370 names of people from St. George's district, in addition to some names of people from St. George's district that my hon. colleague, the member for LaPoile (Mr. Neary) presented there a couple of weeks ago, another several hundred, you are talking about -

MRS. MCISAAC: Plus seven communities to be heard from."

MR. W. ROWE: So you are talking about more than half at this point of the constituents of that great, historic district of St. George's having voiced their absolute disapproval of any further increases in the cost of electrical rates for domestic consumers, householders,

MR. W. ROWE:

in this Province.

Now, Mr. Speaker, I am not going to repeat again for the thirtieth or fortieth time the arguments which we have presented in this hon. House against an increase in the electrical rates. They are part of the record now. Members have stated them, restated them, re-iterated them time and time again. I just wish to support this petition once more, that would bring it well over 100,000 names now, well over 100,000 names of people who have signed petitions which have been presented in this House. I would say, Sir, that the 100,000 or so voters of this Province, about one-third of the voters of the Province who have signed their names would certainly be joined by the other 200,000 who have not for various reasons signed their name to any petition up to the present, decrying the prospective increases in electrical rates.

Once more, Sir, let us just go on the record as saying that electricity

Mr. W. N. Rowe: has to be treated not as a luxury, but as a vital necessity, that the rates as they are now applied adversely affect people in an unfair manner; there are people who can afford the increases in electrical rates, there are far more who cannot afford further increases in electrical rates without it cutting into, eating into the small amounts of money which they have available for other basic necessities of life as well.

Mr. Speaker, there is a moral duty on behalf of this government, any government of this Province, to keep down the cost of electricity, not only because it is a necessity, but because the government and government creatures such as the Hydro Commission, and private enterprise for that matter in the guise of Newfoundland Light and Power Company Limited, spent years encouraging the consumption of electricity in this Province, encouraging people to get into electrical heating, for example, only to have the rug pulled out from under them when the electrical energy cost crunch came on this Province, as other parts of the world, and now they find themselves hopelessly, in many cases, over their heads, unable to afford the cost of electricity rates. And therefore this government should do what has been done in other jurisdictions, what is being proposed in other jurisdictions, and what we, Sir, as a Liberal Party want to see done as part of our policy - this government can do it or we can do it as long as the people benefit - that is that there should be a freeze on electrical rates until such time as we know where we stand with regard to the Lower Churchill and the Upper Churchill power that might be available to Labrador and to the people of the Island part of our Province which may have the effect of drastically reducing the cost of electricity to domestic consumers. Domestic consumers, householders, Mr. Speaker, cannot afford any further increase in the cost of electricity. And I support the petition presented by the member for St. George's district (Mrs. McIsaac) 100 per cent, Sir. And I hope that other members will be bringing similar petitions into this House as the session wears on.

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

MR. NEARY: Mr. Speaker, I wish I could support the petition
200 per cent.

MR. W. ROWE: Yes.

MR. NEARY: My hon. friend supports it 100 per cent, but
I give whatever support I can give the petition presented by my
colleague, the member for St. George's (Mrs. McIsaac), Mr. Speaker,
I think probably we are getting up near now to the 120,000 mark.
Every week now that goes by there are two or three petitions being
presented in the House, 8,000 and 10,000 Newfoundlanders, probably
signing some of these petitions for the second time, Mr. Speaker,
because a couple of years ago, hon. members will recall, that we had
50,000 signatures on petitions presented to the House.

MR. NEARY: So far the prayer of the petitioners, the consumers of electricity in this Province, their plea has fallen on deaf ears. Now, Mr. Speaker, we hear the Government House Leader practically every other day now taking to the air waves and telling us what a wonderful job they government is doing in the House this session, what a wonderful programme we have going in the House and what we are accomplishing. But we have not heard anything yet:-

SOME HON. MEMBERS:

Hear, hear!

SOME HON. MEMBERS:

Oh, oh!

MR. NEARY:

The hon. gentleman is

looking at what is happening through the eyes of a lawyer and anything that benefits the lawyers the hon. gentleman thinks is wonderful legislation, but it does not put any bread and butter on the table of the ordinary people in this Province and it does nothing about the ever increasing electricity rates.

MR. MORGAN:

You are stopping that. You have stopped that so far (inaudible) last week.

MR. SPEAKER: (Mr. Ottenheimer)

Order, please! Order!

MR. NEARY:

I will stop the hon.

gentleman pretty soon, Mr. Speaker. Mr. Speaker, the hon. gentleman keeps telling us about the wonderful programme. Well, let us hear something about things that the ordinary Newfoundlander likes to hear about - electricity rates, what the government is going to do about electricity rates. Out in Manitoba ten days ago, the government of Manitoba took the big step of putting a freeze on electricity rates in that Province by subsidizing the generation of electricity from the public treasury. Now that has been done in this Province for years but the only thing here is that the government here reversed itself. They issued an ultimatum to Newfoundland Hydro that they were to make a profit or break even, and that is why electricity rates are going up because of the action that was taken by this government. I do hope, Mr. Speaker, that the next time, and this seems to be a new trend that is developing and I am

MR. NEARY: prepared to say yet whether it is a good thing or a bad thing, the Premier now is holding news conferences about once or twice every week or so and giving it wide-spread publicity before he has the news conference then holding his press conference and issuing veiled threats to the Opposition by saying if the Opposition are not good boys, do not toe the line, then I might pull the plug and have an election.

MR. SPEAKER: (Mr. Ottenheimer) The hon. gentleman will probably realize that he is getting into extraneous matters, at least extraneous to this petition.

MR. NEARY: Thank you, Your Honour. I just merely wanted to say, Sir, that we are not worried about the threats or the possibility of an election. We are quite ready. Any time the hon. gentleman wants to pull the plug with the way the popular vote turned out in the federal election well, certainly, we would be glad if the hon. gentleman did it soon. But in the meantime, Sir, I do hope that the next time that the hon. gentleman has a news conference that he would say something useful, something beneficial to the people of this Province; call his news conference and have the newsmen ask him, "What are you going to do about electricity rates in this Province?" That is the question. These are the kind of questions that people want answers to. Unemployment, the cost of living, electricity rates. That is what people want to hear about.

MR. NEARY: They do not want to hear about the foolish old legislation that will be a bonanza for the lawyers; they want to hear about what the government is going to do about their sons and daughters getting jobs and about how they are going to pay their electricity bills.

MR. SPEAKER: (Mr. Ottenheimer) Order, please! Order, please!

I must point out that the hon. gentleman is getting into a wide-ranging area not related in any clear sense to the prayer of the petition.

MR. NEARY: Thank you, Your Honour. But I do support the prayer of the petition, Sir, and I do hope the next time the Premier feels inclined to have one of these news conferences that he will say something and not just waste the time of the newsmen and his own time that I am sure he could be spending down in his office by making an announcement of what the government is going to do about the ever increasing electricity rates in this Province. Are they going to put a freeze on or are they not? To be or not to be, that is the question. So I would like for the Premier to provide the newsmen, and in turn the people of this Province with the answer of what he is going to do about the ever increasing electricity rates in this Province.

AN HON. MEMBER: Hear, hear!

MR. SPEAKER: The hon. the President of the Council,

MR. MARSHALL: Mr. Speaker, about the only thing the government plans on at present about a freeze is to put a freeze on the Opposition.

Mr. Speaker, the hon. member was talking about the matters which have occurred in the House and I am just wondering if we might revert to Statements by Ministers so the First Minister, the hon. the Premier, can make a statement. The hon. gentleman there opposite need not get tense - not just yet - but it is a very important statement just the same that I think the House and the public would be interested in.

MR. SPEAKER: Is there leave to revert to Statements?

MR. NEARY: We will allow the hon. gentleman to revert, Sir. Can we not dispose of this petition first, finish this little piece of business and then revert -

MR. ROBERTS: Come back on petitions then.

MR. NEARY: - and then we will come back on petitions.

MR. SPEAKER: (Mr. Ottenheimer) I am not sure if the hon. the Premier is speaking on the petition or is reading the ministerial statement.

PREMIER PECKFORD: I was speaking on the ministerial statement.

MR. SPEAKER: There being no further speakers on this petition, I recognize the hon. the Premier on a ministerial statement.

PREMIER PECKFORD: Thank you, Mr. Speaker, and thank you to the members opposite.

Mr. Speaker, for the last seven years, the previous Liberal Government in Ottawa disputed this Province's ownership of our offshore mineral resources. However, the new Prime Minister Elect, Mr. Clark, has agreed to confirm this Province's ownership of its offshore minerals and thus remove the grounds for that dispute and the current reference to the Supreme Court of Canada. The resolution of the offshore ownership problem is a major event in the history of this Province. If the oil is there, as I feel it is, the way may very well be clear for this Province to become a 'have' province. Any doubt as to this Province's right to maximize public revenues and employment and commercial opportunities through a set

PREMIER PECKFORD: of offshore petroleum regulations will now be removed. Similarly, there will be no doubt as to this Province's right to control the rate of development to ensure that we as a people are not swept away in a sea of change.

The settlement of the dispute will improve the Province's position in the eyes of the financial community. To facilitate the rather complicated process involved in Ottawa's confirmation of the Province's title, I wish to announce that formation of two special Offshore Ownership Committees. A Cabinet Committee has been established consisting of myself as Chairman; the hon. William Marshall, President of the Executive Council; the hon. T. Alex Hickman, Minister of Justice and the hon. William C. Doody, Minister of Mines and Energy. In addition, a special Officials Committee has been established consisting of Mr. Cabot Martin, my Senior Policy Advisor, as Chairman; Mr. John Fitzgerald, Assistant Executive Director of the Intergovernmental Affairs Secretariat; Mr. William Porter, Assistant Deputy Minister of Energy in the Department of Mines and Energy, and Mr. Stephen Millan, Special Advisor. Both Mr. Fitzgerald and Mr. Millan have previously served as Assistant Deputy Minister of Energy and were involved in the evolution of the Province's offshore policy.

The Cabinet Committee, assisted by the Officials Committee, will be responsible for: (1) a thorough analysis of all issues related to Ottawa's confirmation of the Province's ownership of its offshore minerals; (2) the preparation of a detailed plan and timetable for the actual confirmation of our title by Ottawa; (3) discussions with Ottawa concerning such confirmation; (4) the development of a formal agreement and associated federal and provincial legislation to secure the offshore minerals ownership rights of the Province; and (5) the development of the administrative structures required to efficiently manage the Province's offshore mineral resources.

PREMIER PECKFORD:

With regard to the latter point, I should point out that the Province has deliberately not built up its administrative capability prior to the election of Mr. Clark because the outcome of this dispute was in some doubt. With this doubt now removed, it will be necessary for the Province to hire a significant number of offshore oil experts to administer our offshore resources. Indeed, it will be necessary to work closely with the existing federal offshore oil bureaucracy in order to ensure that the process takes place in a smooth way and does not disrupt current and future offshore oil drilling programmes.

The process of confirmation of title is, by its nature, a rather complex one. It will be necessary, for instance, to establish formal working relationships in such areas as fisheries and the environment, where the Federal Government will continue to play the major role, so that the fisheries and the environment are fully protected.

We are all aware, I am sure, of the enormous task facing Mr. Clark in the immediate future and the many demands on his time and the time of his new Cabinet; consequently,

PREMIER PECKFORD:

We may have to be a little patient

in this matter.

AN HON. MEMBER:

For several years.

PREMIER PECKFORD:

However, I am sure that the new government in Ottawa will co-operate with the Province to ensure that this matter is dealt with in a speedy and smooth manner.

MR. NEARY:

Oh, it is not cut and dried.

PREMIER PECKFORD:

The two committees I have announced here today will initially concentrate on preparing a fully documented proposal as to the best manner of proceeding for presentation to Mr. Clark at his earliest convenience.

MR. NEARY:

I thought it was cut and dried.

PREMIER PECKFORD:

Let me re-iterate that the confirmation of this Province's title to its offshore mineral resources by the federal government is a fundamental turning point in our history as a Province. I personally look forward with great anticipation to working with the new Prime Minister, Mr. Clark, and his government in this great venture.

Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

That is saying something.

MR. SPEAKER (Ottenheimer):

The hon. Leader of the Opposition.

MR. W. ROWE:

I must say, Mr. Speaker, it is a serious matter but one has to chuckle and smile a little bit at it. It is serious in that perhaps the Province will benefit from this policy of the Progressive Conservative Government in Ottawa and perhaps it will not. I will not belabour the issue because my hon. colleague, the member for Eagle River (Mr. Strachan), our spokesman on these matters, will undoubtedly be studying this and will have something to say on it in the House when we have a chance to debate it.

MR. W. ROWE: But, Sir, what the Premier just said, and without getting into debate, really amounts to a very premature statement on the setting up of some committees.

MR. NEARY: That is right.

MR. W. ROWE: Not unlike the Prime Minister's transitional committees he set up, consulting firms he has hired in order to allow the smooth takeover of power by a party, that also is unheard of in the annals of constitutional government in Britain or Canada.

But, Mr. Speaker, that is neither here or there. We certainly welcome anything that may benefit this Province. I doubt very much if what the Premier has stated here today will have the tremendously additional economic benefit which he says it will have. If you compare the two policies, the former Liberal Administration federally, or the Liberal Administration federally and the Progressive Conservative Administration to come, you will see, Sir, that the economic benefits are not all that different. And my colleague can probably go into it in some detail later on, as will I. But, Sir, we are coming to a very much more important matter. Up until now we could have assumed that the Government of Canada would utilize its vast resources in order to administer to a large extent, patrol, control the resources under the 200 mile limit. Now we find that the Premier has already announced that there will be expenditures undertaken by this provincial government, with its meager resources compared to the federal government, to set up administrative machinery which presumably will have to be used to look

MR. W.N. ROWE: after this new resource to which we will have 100 per cent ownership. And I would submit, Sir, that that will be no simple, easy or inexpensive task. So I would like to see what the final agreement is on that whenever it may come. I notice also the Premier is very apologetic about the fact that the final agreement, the final, detailed statement as to exactly what this new ownership policy will be, is not likely to come for some time. I would submit, Sir, that it has very little to do with the work load on the Prime Minister's desk since there are officials, and Cabinet Ministers, presumably, who can work on it on a day to day basis. I would submit, Sir, that the question is not quite so simple as Mr. Peckford - sorry Mr. Clark and our Premier, whom I just referred to by name have indicated it would be over the last number of months. It is a matter which is complex and difficult in terms of administration, in terms of patrolling the situation, in terms of the controls which have to be exercised against other countries who may come in, in terms of what happens outside our 200 mile limit.

