

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
MONDAY, MAY 7, 1979

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

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

I would like to welcome to the galleries on behalf of hon. members, Miss Yolande Bannister, who is Chief Parliamentary Counsel with Barbados, who is presently visiting Newfoundland and the Division of Parliamentary Counsel in Newfoundland and is visiting other jurisdictions in Canada as well. I know hon. members join me in welcoming Miss Bannister to the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Before calling the first routine proceedings, hon. members will recall that a point of order was brought up in the last few minutes before adjournment on Friday and the gist of it was whether the parliamentary rule which requires hon. members to refrain from imputation of unworthy motive vis-a-vis members is operative with respect to former members during the period of time that they were members and concerning actions during that period of time; in other words, whether that rule has a retroactive effect. I cannot find any authority that it does. In my opinion, that rule does not have a retroactive effect. The one specific exception that Beauchesne points out, Page 114, that is people apart from members who may not be criticized in debate - and we are not referring here to a substantive motion - are those who are listed under the heading of 'Protected Persons'. It refers to judges - a judge acting as a Royal Commissioner - and people in the diplomatic service, representatives of the Crown. And, obviously, such former members are not contained in that category. Another parallel suggested itself, and that is, for example, in Ottawa it would be unparliamentary for a member of the House of Commons to make such references to members of the Senate,

MR. SPEAKER: (Mr. Ottenheimer) and the same would happen in Westminster, whereby the rule of abstaining from any imputation of unworthy motive works reciprocally between the two Houses. And I think the distinction there is that the two Houses form one Parliament, whereas here, the Legislature of Newfoundland and the House of Commons in Ottawa are all separate Parliaments. So that analogy would not appear to be operative.

MR. SPEAKER: (Otteneimer) The only thing I can say there, therefore, is that that rule of the necessity of refraining from imputing unworthy motives to members of the House does not have a retroactive affect and does not operate with respect to members of other Parliaments in Canada. The general rule of freedom operates. It is, of course, as hon. members know, a rule of freedom, not licence, one to be exercised with responsibility but a responsibility which each member imposes himself, not one which the Chair is in a position to impose.

PRESENTING PETITIONS

MR. SPEAKER: Hon. member for Baie Verte-White Bay.

MR. T. RIDEOUT: Mr. Speaker, I rise to present a petition on behalf of 1,101, I believe it is, residents of the Roddickton, Englee, Bide Arm, Conche, Main Brook, Croque area, three or four of those communities being in my district and the others being in the district of Strait of Belle Isle. The prayer of the petition is very serious so I will try to do it within the confines of the five minute rule, but if I run a second or two over time I would hope that members would not object too strenuously.

Mr. Speaker, the prayer of the petition is to the hon. House of Assembly, "We, the undersigned residents of Roddickton, Englee, Bide Arm, Conche, Main Brook, Croque do humbly request, one, that in view of the fact that practically all of the commercially exploitable timber resource in the Roddickton and Main Brook area is controlled by concessions to Botwaters Newfoundland Limited and Canada Bay Lumber Company Limited; two, that in view of the fact that neither of those companies are presently nor have recently operated an intergrated saw log pulp operation in the area; and three, that in view of the fact that the Canada Bay Lumber Company in particular will not permit private operators to operate within its concessions unless such

MR. T. RIDEOUT: operators specifically agreed to sell their produce to Canada Bay Lumber Company; and four, that in view of the fact that Government Ministers have stated publicly that excellent pulp markets exist in the European market; and five, that in view of the fact that a good, modern sawmill currently exists in the Roddickton area but is not being operated because Canada Bay Lumber Company refuses to provide logging equipment; and six, and finally, in view of the fact that Roddickton and Main Brook in particular but the area in general is suffering from a staggering unemployment rate that has crippled the local economy, now we therefore urge that the House of Assembly direct the Government of Newfoundland and Labrador to move immediately to reclaim the timber concessions of Canada Bay Lumber Company Limited and Bowaters Newfoundland Limited so that loggers

MR. T. RIDEOUT:

in this area might therefore be able to cut timber off Crown limits to take advantage of the European pulpwood market and any saw lumber markets that might exist now or in the future." Now, Mr. Speaker, let me begin in supporting the petition by saying that I realize that under the new Forest Management Taxation Act the Bowaters limits in that particular area will, I would suspect, be taxed to the point that a lot of it may eventually be turned over to the Crown. However, that brings the situation of Canada Bay Lumber Company. I have said in this House on a number of occasions in this present session that there is a feeling existing in the community of Roddickton because of past experiences with the Canada Bay Lumber Company that is not going to disappear overnight. We know that another company, Northern Logging, is interested in operating in the Roddickton. The residents themselves are quite happy to have Northern Logging, or any other company for that matter, operate and provide employment and provide jobs in the Roddickton area. But the crunch of the matter, Sir, boils down to the fact that the loggers will still be, if that deal were to be approved and go through, the loggers would still be under the crunching umbrella of Canada Bay Lumber Company. And the experience of those people over the last number of years have been such that they feel they cannot live under that situation any longer. The men are anxious to return to work; the men feel that the timber resource is there, there is no doubt about that; the skilled labour is there, there is no doubt about that, the European pulp market, according to ministerial statements back in February, looks very good and that area could take advantage of that and they therefore see there is no reason why that timber concessions given to Canada Bay Lumber Company back in 1974 ought to continue to be tied up. Nobody wants to get rid of Canada Bay Lumber Company as a company, but if the concessions were taken away from them and returned to the Crown, then any private operator or company who wished to operate in that area could do so. And if Canada Bay Lumber Company wanted to buy the saw log material, they could do so and the problem thereby would be resolved.

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MR. T. RIDEOUT: But nobody in the area, with a few minor exceptions, want another company to come into the area under the overall auspices and control of Canada Bay Lumber Company.

Now, Mr. Speaker, I already indicated that I referred to this matter in the House on a number of occasions, Roddickton in particular, but also Main Brook, which is not in my district, are currently suffering a very serious, economic crisis.

MR. RIDEOUT: I have been through it before and I cannot go through it in the five minutes allotted to me in petition period. But the simple facts of the matter, Sir, are that there is no labour union in that area so the men are fighting a company on their own. They have no recourse to labour and to the arbitration procedures of labour. They have no recourse to that. So they have been fighting this company who have been stifling the growth of the Roddickton - Main Brook area for the last number of years.

Now I do not want to get into a match of calling down the company. That is not what I am here for. They have made very bad friends in the area. Rightly or wrongly it is not for me to say. I do know that the men cannot work under the conditions where every man who has ever worked for them before went bankrupt and that is the whole situation, Sir. That is the kit and caboodle, and the residents see the solution simply of the government taking back the timber concessions, passing it over to the Crown and then letting anybody who wishes to operate in the area do so and if Canada Bay wants to buy the logs and cut it into sawlog material that is their business.

Mr. Speaker, I support the petition, lay it on the table of the House and ask that it be referred to the department to which it relates.

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

MR. NEARY: Mr. Speaker, I support the petition so ably presented by my colleague on behalf of 1101 of his constituents who live in the communities of Roddickton, Englee, Bide Arm, Conche, Croque and I believe one or two other communities.

MR. NEARY: The people in these communities, Sir, are now resorting to the court of public opinion to try to get support for their cause to have the government take back the logging and timber rights in that area so that the people themselves who want to continue logging can make applications to the Crown, get their permits and cut the sawlogs themselves either for export or use here on the Island of Newfoundland.

Now, Mr. Speaker, my hon. colleague pointed out, Sir, that this company, Canada Bay Lumber Company, has a bad track record in Roddickton, very bad indeed. As a matter of fact, Mr. Speaker, I doubt very much if Canada Bay lived up to the spirit of the agreement right from day one, that they never did directly get involved in logging in Roddickton, never did. They contracted it out. They farmed it out and every contractor who went to work cutting logs for Canada Bay Lumber went bankrupt and now another company called Northern Logging is about to move in and the people are so discouraged that I doubt very much if they will go and cut logs for this company. I have had a conversation with a number of loggers, a number of people in Roddickton and they are so fed up and so discouraged that first of all they do not want this company in. They will do nothing to stop the company from coming in, but

Mr. Neary:

they doubt very much if it can survive. They will come to the government, they will get their handouts from the Public Treasury as the other logging companies have done, through Rural Development grants, and Newfoundland Development Loan Corporation - yes, Newfoundland Development Loan Corporation, and other forms of assistance from the government. And as soon as the loans and grants are exhausted they go belly up, and then we are right back to square one again, and the people in the area do not want that to continue. It is about the worst case of exploitation, I suppose, that you could point your finger at in this Province, Canada Bay Lumber Company have gone in and exploited the people in that area and it is time, Sir, to put it to a halt. And the only way it can be stopped is for the government to take back the logging rights, take back the timber rights from Canada Bay Lumber Company. And if the people want to make applications to cut logs themselves then by all means give them a permit and let them do it.