All of these problems, Mr. Speaker, are not simple and certainly they may not be within the capacity of this Provincial Government to deal with, especially in terms of the expenditures and the finances which will be needed in order to do it.

Now, Mr. Speaker, I will not say anything further at this point in time. I would like to see, if the Premier would consent to it, the exchange of correspondence or the telexes or whatever has passed between the Premier and the Prime Minister Elect in the last day or so which confirms, as he has stated now in a Ministerial Statement, this policy and this agreement in principle between himself and the Prime Minister Elect in Ottawa or in Jasper - wherever he is at the moment. I would like to see that, Mr. Speaker. It seems to be a very premature statement and I would like to see what it is based on exactly. Perhaps, the Premier could let us have a look at the correspondence or the telexes of whatever other form of communication was used in order to come to this agreement in principle.

MR. W.N. ROWE: The question is not simple, Mr. Speaker, It is complicated again by the fact, just to bring in another rather extraneous matter, but it is complicated by the fact that the Government of Canada Elect differs from our own Provincial Government with respect to Petrocan, which will have a very large role or should have a large role in the exploration certainly and perhaps in some of the administration that may go on as far as the offshore resources are concerned. How is that problem going to be resolved? Has the Premier got a position now which is similar to Mr. Clark's or are they still at loggerheads as far as Petrocan as an institution, a policy arm of the Federal Government

Mr. W. N. Rowe: in terms of exploration, and perhaps controls an administration of offshore resources, are they still at loggerheads there or have they come to some kind of an agreement? Does our Premier agree with the Federal P.C. Government position that Petrocan should be disbanded, thrown out the window, or does he think that Petrocan should be kept in existence and in operation? Because that will have a large say, a large role to play, I would assume, on offshore resource development, control and administration.

Many questions arise, Mr. Speaker, and the whole tenor of the Premier's statement this afternoon indicates that it is not a simple situation at all; there seems to be some backtracking already in terms of time, and in terms of what the details of the final agreement will be. We will watch it with a great deal of interest, Sir, and we will be making some other statements as this session carries on. But I would submit, Sir, the final position, and this is probably where the people of Newfoundland and Canada had been misled very badly, the final position assumed in the final agreement will not differ very much from the position which has been taken for the last number of years by the previous administration in Canada, in terms of financial support and administration and expenses which will have to be assumed by this Provincial Government.

SOME HON. MEMBERS: Hear, hear!

PRESENTING PETITIONS

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for the Strait of Belle Isle.

MR. ROBERTS: Mr. Speaker, we are back where we began a half an hour ago. I would like to present a petition, if I might, Sir, in behalf of 142 residents of the community of Red Bay, which is in the Labrador portion of the district of the Strait of Belle Isle, a community in that portion of the district which after the apparently imminent dissolution will be in the district of Eagle River.

Mr. Roberts: I think the prayer of the petition, Mr. Speaker, is perhaps succinctly and effectively stated by the heading of the petition which, for a minute, if I may, I would like to read and then perhaps say a word or two in support of it. "Let it be known that whereas the present delivery of health services in the Province of Newfoundland stresses the importance of home care and preventative medicine; and whereas the travel conditions between Red Bay and the existing nursing station at Forteau are difficult at best and frequently impossible, causing visits by medical personnel to be brief in duration to permit adequate nursing care and teaching opportunities, as well as being irregular; and whereas the community has shown its concern for adequate medical service by means of the provision of a nursing clinic within the Community Hall, we, the undersigned residents of the village of Red Bay, do hereby request and petition the International Grenfell Association and/or the Department of Health of the Province of Newfoundland to take the necessary steps to appoint and settle a full-time nurse at Red Bay."

The petition, as I have said, Mr. Speaker, is signed by 142 of the citizens of that community, and that is just about every adult in the community of Red Bay. Mr. Speaker, I would like to support the petition very strongly. I think the request which it makes is modest. It is not only reasonable, it is a very modest one in this day and age to ask for the appointment of a nurse to serve a community of about 350 people. I do not know how many hon. members here know Red Bay. Some, I believe, are familiar with it from campaigns including the famous or infamous by-election in the Summer of 1972. But Red Bay is

MR. ROBERTS: the most Northerly community on the road portion.- the road in Southern Labrador - a community located about twenty-five miles by road from the nearest community, which is Pinware. It is about fifty miles or forty-five miles by road from the nearest medical facility of any sort, and that is the nursing station at Forteau. The road between Pinware and Red Bay is one of the marvels of this Province. One of the marvels is that anybody ever gets over the road because it is in incredibly bad shape. It is an affront to the Department of Highways, an affront to the government of this Province, an affront to the people of this Province that it is in the condition in which it presently is, and, I may add, lest the minister think I am just being down on him, it has been in pretty well that condition since it was built back in the late 1960s. It runs along a spectacular gorge, the Pinware River. It is in incredibly bad condition. For large parts of the year it is just not passable, days on end in the Winter and particularly in the Spring break up time.

I do not think there is any other part of this Province, Mr. Speaker, where citizens, 200 or 300 or 400 of them, are so far from medical help of any nature whatsoever. The Minister of Health (Mr. House) is fairly new in the portfolio, but I think he is familiar with the needs of the people in this Province, at least in a general way, and I think he would have to agree with me there is no part of this Province where people are that far from medical help, from even first line medical help. And given the amounts of money that we are now spending on medical services, given the way in which facilities are being developed throughout this Province, I think it is high time that the people in Red Bay had a full-time nurse. They have done their share. They have provided a building which is used as a clinic by the nurses who come there, by the doctor who comes by airplane or by road, because there is no doctor stationed as yet in that part of Labrador.

The petition is directed to the I.G.A. as well as to the Department of Health. The I.G.A., of course, can only respond if the Department of Health provides the appropriate and necessary

MR. ROBERTS: funding. Then the I.G.A. will find the personnel, will station them and will operate the delivery system which, of course, is their role. The I.G.A. do not find any money now, or any significant amount of money. As is the same throughout the rest of this Province, the I.G.A. deliver services which are funded by the government. I think they do a good job of doing that, but be that as it may, unless the money is provided by the Minister of Health and by the government as a whole, the I.G.A. can do nothing at all.

I think, Mr. Speaker, the prayer of this petition is one that ought to command itself to this House. I would hope that the government will be receptive to this. We are not talking a very large amount of money, possibly \$20,000 or \$25,000 a year to hire a nurse and to provide the necessary support facilities. It would provide a very great benefit to 300 or 400 of as fine a people as there are in this Province, people who are independent, who are living in a very beautiful but very remote part of this Province, people who now do not have access to medical services even remotely comparable to those available to every other Newfoundlander and every other Labradorian.

I support the petition, Mr. Speaker.

MR. SPEAKER: (Mr. Strachan)
Eagle River.

The hon. member for

MR. STRACHAN: Mr. Speaker, I support the prayer of this petition very strongly. The member for the district, the member for the Strait of Belle Isle (Mr. Roberts) has just indicated that the community of Red Bay, as of the House dissolving and a new election the next time around will be in the district of Eagle River, the Southern part of my district which is split. But rather than repeat all the points raised by the member, what I would like to indicate also is that in addition most of the people of that Labrador Coast area spend most of their time on the land or on the sea and most of their work, if one analyses it and looks through the number of cases which are presented to the hospitals and the mission stations, the nursing stations, a great deal of the work is of an emergency nature; it is work in which help is needed almost immediately, assistance is needed almost immediately. Because of the nature of the work of the people we find that there are gun shot wounds or boat accidents or accidents on land and of course there is a great need, a necessity under these kind of situations for immediate help, immediate professional help. I have seen along the Labrador Coast, and anyone can see who wants to visit the Labrador Coast, a great deal of tragedies, personal tragedies, people who are either crippled, people who are badly maimed or hurt and so on because they did not have at that time in the past immediate help, immediate professional help which would save a limb, save a leg or whatever else that was required. So what I would like to state here is that I support the prayer of the petition. The people have obviously done their part. It is not as though they are asking for something without having done anything. I think a great deal of the requests that we see in this House, and a great deal elsewhere, are requests for things, total handouts, they are putting their hand out without committing themselves at all to do anything. I think in this case here they took

MR. STRACHAN: the initiative, they built the nursing clinic, they put it in place, the same as the people in Charlottetown, for instance, who did it all by donations and by their own work, Charlottetown on the Southern Labrador Coast, and requested a nurse and finally got one. For this we commend the Department of Health. And again in the community of Red Bay I think there is no reason why an essential service, not a service which should be denied people as a luxury, but an essential service should be satisfied almost immediately especially in view of the fact that people contribute to the benefit of the Province and also work on the land and on the sea and need this kind of service at all times during the year without having to worry about freeze-ups, break-ups, bad roads in Winter or blizzard conditions for three or four days at which people have to risk their lives to try and get medical service to them. So I strongly support the prayer of this petition.

MR. SPEAKER: (Mr. Ottenheimer)

Hon. member ofr

LaPoile.

MR. NEARY:

Mr. Speaker, I just

want to have a brief word on this petition, Sir. I wholeheartedly support the prayer of the petition. I was one of the members that the hon. gentleman referred to who spent some time in that area during that infamous by-election that the hon. member referred to back in 1972. I canvassed every house in Red Bay, went door to door, in that campaign and I travelled over that road between Red Bay and L'Anse-au-Loup quite often. And I must say, Sir, one day - I believe my colleague to my left here was with me - when I refused to drive over one of the hills, I got out of the car and walked; and I am not usually a very nervous fellow when it comes to driving on roads or highways, but I got out and walked. I would not take any chances. Can you imagine, Mr. Speaker, in the Wintertime people down there in Red Bay, in that little community in the Wintertime when aircraft or helicopters cannot fly in or out and the road is blocked with snow, can you imagine the anxiety and the torment and the worry

MR. NEARY: on the people who live in that community. I think it is a very reasonable request. The people themselves have already provided the facilities in the way of a nursing station and now they are asking the government to provide them with a nurse on a year-round basis. It is a very reasonable request, Sir, and I think that the government should give it serious consideration.

Talking about that by-election, Sir, I believe it was the member for St. John's East Extern (Mr. Hickey) who went down to do a little campaigning and, so the story goes, he got lost and he was

MR. S. NEARY:

knocking on doors in Blanc Sablon in the Province of Quebec before he realized that he was in the wrong Province.

MR. E. ROBERTS:

An area that has since gone PQ.

MR. S. NEARY:

An area that has gone PQ, I do not know if the hon. gentleman had anything to do with that or not. But the hon. gentleman got off the ferry, took off, started knocking on doors in Blanc Sablon in the Province of Quebec.

MR. W.N. ROWE:

That was our first takeover bid.

MR. S. NEARY:

That is right! Mr.

Speaker, the point I am making is how this hon. crowd can have any regard or any compassion at all for the people in the Straits, the people who live in that community of Red Bay. Maybe the new Minister of Health (Mr. House), who has travelled that coast in his capacity with the school board, may have some compassion in his heart for the people down there and may grant the prayer of the petition. But we do hope, Sir, that the government will give it very consideration. Nothing is more important, Mr. Speaker, in this Province than the health of our people. So I do hope, Sir, that before too long that we will see a full-time nurse stationed in the community of Red Bay.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: (OTTENHEIMER)

Before calling the next routine proceeding, I will welcome to the House of Assembly on behalf of hon. members five Grade VII students from Roncalli High School in Avondale accompanied by their teacher, Brother Turner. I know hon. members join me in welcoming these students and their teacher to the House of Assembly.

SOME HON. MEMBERS:

Hear, hear!

NOTICES OF MOTION

MR. SPEAKER:

Hon. minister.

MR. MARSHALL: If I could at this time get the routine motion for Thursday over, I move that the House, when it adjourns today stand adjourned until 10:00 tomorrow morning and that the sitting hours from 10:00 a.m. to 1:00 p.m. be substituted for the regular sitting hours from 3:00 p.m. to 6:00 p.m.

MR. SPEAKER: The motion is that when the House adjourn today, it adjourn until tomorrow, Friday, and sit from 10:00 a.m. to 1:00 p.m. Those in favour "Aye, contrary "Nay", carried.

ORAL QUESTIONS

MR. SPEAKER: (OTTENHEIMER) The hon. Leader of the Opposition.

MR. W.N. ROWE: Mr. Speaker, I would like to direct a question or two to the Premier concerning the Come by Chance refinery negotiations. I thought the Premier might have a Ministerial Statement today on it since he made some statements outside the House yesterday.

MR. S. NEARY: He wanted to play politics with the election.

MR. W.N. ROWE: I fear, Sir, that that may be so. But, Sir, anyway I will ask the Premier to tell the House what are the difficulties that are now being encountered with the negotiations with First Arabian Corporation, especially with respect to, apparently, the problem that I have been reading in the news reports-I have not heard a statement here - the problem regarding emission controls, environmental problems that have apparently delayed negotiations and which may require a further extension of the deadline for the conclusion of negotiations. Would the Premier just touch on that, Mr. Speaker?

MR. SPEAKER: Hon. Premier.

PREMIER PECKFORD: Yes, Mr. Speaker, First of all, I think all hon. members reserve the right that when the House is closed that they are allowed to make statements to the press and that they should try to inform the public of Newfoundland and the voters of Newfoundland through whatever means that are at their disposal of information which is of the public interest and therefore I take exception to the comments

PREMIER PECKFORD: made by the Leader of the Opposition that he feels that it is somehow improper and unusual for the Premier of the Province to inform the media and other people of the Province about ongoing matters of great importance to the people of the Province. And I think the Leader of the Opposition will continue to consult with and inform the press in the same way as I will continue to do and I hope we can get some kind of agreements as to that being the proper way to proceed.

MR. SPEAKER (MR. OTTENHEIMER): Order, please!

I must point out to hon. members that occasionally a questioner and occasionally an answerer stray beyond the confines of the question and answer period, but the Chair would ask hon. members to minimize such straying. Hon. Premier.