We are told by the ministry that there is a good market now for exporting pulp. The price is very good, and the market is excellent. And I believe that is the direction that this operation in Roddickton should take. The people themselves maybe could form a co-op and start marketing the wood themselves, if it cannot be used on the Island, and obviously it cannot. Some of it may be able to be used to keep the lumber mills going. There is an excellent sawmill in that area, and I would not be a bit surprised but it was put there by the Provincial Government, I would not at all surprised, Perhaps my hon friend can tell me whether it was or it was not, but I believe it was put there with assistance of the taxpayers of this Province and DREE. It is just laying there now idle. It cannot be used. Perhaps the people would like to form themselves into a co-op and look into the possibility of reactivating that sawmill.

But it is a very grave and serious situation, Sir. The unemployment, apart from a few people who are working for the Highways Department, and maybe a few retail clerks and a few teachers, that there is

Mr. Neary: no other source of employment in that area, in Roddickton.

What is it, 90 per cent unemployment in the community?

AN HON. MEMBER: Ninety per cent.

MR. NEARY: Ninety per cent. Is this a list of promises I have in front of me?

AN HON. MEMBER: That is right.

MR. NEARY: A list of broken promises by this administration. A modern sawmill operation at Roddickton. "Steps have been taken by the government to make it possible for Canada Bay Lumber to start a modern sawmill operation which should employ in excess of 100 people," Radio address September 15, 1972, By whom? The Premier.

AN HON. MEMBER: The Premier.

MR. NEARY: By the Premier of this Province of that day. Another broken promise.

MR. NEARY: I am glad my hon. friend reminded me of it. But it is a very serious situation, Mr. Speaker, and my hon. friend is to be commended for the battle that he is fighting for these people both inside and outside of the House of Assembly. I heard my hon. friend when the House was closed going to bat for his constituents in Roddickton, Sir, the likes of which I have never heard in my life. The eloquence of the hon. gentleman is to be admired for the way that he is fighting for these people in Roddickton. If there was ever a group of people, Sir, on the face of this earth who are wide open to be exploited by the socialists it is the people of Roddickton and I am hoping that that will not happen, that they will not be exposed to that faith. But, Sir, something has to be done and the only something that can be done is the one recommended in the petition and that is for this government to have the courage to take back the Canada Bay Lumber Company from their buddies. I know they are not going to do it, Mr. Speaker. I am not allowed to debate this but I wish I could. They are not going to do it because some of their buddies are involved. That is why they will not do it. In the meantime, the people in that area will have to suffer. Well, Sir, I hope that everybody in this House, on both sides of the House will support this petition to try to resolve this very serious problem that is facing the people in Roddickton.

MR. SPEAKER: (Mr. Ottenheimer)

The hon. minister.

MR. MORGAN:

Mr. Speaker, I want to make a few brief comments on the petition without being in opposition to the petition or supporting the petition. I want to bring a few facts out regarding the situation in the Roddickton area. Eleven hundred residents in the petition are asking for the government to take back the timber rights from Canada Bay Lumber so that the people in the area will have access to the timber accordingly. The situation is, Mr. Speaker, that back in 1972 legislation was passed in this assembly giving the permits to Canada Bay Lumber to

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MR. MORGAN:

cut in the area and

under that existing legislation government cannot take back the timber rights without taking over the operation of that mill. We have been looking at that situation for the past number of weeks. Presently there is a petition in from thirty loggers in the same area, into the Department of Forestry, asking that Northern Logging, a new logging operation, a new company establish in the area and they would go to work for that company. However, the majority of the residents in the area apparently are opposed to Northern Logging because they are affiliated somewhat with Canada Bay Lumber. The fact is that at the present time the

MR. MORGAN: only option open to government is for takeover of the operation of that mill or to find someone else to operate it. And that is now being worked on by my colleague, the Minister of Industrial Development (Mr. Maynard).

With regard to the timber rights, there is some possibility that we, as the government, can look at allocating timber rights to the residents of the area which is now being held by Bowaters, and that is the management area known as Unit 18. Under the Forest Management Taxation Act, there is a strong possibility I will know more tomorrow. Tomorrow morning, in fact, I am meeting with the senior officials of Bowaters at Corner Brook. That is one topic I will be discussing with them, the possibility of that Unit 18 being made available to the residents of the area, or sections of that unit.

I would like to point out to the hon. gentleman on the opposite side who last spoke that we did not pump government money in this operation. It went in there without government assistance. The operation is without government assistance at the present time. We merely gave them the permits to cut timber in the area.

Mr. Speaker, in closing my comments, I will say to my good friend from the area that the Premier has been involved and is involved now, my colleague, the Minister of Industrial Development, and myself. We are still working on this matter and I am sure my colleague will have a further statement on the situation within the next number of days.

With regard to the timber rights, that matter is under my jurisdiction and responsibility, and after tomorrow's meeting with the company concerned, Bowaters, I could be in a position when I return on Wednesday to indicate to the House, to hon. gentlemen, exactly what the status is

MR. MORGAN: of allocating additional timber rights over and above what is being held now by Canada Bay Lumber.