PREMIER PECKFORD: Thank you, Mr. Speaker, I will attempt to do my best to respond to comments and questions to members on the opposite side of the House. To get to the matter at hand, there is no undue delay, Mr. Speaker, in the negotiations that are ongoing. The Leader of the Opposition sort of indicated that there were additional stumbling blocks over and above, or additional problems or additional items that have suddenly and rather miraculously entered into the

PREMIER PECKFORD:

negotiation between Government and the First Arabian Corporation, well, that is not true. There are a number of outstanding issues regardless of who puts in a proposal for the reactivation of the Come By Chance oil refinery. A number of those factors that have to be negotiated, have to do with environment, have to do with finance ability, have to do with markets, have to do with crude oil supply and therefore these are to be negotiated in ongoing talks between the corporation involved and the Government and that is what is happening now.

On the matter of environment

specifically, as I indicated yesterday there is information from the corporation concerned that the kind of crude oil to be used in the refinery is somewhat different than the kind of crude oil that was used in the refinery when it opened the first time, that the sulphur content of the crude this time will be much higher than the sulphur content the first time which, therefore, brings up the question of air pollution and the kind of standards that would be needed to accommodate or arrest or otherwise control that kind of pollution. This is one of the areas of negotiation now being talked to with First Arabian Corporation.

MR. W.N. ROWE: Supplementary, Mr. Speaker.

MR. SPEAKER: (Ottenheimer) Supplementary, hon. Leader of the Opposition.

MR. W.N. ROWE: What is the situation? I mean, the Premier has done an admirable job of saying that the crude may have high sulphur content and so on but what is the situation. If this crude source is, in fact, used, where is it from? Mr. Speaker, I would ask the Premier, first, where is the crude supposed to be coming from, number one? And number two, if the crude is so different from that employed earlier in the refinery, what are the ramifications of it in terms of additional finances that are necessary, in terms of possible delays in the start up of the refinery and in terms of the

MR. W.N. ROWE: possibility of a further extension of time having to be given beyond June 30th to First Arabian Corporation? If he could address himself to those three supplementaries, Sir, I would appreciate it.

MR. SPEAKER: (Ottenheimer) Hon. Premier.

PREMIER PECKFORD: First of all, Mr. Speaker, I thank the hon. Leader of the Opposition (Mr. W.N. Rowe) for indicating that I am doing an admirable job. Secondly, on the question of where the crude comes from, the crude supply will be coming from the Middle East under the First Arabian proposal. The question of the kind of cruda and what ramifications that will have upon the financability of the project, that is yet to be determined. There are additional environmental studies going ahead presently by the corporation, by Government to try to ascertain what impact the higher sulphur crude will have upon the financability, upon delays or extensions to the time beyond June 30th and it is not totally clear yet just how that will impact upon the delay, upon changing the time and on the financability.

MR. W.N. ROWE: Supplementary, Mr. Speaker.

MR. SPEAKER: Supplementary, hon. Leader of the Opposition.

MR. W.N. ROWE: Let me put it this way, Sir - it is difficult to elicit any specific information - does the Premier expect to have to give a further extension beyond June 30th to First Arabian Corporation before their proposal is either accepted or rejected?

MR. SPEAKER: Hon. Premier.

PREMIER PECKFORD: I am not sure at this moment in time, Mr. Speaker. Perhaps in the next couple of days I will be more sure after we have ongoing negotiations which will be taking place in the next few days.

MR. W.N. ROWE: Further supplementary, Mr. Speaker.

MR. SPEAKER: (Otteneimer) Further supplementary, hon. Leader of the Opposition.

MR. W.N. ROWE: This raises the question as to whether just how well the negotiations - not negotiations, because I would assume that the Government is waiting for information, waiting for commitments. They are simply waiting. What about the financial status of First Arabian Corporation and its ability to provide the Government with the information or commitments necessary to show that they are in a position financially to reactivate the refinery? Has there been any change on that? Have they satisfied the Government yet? Aside from this crude, this apparently sulphur polluted crude oil resource, have they satisfied the Government that the finances are available to get the refinery going?

MR. SPEAKER: Hon. Premier.

PREMIER PECKFORD: As the Leader of the Opposition undoubtedly knows, the source of crude and the availability of crude oil is a key factor in the financability and in the raising of funds. If one has the source of crude, well then that is linked directly to the raising of capital, so that, therefore, as insofar as crude oil supply affects the raising of capital, that

PREMIER PECKFORD: matter is fairly well in hand and we have fairly valuable information and valid information to indicate that the First Arabian Corporation are in a position to finance the reactivation of the refinery. Whether other ongoing negotiations as it relates to environment and other matters of concern to the government will increase or decrease the total capital cost or the sale price, ongoing meetings with ECGD or the receiver or other people involved in the refinery so that that would extend the amount of money that would be needed, still remains to be seen. But we are fairly confident at this point in time that the financability component of the proposal is a fairly realistic and reasonable one.

MR. SPEAKER (Otteneheimer): A supplementary.

MR. W. ROWE: Mr. Speaker, a final supplementary unless something dramatic arises out of the answer, which I doubt. Mr. Speaker, the Premier seems to be relatively vague on the source of crude oil - the Middle East - but he does not know whether the crude which apparently may be the crude employed in the refinery will affect this or affect that or affect the other thing, let me ask the question directly to the Premier, have First Arabian Corporation supplied the government with a crude oil source, a specific source, or are they still in the realm of possible sources and is this what is causing the problem that this possible source may have too high a sulphur content? Or have they come to the Premier and said, "Look, this is where we intend, we have a commitment with regard to the crude oil sources where we intend to get our crude oil, this is the situation, now what can we do about it?" Is there a specific undertaking from First Arabian Corporation to the government that this is the source of the crude oil, this Country, this area, this is the source of the crude oil, period, Or are we still in the area of vagueness and possibilities with regard to the crude oil source?

MR. SPEAKER (Ottenheimer): The hon. Premier.

PREMIER PECKFORD: Mr. Speaker, I am not trying to be vague as the Leader of the Opposition has indicated. As the hon. member is well aware, when the government is involved in talks and negotiations on something as large as this, and certain negotiations are still ongoing where change can occur, then one has to be careful about how one responds to questions like ones that the hon. Leader of the Opposition is now putting forward. The crude oil supply is a fairly definite source at this point in time as we have been informed by First Arabian and Ashland Oil. It is a definite source of crude and there is no problem with the crude oil supply.

MR. SPEAKER: A supplementary, the hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, the day before yesterday the Premier was in the media saying that the Come By Chance oil refinery may never open and it depends on how many other oil refineries may be built on the Eastern Seaboard by the United States Government. That was the day before yesterday and that kind of put a little damper on the hopes of the people out there who were thinking, "Well, we will have a contract with First Arabian, we will have the oil refinery open perhaps before Christmas." Then yesterday the Premier comes out to put another little damper on their hopes by bringing in a motherhood thing that cannot be disputed, "Well, we do not want to pollute your air so therefore here is another little thing." I am wondering if what the Premier -

MR. NEARY: Cabot Martin (inaudible).

MR. CALLAN: - is not actually doing is letting the people down gently, do not want to let them fall too hard but letting them down gently by bringing in these things. I want to ask the Premier -

MR. SPEAKER: Order, please! Order, please! Actually, if the hon. gentleman had said his last few words just a second earlier

MR. SPEAKER (Ottanheimer): it would not have required an intervention. I was going to require the hon. gentleman to proceed to a question.

MR. CALLAN: Thank you, Mr. Speaker. Mr. Speaker, I want to ask the Premier to tell us honestly and truthfully, are there any difficulties, complications in the dealings with the First Arabian that will lead the Premier perhaps next week or the week after that to come out and say the whole thing is off, you know, this is what it is leading up to. Would the Premier be honest with us?

MR. SPEAKER: The hon. Premier.

PREMIER PECKFORD: I thank the hon. member for Bellevue (Mr. Callan) for relating the various public statements that I have made over the last number of days to bring the House up to date on the statements so that we have a clear idea of what has been said in the last three or four days as it relates to the Come By Chance oil refinery reactivation.

The situation is - as the hon. member for Bellevue wants me to be, I am trying to be straight and honest in the statements that I make as it relates to the Come By Chance oil refinery - number one, there are no what one should classify as special difficulties or problems with the ongoing talks with First Arabian Corporation. They would be there with any proposal. There is nothing unique about their proposal which brings to bear on it certain kinds of problems which ordinarily would not be there under any other proposal. That is number one. Number two, there are problems with, as there would be with any proposal,

Premier Peckford: government's reaction to certain environmental concerns that we would have relating to the reactivation given the kind of crude oil supply, it seems to be the one that is available at this point in time through First Arabian for the reactivation of the refinery.

Thirdly, as I guess anybody who knows in the energy field that one of the reasons why as the reactivation of the Come By Chance oil refinery is even being considered at this time is because there is a high demand for a refined product on the Eastern Seaboard of the United States, and there is an extremely low supply of refined product within the United States itself, in the Continental United States, on the Eastern Seaboard, primarily because environmentalists and conservationists in Vermont, Maine, New Hampshire, New York, the upper New York State, Massachusetts, and New Jersey now have implemented high standards that cannot be met easily, and some even, for example, have stopped shopping centres from going ahead on conservation and the land used grounds. So that therefore it is highly unlikely that in the immediate future there will be additional refining capacity established on the Eastern Seaboard, making the reactivation of the Come By Chance oil refinery more attractive.

MR. CALLAN: Why did you say it?

PREMIER PECKFORD: You know, that is what I have been saying, and that is why it is important that there does not seem to be on the horizon any additional refineries to be established on the Eastern Seaboard which would mitigate against this reactivation effort right now. So I do not see that factor as being important in the overall equation of whether Come By Chance opens or closes. I am not trying to be ominous or hint about something that government might be doing next week or the week after. I am just indicating that we have to be sure because we are looking at a different environmental set of circumstances, given a higher sulphur crude, before we can allow and put our stamp on any kind of proposal like First Arabian's.

But things are moving along fairly well. We are presenting our concerns on all the various parts of the proposal

Premier Peckford: to First Arabian. They are coming back with answers. We are going back with more concerns. And we are negotiating back and forth on all these points right up until the present moment, and will continue to do. And we will continue to try to inform, as we are now doing. I would not read anything special into what has gone on to date to indicate no opening of Come By Chance or opening. There is a proposal there for opening and we are working to try to make that a feasible thing.

MR. F. ROWE: A supplementary.

MR. SPEAKER (MR. OTTENHEIMER): I will hear a supplementary from the hon. member for Trinity-Bay de Verde, then the hon. gentlemen for LaPoile, Terra Nova, and Eagle River.

MR. F. ROWE: Mr. Speaker, the Premier indicated that they have a fairly definite source of crude or sources of crude. I would like to find out whether they have a fairly definite single source or various sources and secondly, whether that fairly definite source of crude is in fact crude which contains this high sulphur content. Would the Premier indicate whether there is a definite source or sources on the one hand, and whether the source or sources have all the high sulphur content?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: There are a number of sources for the crude that First Arabian and Ashland are looking at and have definite, number one. And the high percentage of all the sources put together is high sulphur crude.

MR. F. ROWE: A further supplementary, Mr. Speaker, if I may?

MR. SPEAKER: A final supplementary.

MR. F. ROWE: Would it be fair to say, therefore, Mr. Speaker, that in fact the First Arabian companies now are really looking for a new source of crude oil for the purposes of reopening this refinery if all of these sources have a high sulphur content?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: No. We are still working under the present source of crude, which is a high sulphur crude, because we have not firmly established whether in fact the results of the refining of that high sulphur crude would be a negative factor as it relates to the environment. That is to be established through environmental studies that the corporation are having done themselves, and which the Provincial Government are involved in.

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for Terra Nova, followed by the hon. gentleman for Eagle River.

MR. LUSE: Mr. Speaker, I want to ask a question to the Minister of Labour and Manpower (Mr. Dinn) or the President of Treasury Board (Mr. N. Windsor), whichever minister feels he is most conversant with the question. I wonder if the minister could inform us quickly, briefly and concisely about the status or success of some of the more troublesome negotiations that are going on between the government and the Public Service employees, the teachers and the nurses and the like?

MR. SPEAKER: (Mr. Ottenheimer) The hon. minister.

MR. N. WINDSOR: Yes, Mr. Speaker. The teachers - we have made recent offers to them which they are now considering and we would hope to get an answer back from them in due course.

The city police - meetings will be held, scheduled, I think, for tomorrow so negotiations are ongoing there.

The nurses - again, we have made offers to them; negotiations are ongoing and further meetings are scheduled for next week.

Hospital workers - a conciliation board is now being appointed. The Minister of Labour and Manpower (Mr. Dinn) has approved a conciliation board for that group and they are being appointed. Is there anybody else you want to find out about?

MR. LUSH: Pilots.

MR. N. WINDSOR: Pilots - there is a good situation, Mr. Speaker. I am glad the hon. gentleman asked me the question. I should perhaps mention that one first because it is the most critical. We had a number of the co-pilots who reported sick this morning and left us without fire fighting protection in the Central Newfoundland area where we had some fires underway. That problem has now been overcome. We have crews on staff. The situation with their negotiations is that the final offer has been made to them which they are bringing to their membership for a vote and we expect to have a response on that by June 5th. We were, however, quite upset with the rather irresponsible action taken this morning.

MR. NEARY: You cannot say you were not warned.

MR. N. WINDSOR: All of the co-pilots - if the hon. gentleman would allow me, Mr. Speaker.

MR. SPEAKER: Order, please!

MR. N. WINDSOR: All of the co-pilots reported in sick. I am not in a position to say whether they were sick or not but it sounds most unusual. We feel it is rather irresponsible to leave the Province without any fire protection knowing full well that there was a rather serious

MR. N. WINDSOR: fire in Central Newfoundland. We take a very dim view of it and we have expressed our concerns rather clearly to the union leaders who have agreed with us and are doing their utmost, they say, to get these people back to work. Nevertheless, we have made other arrangements so that the water bombers are now fighting the fire. I also understand that it is raining in the Central Newfoundland area so there is not any imminent danger. But it was a serious situation and we were quite concerned about it.

MR. SPEAKER: (Mr. Ottenheimer) The hon. the member for Eagle River followed by the hon. gentleman from LaPoile.

MR. STRACHAN: Mr. Speaker, I want to follow up on a question to the Minister of Finance (Dr. J. Collins) from last week, and I thank both him and the member for Exploits (Dr. Twomey) for allowing the provincial sales tax on this one piece of equipment, the blood gas analyzer, to go through being exempt on sales tax. I.G.A. and a number of groups in Labrador have now asked me to ask the minister to consider establishing in principle that equipment bought by the I.G.A. hospitals in Labrador will be exempt from all future sales tax the same as many other exemptions are allowed for many other groups because of the formation, because it is the I.G.A., which is a private organization, then they have to pay this sales tax which seems a ridiculous situation. So I wonder if the minister would consider immediately establishing the principle of allowing them in Labrador to be exempt from sales tax for the purchase of very necessary and very needed hospital equipment?

MR. SPEAKER: The hon. the Minister of Finance.

DR. J. COLLINS: Mr. Speaker, I think we would appreciate any direct representation from I.G.A. over this matter. To my knowledge, apart from the hon. member, who very correctly and very admirably and laudably brought up the question, except for the hon. member's representation, I do not believe we have had any direct representation on this and I think we would welcome it. The second thing I might say is that in the budgetary process the whole question and the whole subject of the retail sales tax including exemptions or possible exemptions thereto is a matter that is being reviewed. I will certainly note it.

DR. J. COLLINS: I think I indicated last day that this would be given consideration.

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

MR. NEARY: Mr. Speaker, my question is for the Minister of Health, Sir. In view of the fact that the Pro-life movement in Newfoundland seems to be growing steadily and becoming very strong, would the hon. gentleman indicate to the House a ballpark figure - I know the hon. gentleman does not have the statistics right at his fingertips - the number of abortions done in Newfoundland hospitals last year and the number of abortions that the hon. gentleman anticipates will be done in this calendar year in this Province?

MR. SPEAKER: The hon. the Minister of Health.

MR. HOUSE: Mr. Speaker, it is common knowledge the number that was done in the last year. It was 534, I think, and

MR. W. HOUSE: that is put out periodically, the number of abortions per year is put out periodically by the committee that screens the number of applicants for abortion.

MR. NEARY: A supplementary question.

MR. SPEAKER (Otteneheimer): A supplementary.

MR. NEARY: Would the hon. gentleman indicate, Mr. Speaker, what government hospitals are now doing these abortions? The majority of these abortions I presume were done here in the city of St. John's. Would the hon. gentleman tell us what government hospitals, what hospitals that come under the hon. gentleman's control, the number of abortions done in these hospitals, roughly? I know the hon. gentleman does not have a specific figure.

MR. SPEAKER: The hon. Minister of Health.

MR. HOUSE: Mr. Speaker, all the abortions done of course are done under the Criminal Code Regulations and they are therapeutic abortions. I do not know, I can give you a ballpark figure, most of them done are done at the Health Sciences Complex because that is where they are done here in the city and Eastern Newfoundland. There were about fifty or sixty in Corner Brook, a few in St. Anthony, and two or three in other hospitals. And these are all, as I say, done through a committee and they are classed as therapeutic abortions.

MR. NEARY: A supplementary question, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Mr. Speaker, in view of the concern being expressed of the abuse of the abortion laws in Canada, Sir, does the hon. gentleman think now that it is time as Provincial Minister of Health to take a good hard look at the abortion - I am sure the people in this Province would be shocked to hear that 534 abortions were done in government hospitals last year. And certainly that is not, at least it strikes me as not being in keeping with the spirit of the law and the committees that were set up at these hospitals. And what I am asking the minister are these committees being properly policed? Is there abortion on demand now in this Province or is abortion just

MR. NEARY: granted under certain circumstances?
Does the minister himself feel on moral grounds if nothing else that it is time to take a good hard look at the situation to see if the law of the land is being abused?

MR. SPEAKER (Otteneheimer): The hon. Minister of Health.

MR. HOUSE: Mr. Speaker, I cannot say whether I think it is abused or not. The fact is that there is a committee and that committee reviews every case. For instance there have been questions that have been thrown out saying that certain doctors recommend more people for abortions than others. The case is that, when they have looked through all of this, that is not the case and there have been a lot of withdrawals from the applicants. We believe that it is being done in the proper spirit and when you look at Newfoundland in relation to other provinces and you look at what the committees have to go through, we believe that people are acting very responsibly.

It is under constant surveillance all the time. As a matter of fact, it was only a couple of weeks ago that I met with the hospital board in one of the hospitals, but I never met with the committee and I do not intend to meet with the doctors on it but I meet with the hospital boards, of course, and that is a topic of discussion.

So at this time I think we have got to carry on as we are because I do not believe it is out of control. It is not up appreciably over last year and it does not seem to be up over the year before last - last year's figure - and they do not seem to be up appreciably this year. And as I said there have been some that a lot of people have had requests to the committee and the committee has turned it down. So there is definitely not abortion on demand.

MR. SPEAKER: A supplementary, and then the hon. member for Fogo.

MR. NEARY:

Mr. Speaker, I would gather from the hon. gentleman's answer that the hon. gentleman is quite satisfied that the committee is meeting regularly, that abortions are being performed in conjunction with the rules and regulations that have been laid down, that abortions will only be granted under extreme circumstances, difficult circumstances and that the law is not being abused and the hon. gentleman is satisfied in his own mind that everything is going according to the spirit of the law, according to the rules and regulations, and that the hon. gentleman is satisfied that between 500 and 600 abortions in Newfoundland every year are absolutely essential and necessary and that the hon. gentleman can condone what is happening at the present time, especially at the Health Sciences Complex where you have a slaughter house one day a week.

MR. SPEAKER (Otteneimer):

Order, please!

The hon. Minister of Health.

MR. HOUSE:

Mr. Speaker, I am never satisfied first with anything, but I have reason to believe from the discussions that I have had that it is being done within the spirit of the Criminal Code,

MR. HOUSE: within the spirit of therapeutic abortions. There is some argument as to what do you consider therapeutic is, for physical or emotional or mental reasons. That is being decided by this committee, a professional committee, and as I said we have every reason to be cautious but I have every reason to believe that it is being carried out in the proper spirit.

MR. SPEAKER: (Mr. Ottenheimer) Hon. member for Fogo.

CAPT. WINSOR: I would like to direct a question to the hon. Minister of Transportation and Communications (Mr. Brett). The warm, sunny weather that we have been getting during the past few days has created a lot of dust problems much earlier this year than usual. Can the minister inform the House when he expects that calcium will be spread on the gravel roads around the Province?

MR. SPEAKER: The hon. minister.

MR. BRETT: Mr. Speaker, I cannot be specific about each community throughout the Province because it is our intention to use calcium chloride in all the built-up areas of the Province - that is, where there are no councils. I do know that the programme was suppose to start, I think, yesterday or the day before but I do not think that every community will get it the same day. So in actual fact the programme has started in some parts of the Province but how long it will take to complete the whole Province I cannot say.

ORDERS OF THE DAY

MR. MARSHALL: Order 2.

MR. SPEAKER: Order 2.

MR. W. ROWE: Mr. Speaker, on Orders of the Day, with leave. The hon. the Premier, I mentioned to him a little while ago, I thought he was going to rise on Orders of the Day. He has probably forgotten or is preoccupied with something. But, Sir, we have had a recent political event in Canada. We have a

MR. W. ROWE: new Prime Minister Elect and we have a former Prime Minister who is about to retire from that great office. I wonder if the Premier would move a motion of congratulations to the Prime Minister Elect and a motion of best wishes to Prime Minister Trudeau on his retirement from that office, perhaps temporarily or perhaps permanently, to be endorsed by all sides of the House, drafted in appropriate language by Your Honour and sent to the two hon. gentlemen?

MR. SPEAKER: (Mr. Ottenheimer) The hon. Premier.

PREMIER PECKFORD: Mr. Speaker, the Leader of the Opposition and I had talked about this earlier and I intended to do it and I overlooked it and I apologize for having overlooked it. Yes, Mr. Speaker, I am very pleased to be able to move, seconded by the Leader of the Opposition an appropriately worded telegram to the Prime Minister Elect, my good, good friend, Joe Clark and also to the outgoing Prime Minister, Pierre Elliott Trudeau, and best wishes for a long retirement from both the Prime Minister's office and as leader of the Federal Liberal party of Canada.

MR. W. ROWE: To be drafted by the Speaker in appropriate language.

MR. SPEAKER: It has been moved and seconded that letters of congratulations in one case and of best wishes in the other case be sent to the Prime Minister Elect and the present Prime Minister. Those in favour, "Aye", contrary "Nay", Carried.

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

MR. MARSHALL: Order 3. Bill No. 7.
On motion, a bill, "An Act To Repeal the Teachers' Loan Act," read a third time, order passed and its title be as on the Order Paper. (Bill No. 7)

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Tape No. 1488

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MR. MARSHALL:

Order 4. Bill No. 12.

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

MR. MARSHALL:

Order 5. Bill No. 27.

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

MR. MARSHALL:

Order 6. Bill No. 30.

On motion, a bill, "An
Act To Amend The Securities Act," read a third time, order passed
and its title be as on the Order Paper. (Bill No. 30)

MR. MARSHALL:

Order 7. Bill No. 31.

On motion, a bill, "An Act To Enable Gaden's Limited And Labatt Breweries Of Newfoundland Limited To Become Federal Corporations," read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 31).

MR. MARSHALL: Order 8, Bill No. 20.

On motion, a bill, "An Act To Amend The Maintenance Orders (Enforcement) Act," read a third time, ordered passed and its title be as on the Order Paper. (Bill No.20).

MR. MARSHALL: Order 9.

On motion, that the House resolve itself into a Committee of the Whole on Bill No. 15, Mr. Speaker left the Chair.

MR. CHAIRMAN(Cross): Order, please!

The hon. the member for LaPoile.

MR. NEARY: Before we allow the short title to pass, Mr. Chairman, I believe the government owes us, the Premier - the Minister of Justice, unfortunately is not with us - the Minister of Finance (Dr. Collins) certainly owe us some kind of an explanation as to whether or not they are going to provide us with the data, the information that we have been asking for now for the last couple of years in connection with the operation of the mill at Stephenville, when the government had it under its control, to find out just what it is we are disposing of.

The hon. the Premier promised to give us an updating on RCMP investigations into the Linerboard mill - two investigations, I believe, are in progress. One, we understand from the newspapers is 99 per cent complete and the other one, we do not know what stage it is in.

The other thing is that there seems to be an outstanding contract, an outstanding agreement. Once we pass this bill hon. members will realize, we are rescinding the old act, we automatically rescind the 1972 act setting up the Linerboard company. But there seems to be an outstanding lawsuit, or a difficulty of some kind with a marketing company in

MR. NEARY: Hamburg, Germany known as Schurfeld and Company. I am told they were suing the Newfoundland Government for something or other. I do not know, Mr. Chairman, what it is all about. I asked the Premier to get me the information ten days ago or a week ago and the hon. gentleman promised me that he would, as the hon. gentleman promised the House that he would lay on the table of the House all the data, all the information, give an account of the stewardship of the operation of that mill when it was under the control of the Newfoundland Government. We have not seen any evidence yet of how the \$300 million or \$400 million involved in the Linerboard mill was spent.

Three hundred million dollars we know went toward the completion of the mill, the start-up and the maintaining and operation of the mill. We know that. We know \$155 million of it went toward the construction of the mill, but what about the other \$150 million? We have no accounting of it. And we have no accounting of the \$100 million or so that passed through the hands of the board of directors in connection with marketing the product. No accounting!

Mr. Chairman, it is criminal! It is unconstitutional! I cannot think of words strong enough to say, Sir, to express my feelings about the government's stonewalling on this matter, refusing to give us any information so we can make a judgement in our minds as to what it is we are selling. What happened to all the equipment that was out there at Labrador Linerboard? What happened to all the equipment that was up in Goose Bay? Is that going to be given to Abitibi Price? The government for some reason or other, Sir, are stonewalling. Why are they stonewalling? They are leaving the impression they are trying to be half decent and half honest in trying to level with the House and level with the people but, having said that, it looks like they are going to pick and choose what they are going to be honest about and what they are going to level with the people about.

MR. NEARY: Three hundred million dollars plus over
a hundred million dollars worth of product shipped to Europe
and the United States and no accounting to this House.

Mr. Neary: I can hardly believe it, Sir. I cannot understand why the media have not gone on the warpath and on the rampage. They kick up a fuss about silly little things like leaking police reports, and here you have \$400 million, \$300 million or \$400 million involved, passed through the hands of three ministers on a Board of Directors of that company, set up by this House, and they refuse to give the House any information in connection with the disposition or the spending of that \$300 million or \$400 million.

But I know the hon. gentleman will get up and say he is repetitious, the member is being repetitious. I suppose I am being repetitious. How can you say \$300 million, \$400 million any other way than to say it? And that is what they are stonewalling on. And we do not know what it is we are approving right now.

What else goes to Abitibi? What happened to all of the equipment that was out there? What happened to all of the equipment up in Happy Valley-Goose Bay?

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

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

MR. MARSHALL: The hon. gentleman is (inaudible) is not relevant to the matter before the Committee at this time. He is bringing up all of these points and then ending with the question, how else can we make a judgment? Now the fact of the matter is that the House, Mr. Chairman, has already made a judgment on this, the principle of this bill, which is the sale of the Labrador Linerboard mill assets to Abitibi, and this is not the purpose for its consideration in Committee. The House has already decided that. We have said that over and over again. You are getting to the stage where you almost have to paint it on the walls.

Now the matters that the hon. gentleman is bringing up, they may be of great interest. I know they have been asked again and again in the House and various answers have been given from time to time, but the point of the matter is this is not the place to bring it up. The hon. gentleman is being completely irrelevant to the question

Mr. Marshall: at issue, which is a clause by clause consideration of a bill which has already been approved in principle by this House, and he is bringing up matters and ending it by saying, "How else can we make a judgment?" The thing is, Mr. Chairman, the judgment has already been made.

MR. NEARY: Mr. Chairman, to that point of order. Sir, Your Honour, will recall that during second reading when we debated the principle of this bill the hon. the Premier, the hon. Minister of Mines and Energy (Mr. Doody) promised this House that they were going to lay certain documentation and certain information on the Table of the House before the bill was passed.

MR. MARSHALL: It has been given.

MR. NEARY: No, Mr. Chairman, that is the point, it has not been given. The hon. gentleman merely stated that \$300 million was spent in Stephenville on the mill, but will not give us any details, will not give us access to the information, will not give us an accounting of the stewardship of the time the government operated that mill from 1972 up to the time it closed. And, Mr. Chairman, I submit I am perfectly in order to ask for that information and that we should not pass this bill, go through it clause by clause until we have the information.