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

MR. W. N. ROWE: Mr. Speaker, I, too, would like to add my voice in support of the petition received from over 1,100 residents of the Roddickton area, five or six communities in that area, who have now for a long time been voicing their complaints over the airwaves and through their elected representative and other people in the House as well, Mr. Speaker. I doubt if there is anybody in the House of Assembly who, at one time or another, has not been contacted either casually or officially in order to deal with the very vexatious problem facing the residents and the workers of that area.

The member for the district, Mr. Speaker, as my hon. friend has said, has been loud and vocal and eloquent in his desire to try to remedy the problem in a way which is in the best interests of the residents of the area - not a couple of companies, Bowaters and Canada Bay Lumber Company, but the people of that area.

MR. W.N. ROWE:

It happens to be one of a number of areas in the Province which I suppose suffers one of the higher unemployment rates in the Province as well. My hon. friend is not presently in his seat to indicate what the unemployment rate is in the area, but I would venture to say, Sir, that it matches, unfortunately it matches any other area in this Province in terms of high unemployment rate, which is a sad thing. In some areas of the Province where there is a high unemployment rate, it is because perhaps the natural resources do not exist in great enough quantities. It may be because of an industrial slow down or close down which has contributed, or a mining close down which has contributed to the unemployment in an area. But in this particular area, Sir, we are talking about an area which has some of the best timber resources in this Province and it is nothing short of scandalous, that loggers, sawmill operators and the people involved in the lumber industry, the woods industry generally are not able to become gainfully employed in the harvesting of that tremendous resource.

The petition, Sir, is short but to the point. It asks that loggers be allowed to cut on the Crown limits the concessions concerning which have been handed over to Bowaters and to the Canada Bay Lumber Company. I understand also from the petition, although it has also been on the air and it is generally known that there is a large logging operation in the area presently gone either defunct or dormant as a result of not being able to get at the natural resource, and the people of the area quite naturally ask the government to step in and do what is necessary. We do not have a corner on all the wisdom in the Province, Sir, and perhaps minds may differ as to what the remedy is here in this particular case, but the government should step in and do what is necessary to make sure that the dog in the manger attitude which is presently being displayed by these two companies is done away with, and whatever proper use can be made of that very valuable raw material, whether in fact we get into the export market for the European pulpwood market, the export market generally for logs, whether we get

MR. W.N. ROWE: into that or whether there is a systematic sawlog operation encouraged and permitted to operate in the area on those concessions, Sir, that may be a matter for expert opinion.

 But the point is, Sir, that the valuable resource does exist, that there has been a hue in cry now for many months, the government certainly, as the hon. minister has indicated, is well aware of the situation, nobody can claim that it is a situation concerning which there has not been adequate time to deal with it, the

MR. W. ROWE: member for the district has been on the airwaves every day, or every second day concerning the matter. Everybody is aware of it. And the time now, Sir, is for action in an area in which there is no excuse for inaction. The government may have some excuse in areas of high unemployment where there is no readily available raw material upon which an industry can be based. But in this particular area, Sir, there is no excuse whatsoever. And the government should step in and do what is necessary to allow that abundant raw material, that wood, to be harvested and to be used for the economic and financial benefit, Sir, of the people in that area who now have one of the highest unemployment rates in this Province.

I support the petition, Sir, whole-heartedly.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES:

MR. SPEAKER (Ottenheimer): The hon. Minister of Mines and Energy.

MR. DOODY: Mr. Speaker, I would like to table the Annual Report for 1978 of Newfoundland Hydro.

ORAL QUESTIONS:

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

MR. W. ROWE: Mr. Speaker, if I can get the attention of the hon. the Premier, I would like to direct a question to him concerning this fuel shortage which is reported to be in existence at Gander. Now I realize, Sir, we are talking about an international airport under the operation of the Canadian Government. What information does the provincial government through the Department of Energy, or through the Executive Council generally, regarding the fuel shortage there and the likely impact it may have

MR. W. ROWE: on the flights, international and charter flights and other flights which may be using Gander Airport?

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

PREMIER PECKFORD: Mr. Speaker, the Ministry of Energy are in the process of trying to get factual information concerning the whole question of fuel shortages at Gander and we should be in possession of some. You know, we hear all kinds of stories - different people tell us different things - but we are trying to get at the heart of it and just see what the facts are, whether it is short-term, long-term, who it will affect, will it have any long-term effects on Gander, this kind of thing and as soon as we have it we will let the House know.

MR. SPEAKER: A supplementary.