MR. CHAIRMAN (MR. CROSS): To that point of order. I think what the hon. member for LaPoile (Mr. Neary) is asking is additional information, and I would have to rule that he is in order.

MR. NEARY: Thank you, Mr. Chairman. I am merely asking a few questions of the government, Mr. Chairman, and Your Honour certainly is being most helpful and most democratic in allowing me to put the questions to the Premier again. Is the Premier going to give us any more information on the operation of that mill, or will the government continue to stonewall?

I asked about the company in Hamburg, Germany that is suing the Newfoundland Government. I would like to know why they are suing? I would like to know how many outstanding lawsuits the government has against it as a result of the operation of Labrador

Mr. Neary: Linerboard, Mr. Chairman? I would like to know about the progress of the police investigations into the - and let me repeat again, Mr. Chairman, what I am saying, because obviously this has not sunk in yet, Labrador Linerboard, when it was operated by the government, the Board of Directors got together, Mr. Ingram was on the Board of Directors,

MR. NEARY: Mr. Kraft of International Forest Products was on the board of directors, and they all got together and they said, 'Look, if we can get \$320 a ton for linerboard that would be a very good price.' Is that not right? Is not that what they said?

MR. MARSHALL: Sorry, but (Inaudible) problem.

MR. NEARY: Well, I wish somebody was in his seat so he could confirm what I -

MR. ROBERTS: It is the Premier you want.

MR. NEARY: But the hon. gentleman seems to know all about Come By Chance and Linerboard. He might be able to give us the answer.

But anyway, let me repeat for the benefit of other members. What they did was they got together, the people who were marketing the linerboard, the manager of the mill and the three ministers who were representing the Newfoundland Government, and they all agreed, 'If we can get \$320 a ton for linerboard that would be a good price.' That would be wonderful. So off goes Mr. Kraft, who was on the board of directors of Labrador Linerboard, who also owned the company who was marketing the linerboard, and they got \$320 a ton plus \$110, that is \$430 a ton they got for linerboard. But did they give it all to the Linerboard mill in Stephenville? No, Mr. Chairman. What they did was they said, 'Well, that crowd only want \$320 - we will keep the other \$110 ourselves.' They gave \$55 to the middleman and they put \$55 in an offshore account in Bermuda or some other country. That is what happened.

I am asking the hon. gentleman - let me go back over it again if my hon. colleague will permit me. The board of directors of Labrador Linerboard - Mr. Ingram, the manager of the mill was on that board of directors and Mr. Robert Kraft, who owned the company that marketed linerboard was on that board of directors - they all got together and they said, 'If we can get \$320 a ton for linerboard that would be a very good price.' Is that not correct? Is that what happened.

AN HON. MEMBER: (Inaudible).

MR. NEARY:

I am asking the hon. gentleman.

AN HON. MEMBER:

(Inaudible).

MR. NEARY:

Well, we asked the government to give us the annual report of Labrador Linerboard and the government have stonewalled and refused to give it to us. But let me carry on with my trend of thought.

Off goes Mr. Kraft then to the various countries of the world where they were marketing linerboard and said to the middleman, the broker, 'Give us \$430 a ton for linerboard. That crowd of suckers in Newfoundland only want \$320 and we will split the difference, you keep \$55, we will take \$55 and put it in an offshore account in the West Indies or in Europe.' Now, is that not what happened?

AN HON. MEMBER:

(Inaudible).

CAPT. WINSOR:

Have they investigated it?

MR. NEARY:

No, they have not investigated it, because I wrote the Superintendent of the RCMP here last week about the investigation and I discovered, much to my amazement, that it took them six months to carry on an investigation in Canada. It is down South of the border the action was, not in Canada. So there are still, Mr. Chairman - and I could say a lot about that but I am going to say it in due course - there are a lot of facts, Sir, that have to come out about Labrador Linerboard - a lot of facts, and we are not getting them. And now we are being backed up in a corner and asked to approve this bill clause by clause and we do not know what we are approving.

MR. MARSHALL: You must. You called it a bad deal so you must (inaudible) something.

MR. NEARY:

It is a bad deal, Sir. It is a bad deal because, Mr. Chairman, let me say to the hon. gentleman with all due respect that there was no need for that mill to close. That mill could be still operating, it could still be producing linerboard. There would be more jobs.

MR. MARSHALL:

Not under (inaudible).

MR. NEARY:

No, under any company they could be producing linerboard - more jobs, no interruption in the mill. There was no need of giving it away to Abitibi for \$45.5 million.

MR. F. B. ROWE:

over and closing it -

The Premier admitted that taking it

MR. NEARY:

a mistake. Well, I want to find out how much of a mistake it was.

And it looks like the government are going to continue to stonewall and

there is not much else we can say about it except that I do hope,

Mr. Chairman, that the editorial writers, the newsmen in this Province,

will keep this in the back of their minds that here you have a government

that is so arrogant and has so much contempt for the people of this

Province - and they claim they are going to be honest and they are going

to level, but they are going to pick the things on which they are going to be

honest with the people. They are stonewalling and refusing to

MR. NEARY: give the House any information on how that three to four hundred million dollars was handled of taxpayers' money and all the mismanagement involved in it and all the skulduggery and all the corruption. That is what we want to know, Mr. Chairman, and I will keep repeating it over and over again. Hon. members may not like it. I would like to find out, for instance, why Mr. Hans Swmen and Mr. Erik Myer are now over in the comfortable pew in Zug in Switzerland, thanks to the taxpayers of Newfoundland and Labrador, after ripping of three million dollars skimming it off through the sale of Labrador Linerboard - skimming it off. One of these gentlemen worked for Stirling International, the company that I laid the documentation on the table of the House that was forced to put \$55 a ton into Egret in Bermuda, Sitrling International of San Francisco. One of the gentlemen who worked for that firm is now over with his own company, over in Zug in Switzerland, after skimming off three million dollars by getting his \$55 a ton, splitting up the \$110 - \$55 for Mr. Kraft and his crowd and we do not know who they are, and \$55 for the middleman. Mr. Chairman, I think we are entitled to have these facts in front of us before we make a fool of ourselves and I am going to keep at it, Sir, until I get the facts one way or another. The other day I told the Minister of Justice I may be forced to go down in the court and get a writ of mandamus and force the Newfoundland Government to give us an accounting of that three or four hundred million dollars, of how it was spent, and give us an accounting of their stewardship for the four or five years that they operated Labrador Linerboard. Mr. Chairman, this foolish nonsense about us holding up the bill, we are not holding up the bill. The people of Stephenville could have had a better deal than they are getting right now. There was no need of closing that mill in the first place. They could have had a better deal and can probably still have a better deal.

MR. MARSHALL: (Inaudible) expert (inaudible)

MR. NEARY: I am an expert on that, Sir. I know right from wrong. I know right from wrong. I know when the government is stonewalling. I know when the government

MR. NEARY: is refusing to give the people information, three or four hundred million dollars worth, and the people of Stephenville know it and they know what we are talking about, they know we are not holding up the bill, As I said in second reading of this bill, Mr. Chairman, I said then that I am really happy for the people in Stephenville but I am sorry for the people of Newfoundland, the taxpayers of this Province who were ripped off right, left and centre. Mr. Chairman, hon. gentlemen will have to take the responsibility. They were the ones who set up this International Forest Product Company to market linerboard South of the border, incorporated down in Massachusetts. Why was it? Why was that done, Mr. Chairman? Why was it not given to a Newfoundland company?

Anyway, Sir, these are some of the questions that I would like to get questions to and if I am boring the hon. gentlemen or if I am boring the members of the press, I would like for them to ask themselves one question, "How much information have we gotten out of the government in connection with the spending of three or four hundred million dollars of taxpayer money?", and the answer will come back loud and clear that the Government House Leader merely told us that it cost \$300 million to take over, complete and operate the Linerboard mill and that is enough for you to know. That is what the gentleman told us the other day. Would that be enough for the hon. gentleman to know when he was on this side of the House with all the stories and reports that are reaching our ears about the gross mismanagement involved in Labrador Linerboard? No, Mr. Chairman, and I am going to keep at it until I hound the life out of the hon. gentleman, until I get the information that I am looking for .

On motion, short title, Bill No.15,
carried.

On motion, clauses (1) and (2), carried.

MR. CHAIRMAN:

Shall clause (3), carry?

Hon. member for Eagle River.

MR. I. STRACHAN: On these clauses here - I want a ruling from the Chairman now - obviously the sections that we are debating are stated here but refer to the principal agreement. They refer, also, to the schedules and appendices which are attached. Can we, therefore, get in and debate these appendices and the different things which are attached, the schedules attached and so on? Is that allowed in Committee?

MR. W. MARSHALL: (Inaudible) will carry the principal agreement so the term of the principal agreement is now a matter of debate, as I understand it.

MR. I. STRACHAN: It is now a matter of what? Mr. Chairman, could we get a ruling on it? I respect the House Leader's view but could we get a ruling on it?

MR. CHAIRMAN (CROSS): Certainly in debating Clause 3 you would be able to debate the appendices in the agreement.

MR. STRACHAN: You would?

MR. CHAIRMAN: Yes.

MR. STRACHAN: Mr. Chairman, I have no desire to delay the passage of this through the House. I still say that our main objections and the only objections we have in all these different agreements, in reading through them and trying to sift through them, our main objection is still an objection as laid forth by the member from Lapoile (Mr. Neary) that surely what we have been asking for is an accounting to know the value of the asset which is now being sold as of the sixteenth day of November, 1978. It is an agreement which - we are now debating something which has occurred. It has happened. It is over. With the passage of this bill, Labrador Linerboard will no longer exist. I would imagine the name will change. Everything will change - Labrador Linerboard - and it will be something in the past. But what we are arguing about here is before it goes out of existence forever - and really on the sixteenth day of November, 1978, according to 3(2), then this principal agreement changes forever the name of the operation, Labrador Linerboard will no longer exist - what we have asked and what we

MR. STRACHAN: are asking for is an accountability of the assets of the operation. How can you estimate whether it is a good deal or a bad deal? The House Leader indicates to us that we know it cost \$300 million, we know it was sold for \$45.5 million; therefore, it must be, in this Province, a good deal, or we know enough to make up our minds whether it is a good deal or a bad deal.

It is obvious in any company, and this is not just an ordinary private company, it is obvious that in any Crown corporation in which every member of the public is a shareholder by vested right in this House, that therefore they do require an accountability to this House, an accountability to the press and an accountability over the years as to where the \$300 million has gone so that everyone can make up their minds. Surely in a Crown corporation there is even a greater onus on the directors of the corporation to make this available. Surely we must see exactly what the assets are, what the assets are worth. Surely we must be able to determine exactly where the money has gone, the 4.5 million obtained - before this agreement goes through and Labrador Linerboard now becomes defunct, a dodo, something that is gone, finished - when this deal was made on the sixteenth day of November, 1978, we must know this. It should be tabled in the House.

We are not trying to stall the operation. Obviously it is to the benefit of the people of Stephenville. We have said that over and over again. It is not to the benefit of the people of Happy Valley - Goose Bay and the people around there because what they have seen is something going up and something go down and collapse, so it is not to their benefit. But, obviously, it is to the benefit of the company, Abitibi Price, to the people of Stephenville who are back working, and we are not arguing that whatsoever. What we are arguing is that here is a public corporation and we cannot be told where the money went, what the assets are worth, how the worth of the asset was ascertained. What we have been told is that the \$300 million asset is worth \$45.5 million. We are given no

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MR. STRACHAN:

breakdown. We are given no statements.

We are given none of the financial statements, the accountability,
a consolidated balance sheet. We have never been given a consolidated
balance sheet. The Minister indicates that it is not in existence the
same as we have for Hydro. There is not one in existence or if it is,
it has not been tabled.

MR. STRACHAN:

we have not seen it. We were given no breakdown, so how can we ascertain the value of the asset. And surely there is not enough information. What we are asked to do here is to agree that \$45.5 million was a good price without knowing, us the shareholders and everyone in the Province being the shareholders in this corporation, without knowing the value of the asset to ascertain whether \$45.5 million is a good purchase price or a bad one. It probably was a fairly good deal under the circumstances. It probably could be a good deal. But how can we ascertain that on the 16th day of November, 1978 it was a good deal unless we know the value of the asset? We cannot know the value of the asset, exactly the same as any small company must indicate to its shareholders, we cannot know the value of the asset unless we know exactly what was poured into the business, where the money was spent in the business, how it was spent, the depreciation, the whole expenses. We cannot ascertain, for instance, the gross profit, the figures shown from revenue. We cannot work out the cost of sales. So how do we know what the value of the asset was unless we are given an accountability?

It seems idiotic to me that small companies in this Province get penalized if time goes by, any more than six months beyond their financial year, and they cannot give an accountability for income tax purposes or for other purposes and here we have a public corporation which we have put \$300 million into and we have not obtained an accountability, We do not know what the asset -

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

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

MR. MARSHALL: I do not really wish to interrupt the hon. member but I do think it is necessary, Mr. Chairman, for this procedure on bills to be set down once and for all. The hon. gentleman is now debating. With respect to the bill itself he has mentioned two or three times in his remarks, "How can we make the judgement?". Now, Your Honour allowed this type of debate to a limited extent to go on when we were considering Clause 1 and Clause 1 was the title of the bill. Perhaps

MR. MARSHALL:

there is, well there is justification for it if Your Honour makes the ruling. But when we get past Clause 1 in Committee stage we are on a clause by clause consideration of the bill itself at which time we debate details of the clause itself, whether the clause is properly expressed or properly expresses the intent or properly expresses the purposes determined when the bill passed second reading.

I quote to Your Honour Beauchesne, the fifth edition, to substantiate the point of order which I am now making and I think it is an important one that Your Honour will wish to consider. Page 232, paragraph 768, subsection (2). Well I will have to read subsection (1) first to give sense to subsection (2), otherwise they will be out of context. "Before beginning its clause by clause study, the committee will usually call the sponsor of the bill and such witnesses, as it deems necessary, to give evidence upon the merits of the bill.