MR. W. ROWE: Mr. Speaker, in the general area of this, because this is a very disconcerting piece of news to receive that at an international airport there may be fuel shortages, can the Premier indicate whether there has been any prospect that this Province may be subjected in any way to a fuel shortage or fuel rationing as a result of a fuel shortage or gas rationing as a result of gas shortages in the foreseeable future, as I understand is happening in the Eastern United States right now?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: There are two different issues here, Mr. Speaker. One has to do with the supply of aviation fuel for planes at International Airport at Gander,

Premier Peckford: which is one problem, one set of circumstances; the other one is a much larger question and it has to do with the domestic supply of fuel products to the Province of Newfoundland and Labrador, and the two are not necessarily related because of various contracts of one sort and another, as the Leader of the Opposition no doubt understands. We have had no indication that there will be any shortages as it relates to the domestic supply of fuel products to the Province, so that is the position at the present time. I think the Leader of the Opposition might be aware that today, I understand, the Minister of Energy for Canada is to announce a new deal with Mexico as it relates to the supply of fuel products to Eastern Canada. We do not know the details of that announcement because we were not consulted about it beforehand or informed about it beforehand, but we understand through the grapevine that there is an announcement already made or about to be made concerning that.

But to answer him directly, there is no indication right now that there would be any domestic shortages of fuel products in the Province of Newfoundland and Labrador.

MR. W. N. ROWE: A further supplementary, Sir.

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

MR. W. N. ROWE: If, as, and when the Come By Chance oil refinery comes onstream, could the Premier indicate whether the existence of that refinery here in Newfoundland, producing presumably airplane fuel equivalent to kerosene and so on, and also perhaps some other petroleum products, will the existence of that refinery here have an effect on the supply of fuels in this Province or is it envisaged that all of the production from that plant will be committed elsewhere and exported out of this Province?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, two points on that; one is that at the present moment in the Province the Holyrood oil refinery, as the Minister of Energy (Mr. Doody) could perhaps better indicate to the Leader of the Opposition and to this House, provides a lot of fuel to the Eastern part of

Premier Peckford: Island of Newfoundland, as far as Gander or Grand Falls, as I understand it. But after that it is not economic for the refined product to go on across the Island, that it is more economic for tankers to come from Point Tupper, New Brunswick or Montreal and bring the fuel products into places on the Northeast and West Coast than it is to transport the refined product from Holyrood. Believe it or not, that is the situation.

So that in talking about the reactivation of the Come By Chance oil refinery one has to view it in the light of the present experience as it relates to the existing refinery here on the Island which dictates a parameter of transportation of somewhere around a couple of hundred miles.

The whole question of whether other fuel products or fuel products from Come By Chance could be

PREMIER PECKFORD: used in other parts of the Province, or even on the Eastern part of the Island, is a question that will be discussed with the First Arabian Corporation in the ongoing negotiations as it relates to the reactivation.

MR. W. ROWE: Mr. Speaker, a final supplementary.

MR. SPEAKER: (Mr. Ottenheimer) Hon. Leader of the Opposition.

MR. W. ROWE: While we are on the subject of the Come by Chance oil refinery, I was particularly interested in the jet fuel side of it in that question to the Premier. But assuming that it does have some effect, advantageous or otherwise, on the availability of fuel, jet fuel and other fuel in the Province and the importance of getting it onstream for other reasons as well, Mr. Speaker, there seems to be some speculation around, some scuttlebutt around that the government negotiators, perhaps the very team that was over in Europe, Britain and France recently, that the government has given some undertaking to the First Arabian Corporation, that the government may be willing to assist them, is the way I have heard it, assist them by way of guarantee, commitment, comfort letters - I do not know how - but assist First Arabian Corporation in the raising of its money to reactivate the Come by Chance oil refinery. Would the Premier address himself to that, Mr. Speaker, whether the government has in fact committed itself in any way regarding the raising of money by First Arabian Corporation for the Come by Chance refinery?

PREMIER PECKFORD: Mr. Speaker, the answer to that question is clear, simple and without any qualifications, absolutely not. The Government of Newfoundland has not participated in any discussions with First Arabian Corporation along the lines of guaranteeing, financing or any other sort to First Arabian to make that one of the major reasons why it could get back into operation. No, we are not participating in that kind of arrangements

PREMIER PECKFORD: with First Arabian Corporation.

We are now as a government, as a people, \$50 million or close to \$50 million in debt, if you will, or owing to us as a result of financing arrangements put in place for the refinery in the first instance and we are not about at this point in time to participate in financial arrangements with any company to develop a resource or to participate in a manufacturing facility in this Province on those terms.

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

MR. W. ROWE: This time it, really is a final supplementary, Sir. Would the Premier indicate in view of what he just said when he is going to be in a position to make a more or less definitive statement on what has been going on with First Arabian Corporation, the crude oil supply, the financing arrangements and everything else that may have some effect on either stop or go with regard to the Come by Chance oil refinery?

MR. SPEAKER: The hon. Premier.

PREMIER PECKFORD: Well, Mr. Speaker, as the Leader of the Opposition knows this is a fairly complex matter. We are into talks with First Arabian Corporation. I am pleased to report that the group that were in Paris and London last week had what I would consider to be a fairly successful meeting in the sense of getting additional information from the people involved in the refinery, the First Arabian Corporation and the other people at the table, the British, and the way they look upon the proposal. Later on this week there will be people from First Arabian Corporation and from Ashland Oil visiting the Province to talk to myself and to members of the ministry in ongoing discussions as it relates to the proposal. And there are a lot of areas, as the Leader of the Opposition pointed out; there is the whole question of supply of the crude itself, the finance ability of the markets, the operation,

PREMIER PECKFORD: refurbishing of the refinery, the equity participation or the amount of money that the First Arabian Corporation intend to put into this, the kind of refined product they are going to have, the whole thing becomes complex and there are many, many important factors to be considered. Additional information is becoming available every day and the discussions to date have been moving forward. I would describe the point in time right now as that we are on the road to fairly fruitful negotiations and it is starting to move quicker than it had in the last six or seven months. So I am looking with cautious optimism on the meetings on Friday and hopefully we can move the thing along as the weeks progress. I do not know if we can meet our June 30th deadline but let us hope we can. Things look fairly positive and we are eager to participate in further discussions with them and to that end they have agreed to come quickly to the Province to get on with the job of seeing whether in fact we really want to approve all the details that they have in their minds for the reactivation of the refinery.

MR. CALLAN:

A supplementary, Mr.

Speaker.

MR. SPEAKER: (Mr. Ottenheimer)

Hon. member for Bellevue.

MR. CALLAN:

The Premier has dispelled

any suggestion there might have been then in the media this morning that the government,

MR. CALLAN: the provincial government was going to back First Arabian if necessary. The Premier has dispelled that.

I think there was also a suggestion in the media this morning that the receivers were going to get out of this operation, wipe their hands clean unless an agreement was or could be made with First Arabian Corporation. Is there any foundation to that speculation as well or is that the same kind of trash as the other possibility?

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

PREMIER PECKFORD: Mr. Speaker, that is absolutely new to me. I did not hear the news reports this morning because I was on my way in from my constituency and I did not hear any news reports or the speculation. That is totally new to me and I am totally unaware of it. And therefore, being unaware of it and being up to date on the latest negotiations concerning the refinery, I would have to classify it as being totally untrue and just speculation.

MR. CALLAN: Mr. Speaker, a final supplementary.

MR. SPEAKER: A final supplementary, followed by the hon. the member for LaPoile.

MR. CALLAN: Mr. Speaker, it is common knowledge, I think, that the British are paying the bills for the mothballing operation, the employees' salaries at Come By Chance and so on. Is it also fair to assume that as part of that mothballing would be considered the receivers? Are the British paying the receivers' bills as well, or does the Newfoundland Government play any part in that?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Yes, the first mortgagee is paying, of course, the receiver as it relates to the ongoing costs.

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

MR. NEARY: While we were on the subject of Gander, my hon. friend raised the matter about the international airport, Sir. I saw the Minister of Tourism (Mr. Power) in his seat there a few moments ago, but I believe he just stepped out for a minute, so I will direct my question to the hon. the Premier.

Something that has concerned me for some time, since the international airport was renovated - in the process of renovating that international airport -

AN HON. MEMBER: It is not finished yet.

MR. NEARY: I know it is not finished, and I am not at all pleased with the renovations that took place as far as the treatment of domestic passengers are concerned. I think it is scandalous the way they are treating domestic passengers in that terminal. It is more like a barn than it is a domestic airport. But I do not want to talk about that at the moment. I want to talk about the aviation museum in that airport. That aviation museum, does it come exclusively under the jurisdiction of Canada or does the Province have any input in it at all. the aviation museum in the international airport in Gander?

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

MR. POWER: Mr. Speaker, the hon. member for LaPoile (Mr. Neary) - I have to say I was in Gander the other day, and I kind of agree with your opening statements about the domestic travel that is in Gander; it is not in very decent shape at all.

With regard to the aviation museum, I really am not familiar with the answer but I will be more than glad to get it for the member tomorrow and bring it in if you wish.