"(2) This debate on Clause 1 (if it is not the short title) is normally wide ranging, covering all the principles and details of the bill." So this has been the procedure in Committee of the Whole. There is a distinction between Clause 1 which is the title of the bill and brings in all aspects of the bill itself and the other clauses. But, Mr. Chairman, if we are to get in the position where on each and every clause of a bill, in Committee stage, there is to be a debate on the principle of the bill itself which has already been determined, the work of this House will grind to such a slow pace that we will never accomplish anything. In this case there happens to be five or six clauses. In addition to what went on in the House itself we will have six or seven separate debates on the principle of the bill.

Now, I submit to Your Honour that it is accepted and it is authority and I have given Your Honour authority for it, that when you are in Committee and certainly when you are off Clause 1 of the bill, the title itself, that we are in a situation when we are considering

MR. W. MARSHALL: the details of that clause itself and remarks in debate wide-ranging on the principle of the bill itself is completely out of order. As I say, I do this not because of what the hon. gentleman is saying because in a sense he is repeating what was already said on Friday by him and the member for Lapoile (Mr. Neary). I think this is an important point of order and one which should be decided to determine the course of future dealings in the Committee of the Whole.

MR. I. STRACHAN: Mr. Chairman, to that point of order.

MR. CHAIRMAN: Hon. member.

MR. I. STRACHAN: Mr. Chairman, obviously what the House Leader has stated is obviously correct from Beauchesne. But, obviously one can only apply that to this specific instance in front of us. If we consider the clauses which we are debating. And if we consider the clauses which we are debating now then the clauses obviously state that the principle agreement 3 (1) is now set forth, first in the appendix, and is now being ratified, confirmed and adopted from that date, the 16th day of November, 1978. Surely what I am stating is that before we can approve this clause here, that we are therefore ratifying, confirming and adopting the principle agreement from that date, the 16th. day of November - surely, therefore, if I cannot agree that we have sufficient information obviously available to us then I cannot agree to ratify, confirm and adopt from the 16th. day of November the sale of the Labrador Linerboard mill for \$45.5 million. Surely, the point that I am raising is very pertinent to the section I am discussing. Maybe the rules are correct you are stating but surely one must, therefore, look at the clauses that I am debating before one can rule me either in or out of order.

MR. CHAIRMAN: (CROSS) I will adjourn for five minutes before I make a ruling.

RECESS

MR. CHAIRMAN: Order, please!

I feel I can make a ruling now on that point of order. As members will recall there was a like point of order that was brought up on last Friday morning and then I cited from Beauchesne

MR. CHAIRMAN: page 220, paragraph 712, the third clause, it says, "In committee the details of a measure are the primary objects of consideration with alterations in its provisions being proposed." At that time I ruled the hon. member for LaPoile (Mr. Neary) out of order. Certainly we have a very refined, possibly, point of order here. If the hon. member for Eagle River (Mr. Strachan), certainly, was debating the sale of the linerboard mill and its conversion, if he is saying that he cannot agree with the sale of the linerboard mill, which has already been debated, then he would be out of order. I think what is happening here he is asking for additional information and debating Clause 3, really, and in that sense of the wording he is asking for details from Clause 3. We are close here to possibly being out of order. But he cannot say that he opposes the sale of the linerboard mill because he has already agreed to it. In first and second reading he has already agreed to the principle of the bill.

MR. I. STRACHAN: Mr. Chairman.

MR. CHAIRMAN: Hon. member.

MR. I. STRACHAN: Mr. Chairman, thank you very much. Of course, what I was debating was I am not opposed to the sale, I am not opposed to the principle of the bill.

MR. STRACHAN: and I stated this again a number of times. I am not opposed to that at all and we could obviously stonewall, belabor the point; go on and on and ask. It is obvious that we are not going to get the information that we are looking for, but what basically we have asked for and I think it is ridiculous - we are standing here on a point of principle rather than anything else - what we are asking for is what is the asset worth that we are asked now here to ratify? We have agreed with the principle of it. Let us sell the mill. We have been told that to sell that mill on the sixteenth day of November, 1978, was in Clause (3) here, (3)iii, that that mill is worth or we are being offered a price of \$45.5 million. We have been told that all the information we need is that it has cost \$300 million to this Province. There is obviously a loss; you would say a loss; obviously it is a loss, if something has cost \$300 million to the Province as a cost and therefore has a selling price of \$45.5 million. Basically what we are asking for is, "Can we have an accountability of the asset, the worth of the asset, what has gone into it, the financial statements so that we can decide whether under the circumstances that possibly even at that obvious loss of \$45.5 million from \$300 million that the sale is a good sale because it is the only way it could go through?" And we agreed to the principle that the mill had to be sold. What we are asking for here is basically an accountability. I am not going to belabor the point any longer, Mr. Chairman, or get involved in further points of order here. I think that, as I stated before, there should be a limit to these through bills and so on, but there is a very serious point that I do not think we are getting across, that what we are being asked to do here is to agree to the sale of a mill which will become history as of the passing of these clauses without knowing the stewardship, the accountability, the assets, without having financial statements in front of us to see exactly the position of the operation and to see whether the sale will be a good sale or a bad sale.

MR. STRACHAN: If I was a shareholder in a company to be told what the House Leader has told us on Friday and again today that all we need to know is that we have poured \$300 million into that operation and to ratify this principle here and this agreement here, all we need to know is that \$300 million has gone in, we are getting \$45.5 million for the sale of it and therefore we can make up our own minds whether it is a good deal or a bad deal. If that is the only information we have, then obviously it is a bad deal -

MR. NEARY: That is all we have.

MR. STRACHAN: - because it must be a bad deal.

What we are asking for is, how can you justify - it is a good deal, there is obviously a great deal of circumstances, a great deal of operational costs and maintenance costs, depreciation, changes, renovations, etc., etc., and that is a very complex situation, so what we are asking for then is an accountability. It is obvious that the government is not intending to give us this accountability. The Minister of Forestry, I believe, told us that we would not even get statements, simple statements, financial statements such as the Hydro put out in their operation here which is not even a breakdown, a tremendous good breakdown. It is not something that you want to go through with a finetoothed comb and then start breaking down again, but at least we do get consolidated balance sheets and statements. We have not been able to get one of these for the Linerboard mill. We are asked to agree that the sale go through. We have agreed in principle that the sale should go through. Now, what we are trying to ask ourselves is whether what we are letting go through is good or bad. As far as the people of Stephenville are concerned, it is good. As far as the Province is concerned, it is good. All we are asking for then is how come at \$45.5 million this is a good sale? And surely there is a principle involved.

MR. STRACHAN: It is obvious; I think it is amazing. I would not belong to a company which denied me access as a director or a shareholder to these kind of documents, these kind of financial statements. And what we are being asked to do here is belong to that kind of company. So, Mr. Chairman, I have no intention - I will not be speaking on the bill again - I have no intention to carry on arguing this point if we are not going to get the information. It is obviously not forthcoming. To me it is almost amazing that they can state this and I therefore conclude that the principle is good but has many clauses here which I totally disagree with.

MR. CHAIRMAN (Cross): Before we go on with further clauses, I wish to inform the House that I have been informed by the Speaker that there are no matters for debate on the late show this evening at 5:30.

The hon. member for Burgeo.

MR. SIMMONS: Mr. Chairman, we are on Clause 3(1) which seeks to ratify the agreement, the sale of the Linerboard mill. All of us, Mr. Chairman, in this House have already indicated that we are in full agreement with the principle embodied in this bill, namely, to provide for the ratification of the sale of the Labrador Linerboard mill and its conversion to a newsprint mill. That, Mr. Chairman, should never be construed as meaning that we can endorse the detail because we do not know the detail. The government have apparently made a deliberate decision not to tell us what the essential detail is. My colleague from Eagle River (Mr. Strachan) has put a number of pertinent questions today about the kinds of things we would need to know. We have not got any answers. I am particularly disappointed in the Minister of Finance here who could give us some of these answers. He has them, I am sure, at his fingertips or he has access to the answers, and I would appeal to him in particular to make some of these answers available to us.

MR. SIMMONS:

What is behind this particular agreement?

We do not know. We really do not know - not being told - and I suggest, Mr. Chairman, deliberately not being told. Are we to construe that even in negotiating the sale of a mill this government has bungled just as badly, not in the fact of the sale, Mr. Chairman. I am one of the first to say in this House that the sale is a good thing if only because it undoes that secret - not secret - that scandalous first act in taking over the mill. That should never have been done and if for no other reason than it undoes that it is a good thing. It belongs in private enterprise; should never have been taken out of private enterprise, but that, Mr. Chairman, should not gloss over, should not cover up the clumsiness of the agreement. If it is that, let us find out. We do not know because they will not tell us any information.

What have they got to hide, Mr. Chairman?

What do they have to hide on this one? Is it just clumsiness; is it just bad negotiating or did they sell out? Were they so anxious to unload the mill that they sold out unconscionably to the degree that they cannot admit? Is it another example of the incompetent management at the political level that we saw during the period when the mill was under government management and ownership? Is it a continuation of that? What is our friend, Dick Green's role in this particular agreement? That one I would like to know. What is he getting out of this particular agreement? He is the lawyer for Abitibi to begin with. He is the PC bagman, now discredited, but also, Mr. Chairman, I understand that he has been spending some time over in Stephenville, bought up a number of properties over there just before this agreement was effected, a number of rental properties. He is one of the larger - Dick Green the Tory bagman, the lawyer for Abitibi is also one of the larger

MR. SIMMONS:

rental real estate owners in Stephenville right now.

MR. NEARY: The inside track.

MR. SIMMONS: He obviously had the inside track on this one. He obviously knew a lot more about the details of the agreement than we are being told as elected members of this House, Mr. Chairman. And that galls me a bit, Mr. Chairman, that a private citizen because he has the right political label can have access to the information and I, an elected member of the House representing the people of this Province, cannot get the information not because it is not available, Mr. Chairman, but because I am of the wrong stripe politically, because I sit on the wrong side of the House in the view of those who sit on the information, we are not asking for any great dark secret bits of information, we are asking for some information that ought to have been compiled and ought to be in the government's interest to make public. I cannot have it but Dick Green can have it, can have it well before the fact of this agreement so he can get out and line his own pockets by buying up some real estate out in Stephenville, a fair amount of it. I am told that right now he is one of the larger, in terms of dollar value of real estate, one of the larger owners of real estate rental properties in the Stephenville area. I am also told that he bought all of it within four or five months before this agreement came into effect or before this agreement was effected, before the date of November, 1978. Within a few months he moved very quickly and bought himself a fair amount of real estate which he is now rather successfully renting to Abitibi people and Abitibi related people. He had the information, Mr. Chairman. He had no trouble getting it. We are having a fair amount of trouble on this side of the House.

Now, Mr. Chairman, earlier some speakers - I will not get into particular names because it was a general chant from the other side of the House - a number of speakers were suggesting that somehow we on this side were against the bill. No, we are not against the bill. We are very much for the bill which would hand this property back to private enterprise. We are against the

MR. SIMMONS:

secretiveness of the deal. We may well be against some of the details of the deal if we could only know what the details were. I put my finger on one detail which is known. The government's own assessment of the value of the mill, the government's own assessment tabled in this House a year or so ago indicates that the scrap value - those are the words in the government document - the scrap value of the mill back in 1977 was \$65 million. That was the scrap value. That is if you took the thing and just dismantled it and sold it bit by bit to scrap dealers, as it were, you would have \$65 million in the pocket.

MR. NEARY: One machine alone in that mill was worth \$100 million.

MR. SIMMONS: And they sell it off for \$45 million. They are going to have to talk a lot longer and a lot harder, Mr. Chairman, before they convince me or convince anybody else that they could not have gotten a better deal than that.

You see, Mr. Chairman, that is where we are at a disadvantage. Abitibi may have good reason to believe that \$45 million is a fair amount of cash to lay out, depending on what else they had to lay out and where, and that is what I would like to know. What is this mill really costing Abitibi? Is it just

MR. R. SIMMONS: \$45.5 million or were there certain other obligations on Abitibi, the kind of obligations that were put on Scrivener over there? Remember that one? Front door - X dollars; back door - Y dollars. That was the deal with Scrivener. Tell us the whole deal if you have nothing to hide. Tell us the deal! \$45.5 million front door, how much back door?

MR. S. NEARY: Well, it was enough to buy out EPA. We will get to that one later on.

MR. R. SIMMONS: What is the deal? We cannot blame Abitibi, Mr. Chairman. They saw a good thing. They know a good thing when they see it and they grabbed it. They happen to be very good corporate citizens. They have done very well. Let us not fool ourselves they are in the business of making money. That is what they are in the business for and anybody who tries to pretend that they are in the business for any other reason is somewhat begging the question. They are in the free market system, the free enterprise system, they are in it to make money. But, their record as corporate records go is not that bad in Canada but that does not mean they do not know where the bargain basement sales are. They keep track of them and they found this one and they grabbed it up. Nor did it come as a real surprise to Abitibi that this one was going to be on the market.

I submit, Mr. Chairman, that if you look at the pattern of Abitibi's involvement in this linerboard, the day it was taken over by government through the period when the Advisory Committees were appointed, keeping in mind Abitibi's representation on those committees, Abitibi from the very beginning, with government help and assistance, aided and abetted by government, if you like, Abitibi had the inside track on this one all the while. Indeed, if I were in the market to purchase an asset, as unfair as it might seem - I will put it to you this way - I would have the best chance of getting a bargain on the asset if I could have a chance for a year or two to depreciate the asset first to, say, superficially

MR. R. SIMMONS: depreciate the asset, tell the country tell the world it is not worth anything, tell everybody it has to close down, go through the motions of depreciating the asset so then I can buy it at a bargain basement price. The sin would not be mine, the sin would be the owners of the mill who allowed me to do that, who would put me in a position to be able to do it. The blame, Mr. Chairman, if the best price the government could command is \$45 million on this one, the blame rests at the door of the government for allowing competitors in the paper business, like Abitibi, like Bowater, to have an input in vital decisions about taking over the mill, about closing down the mill, about converting the mill. They had a vested interest, they had a conflict of interest from the very beginning and they should, of course, never been involved in that particular role.

My point in raising it, Mr. Chairman, is that from day one if Abitibi had an overall strategy to acquire the mill at some point down the road, they were certainly in a position from day one to affect an acquisition at the cheapest, the lowest possible price. You have to take your hat off to them for being so successful in getting the price so low. What other prices, Mr. Chairman, have they been obliged to pay? We cannot get the questions. We cannot get the answers. We can only speculate.