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

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

MR. NEARY: The point that I am making, just for the benefit of my hon. friend, is that that museum, whether it comes exclusively under the Government of Canada or the provincial government has any input in it, the museum was put there by the taxpayers of Canada and when they were in the process of renovating the terminal they made the security so tight in Gander International Airport that the tourists coming into this Province do not now have access to that aviation museum. And that is the point I am raising with my hon. friend. If my hon. friend discovers that it is under the exclusive jurisdiction of the Government of Canada, will my hon. friend write a strong letter of protest to whatever minister up in Ottawa is responsible for that aviation museum and get it opened up to the public and to the children in Newfoundland before the tourist season opens this year? School children go down there to go in and see the aviation museum, doing projects and so on, do not have access to it and cannot get in. Security is tighter there than it is behind the Iron Curtain, and I want my hon. friend to look into it and try to do something about it and get it opened up for the public and have it used for the purpose for which it was built in the first place.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Minister of Tourism.

MR. POWER: In answer to the first part of the question, if the museum is totally under the federal government, then certainly I will be more than glad to put a very strongly worded letter to them. If the museum is partly under our jurisdiction or totally under our jurisdiction,

MR. POWER: I will take immediate steps to have it opened up to the domestic public, which is where it should be.

MR. SPEAKER: (Mr. Ottenheimer) The hon. the member for Bellevue, followed by the hon. gentleman from Trinity - Bay de Verde.

MR. CALLAN: Mr. Speaker, I want to ask the Minister of Finance (Dr. J. Collins) when he thinks he might be in a position to bring down the Budget for 1979 - 1980 and whether or not the ongoing talks regarding the Come By Chance refinery are in any way connected with the delay in bring down this year's Budget?

MR. SPEAKER: (Otteneheimer) Hon. Minister of Finance.

DR. J. COLLINS: Mr. Speaker, I think it has been already said in this House that the hope is to have the budget ready towards the end of this month or early next month and I do not think that that timetable has changed appreciably.

The question with regard to Come By Chance, the work is going forward in regards to the budget, quite separate from any consideration of Come By Chance

MR. W. CALLAN: Supplementary, Mr. Speaker.

MR. SPEAKER: Supplementary, hon. member for Bellevue.

MR. W. CALLAN: Mr. Speaker, it is interesting to notice that the budget will be brought down about the same time that the moose hunting licences will be awarded, either the last week in May or the first week in June.

In view of the fact, Mr. Speaker, that the civil servants, in the different departments, they say, "Well, we can not tell you anything about roads. The minister is in Question Period." Or they are saying, "We do not know anything about this road programme and we can not tell you until the budget is brought down, water systems and so on." Let me ask the minister this; why is it taking so long to bring down this budget? Is this budget any different from regular budgets or what is so spectacular about this one?

AN HON. MEMBER: It is an election budget.

MR. SPEAKER: Hon. Minister of Finance.

DR. J. COLLINS: Mr. Speaker, this House passed an Interim Supply Bill which carries the Government forward to the end of June, I believe, so that there is no hold up in Government programmes from that point of view.

In terms of delay, I do not know if there is an undue delay. The estimates-or the proposed departmental estimates are being given very careful scrutiny

DR. J. COLLINS: by the Treasury Board, departmental officials are coming in and commenting. I do not think there is any undue delay but the matter has been given extremely careful consideration.

MR. SPEAKER:(Otteneimer) Hon. member for Trinity-Bay de Verde.

MR. F. ROWE: Mr. Speaker, I wonder if the Premier could indicate to the House whether or not there are current negotiations going on with any firms for the purpose of constructing offshore concrete platforms within the Province of Newfoundland and Labrador?

MR. SPEAKER: Hon. Premier.

PREMIER PECKFORD: Mr. Speaker, it is difficult for me to answer that question. I do not know if there are any private discussions going on. There might be some preliminary discussions going on with members of the Industrial Development Department and prospective companies who might be looking at Newfoundland as a possible place for some construction of platforms under the assumption that there is a commercial discovery of oil or gas. But a firm, definitive proposal as it relates to that would wait some time, I would think. If there is any movement on the way it is strictly preliminary at this time, I would suggest, although I can not answer the question totally because there could be some private negotiations going on.

MR. F. ROWE: Supplementary.

MR. SPEAKER: Supplementary. Hon. member for Trinity - Bay de Verde.

MR. F. ROWE: Mr. Speaker, in view of the fact that the former Premier indicated in January 1965 that two foreign firms are examining or were examining the possibility of constructing huge offshore concrete platforms in this Province, I wonder if the present Premier could indicate the names of these two firms and where in fact they were planning to construct such platforms?

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MR. SPEAKER: (Otteneheimer) Hon. Premier.

PREMIER PECKFORD: Mr. Speaker, I have not a clue.