MR. SIMMONS:

If we speculate wildly at times, Mr. Chairman, which I do not think I am doing right now, if we do it is because the government again refuses to give us some pertinent answers on this particular point. I believe, Mr. Chairman, before we clue up the debate on Clause 3 I believe my colleague, the Leader of the Opposition, has a few words he would like to say on it. So I will have a listen to what he is going to say and I may well raise one or two other questions.

But I do appeal to the Minister of Finance to level with the House on this one and to give us some answers to the questions which have been raised by my colleague, the member for Eagle River (Mr. Strachan).

MR. CHAIRMAN (Mr. Cross): The hon. the Leader of the Opposition.

MR. W. ROWE: Mr. Chairman, Clause 3 is the clause of course whereby the agreement is ratified, it is the operative clause. We in this House, I suppose, unanimously voted in favour of the principle of the bill but we also mentioned at the time that we would be questioning seriously some of the ramifications of the bill. Now my colleagues have stated various objections and I am not going to delay the House at all now, I would simply like to repeat, to reiterate something which I said during the debate on second reading. Like my colleague from LaPoile (Mr. Neary) I am very surprised that the media has not picked this up a little more, namely that we are asked to ratify an agreement and we do not know what the agreement is, Mr. Chairman.

We see the wording of the agreement in the appendix to the bill but there are so many items which Abitibi Paper Company is privy to, as one of the signatories to this bill, to this agreement rather, yet we in the House of Assembly are not privy to those items and we are asked to ratify the agreement as it is set out in the bill itself with some essential items left out altogether, we have no knowledge of. Mr. Chairman, I consider that to be the most contemptible use of this House ever perpetrated by a government in this Province.

MR. W. ROWE:

Now the hon. minister concerned was good enough to send over to me some financial statements concerning the operation of the Linerboard Mill over a number of years; general financial statements, an auditor's report and financial statements which gives the general financial standing over the years, and the last one I believe was the year ended March 31, 1978. That gives us some information. I am surprised that it was not tabled beforehand, Sir. But there are many other items as well which form an essential part of this agreement which the hon. the minister and the government generally do not see fit to table in this House. Now, why would they not, Mr. Chairman? There are a number of schedules to the agreement, LLL-1 through to 7 or 8, I believe, in which we see that Abitibi Company is taking over certain benefits of the mill and the government is assuming certain liabilities.

We have reference to outstanding legal actions against the Linerboard Mill. What are they, Mr. Chairman? What are they? They form part of that agreement. Abitibi Paper Company knows. The government knows. We do not know. The people of the Province do not know. Mr. Chairman, it is the utmost in contempt. We know that the government assumes all the financial liabilities which the Linerboard Mill incurred since the government took it over in 1972. What exactly are they? Mr. Chairman, we do not know. Abitibi Paper Company knows that they are not liable or responsible for them because the government has assumed that liability and that responsibility. We do not know whether some of these liabilities have been properly excluded or improperly excluded from the agreement and the deal

MR. W. ROWE: with Abitibi generally. We do not know. We have not been given an opportunity to pass judgement on that aspect of the deal, Mr. Chairman. We know that Abitibi gets the benefit of the assets involved. We know that they do not have to assume any liabilities to speak of. We know the government has to assume those, but we do not know what they are. Abitibi presumably knows. They have access under the agreement to all financial statements. They have access under the agreement to all consultants' reports on the operation of the mill. They know; the government knows. The House which is asked to ratify the agreement which contains this as an essential aspect of it is deprived of that information or the information is kept back from it. Mr. Chairman, it is nothing but contempt for this hon. House and the Premier of this Province who has time and time again tried to give the impression of openness has conducted himself in a very surprising manner in this respect. Is there something to hide? Is there something that the government is ashamed of over the past five or six or seven years of operation? I do not know. I do not venture any guess. I can only say that it is surprising that we are not given the full information. The assets that Abitibi Paper Company is assuming in return for its purchase price, Mr. Chairman: Under the agreement there is an inventory of equipment and evaluation of the equipment presumably. Abitibi, as a party under the agreement has access to all this information, knows what the inventory is, knows probably what the valuation has been, yet we as members of this House are not given that information. We are not given any opportunity to pass judgement one way or the other on whether these assets, this inventory is more than the purchase price or less than the purchase price. We cannot subject it to our own researches. We cannot ask any of our own expert advisors to have a look at it. We do not know and then to add insult to injury, when we raise these questions, certain members on the government side of the House try to interpret this as being against the principle of Abitibi taking over the Linerboard mill and operating it. We are not against that at all, Mr. Chairman. We are in favour of that. We voted

MR. W. ROWE: in favour of it. We are totally in favour of it. Superb company - they will operate it in a best possible way. We feel sure about that and we are in favour of the principle. We are in favour of the principle of the agreement. The agreement itself is well done, well drafted. What we have serious reservations about, Sir, is the fact that we are not given the benefit of all aspects of the agreement, all elements of the agreement. We are not given it. Perhaps if all these matters referred to, all these schedules to the agreement referred to, were distributed in the House and looked at, there would not be another word expressed pro or con on it, but the fact that we are deprived of it naturally raises our suspicions. Why are we not able to see what actions are taken, have been taken or are in the process of being taken against the Labrador Linerboard mill? Why? Why can we not see what debts are owed by Labrador Linerboard mill? - To whom? - That the government is going to have to pay back. Why can we not see detailed financial documentation on what the expenditures have been over the past five or six years? Who have received - what people have received large payments of money from the government indirectly and directly from Labrador Linerboard? Who? Abitibi know. The government knows presumably. We do not know as members of this House even though it is an essential part of this agreement.

Mr. Chairman,

MR. W. ROWE:

I déspair about even carrying on with these few remarks. I know the government will not come through with it but it is something which we will continue to raise as times goes on and question the government about and make sure that the public and the media of the Province are aware of because it is a very strange situation. The hon. the House Leader (Mr. Marshall) on the government side who has made his political career on the whole idea of legislative control of the government and information being made available to the legislature and the members of the House, now suddenly feels no compulsion at all to make sure that the members of the House have this information, part of the agreement. Force us in the House to vote on the clause which ratifies the agreement without giving us all essential parts of the agreement, Mr. Chairman, why would they do that? I do not know. I can only assume there is something which the government wants to keep covered up. I would assume there is something in the various schedules that embarrasses the government and they do not want us to know about it and they do not want the public to know about it. The government should know that sooner or later, one way or the other the information will become available to the public anyway, either through a change of administration or through somebody thinking that the public interests will be served by the information becoming public.

I do not know why they just do not come clean and the Premier of the Province does not come clean and give us the information which goes to make up essential parts of the agreement which we are asked to vote on and to pass. It is pretty hard to vote for a clause, Mr. Chairman, which ratifies an agreement and we do not know what the agreement is, parts of the agreement which are every bit as essential as the actual main agreement which has been set out before us in the bill itself. Equipment in "LLL 2" is bought by the company. Actions, legal actions and so on under another schedule against the company which the government assumes responsibility for. The total financial responsibility of the government and the details of that responsibility and liability form part of this agreement, yet we do

MR. W. ROWE:

not know. Mr. Chairman, how can anyone vote for that particular clause? How can they vote for it? I ask the hon. House Leader (Mr. Marshall), if he were in my position here as he was over here on this side of the House six or seven years ago and this agreement were brought in by the government, he knows that he would be the first and the last to be on his feet here saying, "Give us the information and if we do not have the information we can only assume there is something ontoward going on, something underhanded going on, some cover-up of some sort going on, otherwise, why would the government deprive the Opposition and the members of the House of this essential information. Why would they?"

Now, if there is something confidential which the government and Abitibi do not want too many people to know about because it affects the commercial operation of the plant, we would understand that. I would be glad to ask two or three members of the Opposition to sit down with the government and have a look at them and satisfy themselves as to the confidentiality of it and the need to keep it confidential. But the point is, Sir, that not even that token effort has been made. There has been an apparent complete cover-up since 1972 to 1979 concerning essential elements of the operation of the Linerboard mill and now essential elements of the agreement itself which passes over the Linerboard Mill to Abitibi Paper Company.

There is no point in my saying anything else on it, Sir, except to tell the government that we do not intend to let the matter drop. The government could save itself a lot of trouble I believe if they gave us the information, gave the public the information now. Because, Sir, the matter will not be dropped, we shall continue to ask why the information was not given. We shall continue to dig and probe and try to find out what the information is that is being withheld from members of the House

MR. W.N. ROWE: and we shall try to ascertain why essential information which should be included with the agreement has been withheld from members of the House of Assembly. It is a scandalous situation, Sir, and it is the worst form of contempt for the legislative wing of government ever shown by an administration as long as I have been in the House and I would venture to say, Sir, in the history of this Province.

MR. CHAIRMAN: (CROSS) The hon. Government House Leader.

MR. W. MARSHALL: Mr. Chairman, because these things come up day by day the matters raised by the hon. gentleman there opposite were answered in their fullest and their entirety on Friday. Am I to assume that not too many more members intend to enter the debate and I do not intend to prolong it. But I do not think that some of the items that were raised today should be allowed to stand on the record without at least having some answered in the verbatim issue of Hansard for today lest somebody reading it in the future get a misunderstanding. X

Mr. Chairman, all of the information that is necessary and which can reasonably be given has been furnished with respect to this bill. The Opposition, typically, instead of talking about the future benefits to the people of this Province as represented by this agreement, particularly on the West Coast with respect to the hundreds of jobs that will be created and hopefully will be created in the future, instead of talking about having a concern in this Province further expanding its operations such as Abitibi and Price and putting the Stephenville area on a good, solid foundation, chooses to talk from time to time about the past. And some hon. members, not the Leader of the Opposition (Mr. W. Rowe), but some hon. members on the other side have even gone so far as to suggest, not directly, but by an interpretation of their words that the linerboard mill ought not to have been taken away from private enterprise in the first place, such as the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons) said this afternoon. So the obvious conclusion is he should not - who was it taken from? It was taken from

MR. W. MARSHALL: Canadian Javelin, it was taken from Mr. John C. Doyle. So one member of the Opposition then has indicated in that statement that it should have been left with Mr. Doyle.

The fact of the matter is there is an attempt by the Opposition here to look at this bill, which is a good and positive bill that we are now talking about being ratified, and trying in their usual manner to cast some haze or some dispersions with respect to the bill itself. All of the information, Mr. Chairman, that could be given has been given. It is a well known fact that \$300 million have been put into the linerboard mill by this government in an honest and reasonable effort in order to keep it going and we all know that that proved to be fruitless. But we know that \$300 million is in it, we know what purchase price we got and we know all of the information necessary for this House to make a judgement and an assessment on the bill itself.

Now with respect to the items in the agreement itself that we are considering now ratifying, there are certain items in the agreement which refer to exhibits such as LLL-1 for instance. The audited financial statements of the company for the year ending March 31st. 1978 was the first one, the next one was the list of equipment, the other one is, as the hon. Leader of the Opposition has indicated, a list of court actions. Now when we were debating this in second reading this matter was brought up. We are not like the member for LaPoile (Mr. Neary) who thinks that all wisdom is encompassed in one person, we do listen to the Opposition. The points brought up at the time were reasonable because there were certain aspects of the appendages to the bill that were not before the House at the time so we undertook, and I would submit, Mr. Chairman, quite reasonably, to the House and we said we would look over the situation and we would assess these appendages, these exhibits that were referred to in the agreement and provided it was deemed to be legitimately in the best interest of,

MR. MARSHALL:

the people of Newfoundland mainly but also very directly the people of Newfoundland. If it was in the interest of the operation of the new company itself we would file these exhibits. We proceeded to do it. The hon. Minister for Industrial Development (Mr. Maynard) has filed most of these exhibits. Today there was reference to the fact that we had no financial statements but a copy of the financial statement is in the Leader of the Opposition's (Mr. W. Rowe) hands now for it was sent over by the Minister of Industrial Development. So you can see the audited balance sheet for the year March 31, 1978. Now there is one that is missing. I do not presume to get into the matter of the accounting of the \$300 million. There is adequate place in this House for this matter to be brought up and to be enquired into. The \$300 million were not just whipped out of some account of the government and plowed into Labrador Linerboard but it was taken pursuant to an act of this Legislature which was passed and was amended from time to time as more monies were needed and was fully debated in this House in accordance with the policy established by this government of requiring reference to the House before monies were spent. So it was not a question, Mr. Chairman, it certainly was not a question in this particular case of attempting to hide anything. The amount of money that has been put into this project is known to the people of this Province. It has been known for some time. It has come up at various sittings of each session of this Assembly.

Now with respect to one of the items, I will give an example of one that was not filed and the reason why it was not, in fact, filed. Clause 3 of this bill contains representations and warrants of the vendor which in this case is the Minister of Industrial Development (Mr. Maynard) acting on behalf of the Government of Newfoundland. It states in Clause (m), Except as here and after referred to in the paper-writing marked LLL 1 which is the audited financial statements that are already in the hands of the Opposition or they are in the hands of Opposition today. Apparently there is not too much communication between the Leader and his members because the

MR. MARSHALL:

others did not know about it or maybe he did not have it at the time. But in any event, "Except as referred to in LLL 1 which are the financial statements" and in any audited financial statements, of course, the auditors put notations as to actions that are pending and actions that can be taken. "The company is not at the present time a party to any action, suit or other legal proceeding actual or threatened and there is no circumstance, matter or thing known to the vendor which might give rise - and I underline these words, to any such action, suit or legal proceeding or to any governmental investigation relative to the company, its property or its businesses."

Now, that is a normal, standard clause that goes in. Because this "LLL 1" was not filed - the "LLL 1" was filed - but because they were not given a list of any other actions there was an attempt to again put a haze or a shade on the whole transaction by saying, There are other actions that they do not want the public to know and there is something sinister about it, they are trying to hide things, trying to protect things or their friends and the other types of allegations that we have become used to in the House. Now there is a very good and a logical reason for not going further in giving this information. The hon. Leader of the Opposition (Mr. W. Rowe) has indicated the government of this Province has to be, because we are selling an asset and we are selling an asset on the basis that we have sold it because we feel it is in the best interests and will provide jobs for the people in Western Newfoundland, the Government of Newfoundland has assumed all liabilities of Labrador Linerboard Limited except in a few cases set forth in the agreement but substantially all of them.

MR. NEARY: We want to know what they are.

MR. MARSHALL: Now, the Leader of the Opposition says, Well, we should know what these actions are and the pending actions, what we call pending actions, which are as described there, matters which might give rise to any such action. Now the reason why we are not going to do that, Mr. Chairman, is because it is not in the interests of the people of this Province. And the reason why it is not in the interests of the people of this Province is that you do not disclose to persons who

MR. MARSHALL: have not taken actions against you, the fact that you are anticipating them to possibly take actions. All it is doing is just - the actions that have been taken are a matter of public knowledge.

MR. NEARY: (Inaudible)

MR. MARSHALL: Look, if the hon. sage on the other side would just look at the financial statements that have already been filed today he will see a notation of the actions that have been taken. And should there have been, perchance, any innocent oversight, which I doubt very much, by the auditors, because I believe it is Peat, Marwick and Mitchell, but should there have been any innocent oversight in not noting one of those actions, they are a matter of public knowledge. If an action has been taken, it is a matter of public knowledge and it can be determined. The reason why - we heard a great debate here this afternoon - the reason why did not you supply all this information? Should we go out and tell the persons who are in business with Labrador Linerboard Limited the fact that we anticipate and that they might take an action? All that is going to do is just invite them to take an action.

There is absolutely no intention by this government to do anything but to reveal the fullest of information and the fullest and most necessary aspects of this agreement have been given for this House to make a determination.

There is no point, as far as I am concerned, in talking about the \$300 million as important as that is at this particular stage. What we are considering when we are considering this agreement before the Committee, we are not considering matters that occurred two or three or four years ago directly, neither are we considering them six or seven or eight years ago when the mill first came into existence. What we are considering is a future industrial activity that has been negotiated by this government on a very expert basis, bringing a very sound and stable company into this operation

MR. MARSHALL: which was a disaster until it came in, providing hundreds of jobs for the persons in Western Newfoundland and indeed putting that area of Western Newfoundland on a sound financial basis for the first time in many years. Now that is what the bill is about.

Now I do not know what the hon. gentlemen there opposite are going to do or what they intend to do with respect to this bill because I am quite confused. On the one hand they get up and say they support it in principle. On the other hand another member, the member for Lapoile (Mr. Neary), gets up and consistently calls it a bad deal. Now, if it is a bad deal, why would the hon. gentleman support it? And on the other hand, the member for Burgeo - Bay d'Espoir (Mr. Simmson) gets up in this House and indicates today, as the record will show, that they are only supporting it because it should never have been taken away from private business in the first place. In other words - and the only hands that it was in before was Canadian Javelin - Mr. John C. Doyle. So on the one hand you have one leader of the Opposition indicating that it is a bad deal and he is going to vote for it. On the other hand you have another leader of the Opposition indicating that he is going to vote for the bill but it should never be before the House in the first place because the mill should always have stayed in John C. Doyle's hands, and then you have the Leader of the Opposition getting up and indicating that the Opposition supports the bill in principle.

Now, where does the Opposition stand on the thing? Do they stand as one or are they going to vote differently? You cannot say one thing and mean another and if they are going to vote for it, are they going to vote for a bad deal? How are they going to explain that to the people of Western Newfoundland? They are going to vote for the bill for the people of Newfoundland itself but they think it is a bad deal. They are going to vote for the bill but they do not think it should have been taken from John C. Doyle. They are going to vote for the bill because now it is good in

MR. MARSHALL::

principle, because really what has happened is that the - I feel what happens is that the members of the Opposition who come from that area have really gotten on the back of the Leader of the Opposition and have given him the instructions, as well they may, that this is a very positive measure for the benefit of the entire area of Western Newfoundland and Newfoundland itself.

So, Mr. Chairman, I had no intention of getting up and talking on this particular clause, but I do not believe that, as I say, the statements that have been made today which are, in essence, repetitions of the statements that were made on Friday, should go unanswered. The fact of the matter is this bill that Clause 3 relates to that we are now going to hopefully

MR. MARSHALL:

ratify is a bill which is a good deal for this Province, the best negotiated deal that this Province has seen for quite some period of time, providing hundreds of jobs for Newfoundlanders. And if certain members of the Opposition would get off their paranoia and stop looking for little ants crawling up the wall and looking backwards and would tend instead to look forward I think that we would show that we are making more progress in this House itself.

But in any event, Mr. Chairman, I do note with a certain degree of amusement the stands that the various members or various leaders, shall I say, it is the best way to describe them, of the Opposition. On the one hand they are for the bill, on the other hand it is a bad deal, and the other hand, it should never have been taken away from Mr. Doyle. Is there any doubt at all why Mr. Jamieson would say yesterday that the provincial Liberals are in the mess that they obviously are?

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

MR. NEARY: Mr. Chairman, I could not let these remarks go, Sir.

MR. SIMMONS: That was all in order over there, was it not?

MR. NEARY: Yes, that was all in order so I will try to reply to it within the order of the rules of the House. Mr. Chairman, the hon. gentleman attempted to muddy up the water another little bit. What we are saying, Sir, is this, that we are happy for the people in Stephenville but we are sad for the people of Newfoundland. And the reason we are sad for the people of Newfoundland is that we cannot get an accounting of \$300 million to \$400 million that passed through the hands of the Board of Directors of Labrador Linerboard which were ministers of the Crown. We cannot get an accounting in this House of their stewardship from the time they took over that mill until it closed. And what we are afraid of, Sir, if this deal goes through that the five or six years that the government operated the mill, mismanaged the mill, that will all be swept under the carpet. That is what we are scared about, Sir, that once the thing starts up, the deal is made with Abitibi, three or four months from now it is all forgotten, we will be into an election, it will be all pushed to one

MR. NEARY:

side. And there is no way, Sir, there is no way in my opinion that any elected member worth his salt should sit back on either side of the House and see that happen.

So we are talking about two things here; we are talking about the takeover and we are talking about how we reached that stage where we were boxed in, forced into a position where we had to give the mill to Abitibi for nothing. They will make money on the deal. With their tax concessions, with the DREE grants and so forth they will end up with money in their pockets after the deal is over. They will be given the mill free gratis and for nothing and will make money off it, an asset that is worth \$750 million in any man's language. The replacement value, the commitment on behalf of the Province, \$750 million. So say I.

MR. W. ROWE: And we get five pages of notes on that, \$300 million.

MR. NEARY: And we get five pages of notes that tell us nothing. And before, Mr. Chairman, the Committee of the Whole passes clause by clause we are arguing. Tell us how you spent the \$300 million or \$400 million. Tell us how we got into this position where we now have to make this kind of a deal.

MR. W. ROWE: Where did the money go?

MR. NEARY: Where did the money go? How was it spent? Why not have a Commission of Enquiry into the operation of the Labrador Linerboard? Why not? I gave the hon. gentleman three or four alternatives on Friday. Send the Auditor General in. Why not? The hon. gentleman was always for that. Send the Auditor General in with a team of accountants.

MR. W. ROWE: They kept the Auditor General out of that one.

MR. NEARY: The Auditor General was not allowed to audit the reports of the Linerboard Mill as my hon. friend knows. I discussed it with the Auditor General down on the steps of Confederation Building when I found out about all the skulduggery that was going on and the Auditor General had to admit to me -

MR. MARSHALL: The audited report (inaudible).

MR. NEARY: I am not concerned about the audited report, I want to find out what happened within the \$300 million. That tells us nothing.

MR. NEARY:

I want to find out why International Forest Products were brought in here incorporated down in Boston, down in Massachusetts, to market the linerboard. How can I find that out if I do not ask questions? I want to find out who brought Bobby Kraft in here and gave him the right to market linerboard and to skim off \$30 million to \$40 million in the process.

MR. SIMMONS: Crosbie did.

MR. NEARY: Yes, you are darn right, Crosbie did and so did a couple of others on the other side of the House.

MR. SIMMONS: He is a richer man (inaudible).

MR. NEARY: Now, the hon. gentleman said we have opportunities in other debates to find that out. How can I find it out if we do not find it out now?

MR. W. ROWE: We will never find it out.

MR. NEARY: How can I find out

MR. S. NEARY: why the shipping contract was changed and renegotiated with the same company, the same ships for substantially more money? How can I find that out? Can the hon. gentleman answer these questions for me?

MR. R. SIMMONS: Mr. Crosbie, again.

MR. W. ROWE: How can you find out where all the equipment was bought?

MR. S. NEARY: How can I find out why equipment was purchased that was never used, unnecessary? Why it was bought? How can I find that out?

MR. R. SIMMONS: Mr. Crosbie, again.

MR. S. NEARY: And they are talking about making that man Minister of Finance in the government of Canada. He is the most expensive minister we have ever had in the whole history of Newfoundland, God help the Federal Treasury if he ever gets his little paws on it.

MR. BRETT: You are kind of jealous, are you not?

MR. S. NEARY: Yes, I am kind of jealous, all right.

MR. ROBERTS: Quebec will have the first good reason to cede.

MR. S. NEARY: Mr. Chairman, I will put the question to the hon. gentleman. Can the hon. gentleman explain to the House and to the people of the province, why Mr. Bobby Kraft, how he got into Newfoundland? How he formed International Forest Products? Why it was registered down and incorporated under the company's laws of the state of Massachusetts?

MR. W. ROWE: Did he tell you who EGRET was?

MR. S. NEARY: And tell us who EGRET is. And tell us why \$110 a ton was skimmed off in the United States. Fifty-five dollars given to Mr. Bobby Kraft and his crowd, we do not know who they are, and fifty-five dollars put into mysterious dummy companies in the West Indies.

MR. W. N. ROWE: That is right.

MR. S. NEARY: Can the hon. gentleman tell us that?

MR. W. ROWE: Nothing in these five pages about that.

MR. S. NEARY: Can the hon. gentleman tell us what kind of an RCMP investigation has been going on in connection with that mill

MR. S. NEARY: for the last four or five years? Can the hon. gentleman tell us that?

MR. W. N. ROWE: No.

MR. S. NEARY: Now the hon. gentleman, all of a sudden the hon. gentleman becomes a dummy.

MR. MARSHALL: What is the point?

MR. SIMMONS: What is the point? It is our money.

MR. MARSHALL: It has all been (inaudible).

MR. S. NEARY: It all has been what?

MR. MARSHALL: It has been (inaudible).

MR. S. NEARY: Mr. Chairman, alright. The hon. gentleman says it has all been explained. Will the hon. gentleman explain to me once more, how Mr. Bobby Kraft and International Forest Products -

MR. W. N. ROWE: Sit down and let him explain it.

MR. W. MARSHALL: The hon. gentleman might like to explain to the people of Stephenville why he is delaying the provision of a major industrial benefit to them by his repetitious, tedious debate that is all about matters that have already, you know, been debated in this House.

MR. S. NEARY: No, Mr. Chairman, these matters have not been debated in this House. These matters have been raised by the Opposition members, the Opposition have not been able to get the answers.

MR. W. MARSHALL: The Opposition, you know, has not been able to get the answers to the satisfaction of the hon. gentleman opposite or maybe to the satisfaction of certain other operators of the mill, you know.

MR. S. NEARY: I do not follow the hon. gentleman, Mr. Chairman, I am afraid I do not follow the hon. gentleman. I will put a straight question to the hon. gentleman. Would the hon. gentleman get up and tell us the story of International Forest Products?

MR. W. MARSHALL: The hon. gentleman has been told it.

MR. S. NEARY: No, he will not because they are ashamed to tell the story of International Forest. Thirty or Forty Million Dollars would have kept that Linerboard Mill operating. It would not have been necessary to close it down.

MR. W. N. ROWE: That is right.

MR. S. NEARY: It could be still operating.

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JG-3

MR. MARSHALL: (Inaudible) the rest of it.

MR. S. NEARY: And what?

MR. MARSHALL: And the rest of it

MR. S. NEARY: And the rest of what?

AN HON. MEMBER: What he means by the rest of it.

MR. S. NEARY: What, what is the hon. gentleman talking about?
The rest of what? Thirty or Forty Million Dollars and the rest of what?
What?

AN HON. MEMBER: Thirty or forty million?

MR. S. NEARY: I - Mr. Chairman, the hon. gentleman says what
thirty or forty million dollars

MR. W. MARSHALL: the Committee?

MR. S. NEARY: Do I have to explain it again? 400,000 tons
of linerboard was produced in that mill

MR. DINN: We have heard it before.

MR. S. NEARY: \$110 a ton was skimmed off by Bobby Kraft and
by the middlemen who marketed it. 400,000 times \$110 a ton, how much
is that?

MR. DINN: Who is Bobby Kraft?

MR. S. NEARY: Bobby Kraft is Mr. Crosbie's buddy that was
brought in here from Boston

MR. DINN: How many tons did he sell?

MR. S. NEARY: He had the exclusive marketing rights for
every ton of linerboard produced in that mill.

AN HON. MEMBER: (Inaudible) \$30 million

MR. S. NEARY: No he skimmed that off. He made 3 per cent
on top of that, a commission. He made his commission on top of that.
I am talking about straight, straight graft, straight fraud, against

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GH-1

MR. NEARY: the Linerboard.

MR. MARSHALL: That was back (inaudible).

MR. NEARY: Oh, Mr. Chairman, I am trying to get some information. The hon. gentleman got up a few moments ago and volunteered to give the House some information. Now I am putting four or five specific questions to the hon. gentleman.

AN HON. MEMBER: Stop shouting.

MR. NEARY: The hon. gentleman knows what I am saying is absolutely correct.

MR. DOODY: You have said it so many times I am starting to believe it.

MR. NEARY: No, the hon. gentleman believes it because the hon. gentleman -

MR. DOODY: You are shouting.

MR. NEARY: - is the one who indicate that the blood was flowing when the hon. gentleman took over as President of the Board of Directors of that mill. Mr. Ingram did not last very long and Mr. Kraft did not last very long, thanks to the hon. gentleman, otherwise a few more millions might have been skimmed off.

MR. CHAIRMAN (Cross): Order, please!
It is now six o'clock.

MR. NEARY: Are you going to leave the Chair, Your Honour?

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

MR. SPEAKER (Ottenheimer): The hon. the Chairman of Committees.

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

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

On motion, the House at its rising adjourned until tomorrow, Friday, May 25, 1979 at 10:00 a.m.