In 1965, the hon. -

MR. F. ROWE: '75.

PREMIER PECKFORD: '75. I think the hon. member said

'65 in his question. I am not aware of the names of the companies.

I was aware sometime ago of companies that had called and had written various Government departments interested in construction of offshore apparatus or one sort or another but I am not aware of the names of the two companies that the hon. member refers to.

MR. F. ROWE: Supplementary.

MR. SPEAKER: Supplementary. Hon. member for Trinity - Bay de Verde.

MR. F. ROWE: I wonder if the Premier would undertake to, Sir, find out the names of the two companies to which the former Premier referred who were examining, actually examining the possibility of constructing huge offshore concrete platforms in this Province and also indicate to the House or table before the House any reports that may have been made by these companies to the Government and what steps the present administration is now taking to approach these two companies, if indeed they do exist, to see what they intend to do with respect to building concrete offshore platforms in this Province?

MR. SPEAKER: Hon. Premier.

PREMIER PECKFORD: I will pursue the matter, Mr. Speaker, as the hon. member wishes but whether I can release the names of the companies is a matter which I can not undertake to do definitively today because I do not know if these companies were dealing in confidence with private

PREMIER PECKFORD: entrepreneurs here or with the government here on a private basis. The government itself did initiate a number of preliminary studies about two years ago as it related to trying to isolate areas around the Province which might be suitable for such offshore platform development. The companies I do not know, but I will pursue it for the hon. gentleman.

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for Terra Nova.

MR. T. LUSH: Mr. Speaker, I want to direct a question to the Minister of Labour and Manpower (Mr. Dinn). The minister no doubt will recall that in the last session of the House of Assembly we passed a bill relating to Occupational, Health and Safety and this related specifically to miners in Labrador City, Wabush and Baie Verte. This bill was to be strengthened by rules and regulations that were to be drawn up after the bill was passed here in the House of Assembly. My question to the minister now is what is the status of these rules and regulations? Are they done at this stage? Just what is the situation on them.

MR. SPEAKER: Hon. minister.

MR. DINN: Yes, Mr. Speaker, the regulations have been just about completed. I have referred them to the Occupational, Health and Safety Committee. They are reviewing them and when they have made their comments on the regulations I will be bringing them forward to government for approval and it should take a week to two weeks to have them approved.

MR. T. LUSH: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. T. LUSH: My impressions, Sir, were at the time when this bill was done that this bill would have the effect of making the work place safe for miners. But in view of the fact that the minister set up a co-ordinating committee to look into the dust control problem in Labrador West, I am just wondering now how effective these regulations

MR. T. LUSH: indeed were and I am just wondering whether there is any provision for this co-ordinating committee now to have an input into these rules and regulations that were to be made because the minister has indicated by his answers that this is already in process and indeed at the final stages. So is there going to be any provision for this co-ordinating committee now to be able to make some suggestions re: the rules and regulations?

MR. SPEAKER (MR. OTTENHEIMER): Hon. minister.

MR. DINN: Mr. Speaker, the hon. member has obviously touched on a very difficult situation. The problem with Labrador City/Wabush is a very serious problem, the dust levels etc. down there. My latest report indicates that the dust levels about 88 per cent of the time are below the TLDs which indicate that it is relatively safe but it is not safe. If I were to, as a responsible person, go down to Labrador City and look at the readings of the meters down there, I could virtually close the mines. The fact of the matter is I have been talking to the unions, I talked to the companies; the unions certainly do not want the mines closed. I talked to the companies. Government is very concerned about it. We have set up a committee for both the Iron Ore Company of Canada and for Wabush Mines I will be talking to Wabush Mines, both union and company, by the end of this week, and we are setting up that committee to solve a particular problem. It is not a matter of looking at gauges and saying it is above the TLDs, the dust levels are above, therefore the mine closes down

MR. SIMMONS: (Inaudible) mines (inaudible).

MR. DINN: Mr. Speaker, I am not going to even answer the question if I cannot get silence, while I am answering the question, from the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons).

MR. S. NEARY: Go back to the telephone company.

MR. T. LUSH: A supplementary.

MR. SPEAKER: A supplementary, original questioner.

MR. T. LUSH: Mr. Speaker, the hon. minister did not answer the question at all, the important part which was relating to whether or not there is any provision made for this committee now to make recommendations re the drafting of the rules and regulations affecting the Occupational, Health and Safety Bill, Whether these people will be given an opportunity to have an input into the rules and regulations or whether this will be after the fact. We will do those rules and regulations and then we will have to make rules and regulations again or either draft extra legislation. Is there any provision for immediate input by that committee?

MR. SPEAKER (MR. OTTENHEIMER): Hon. minister.

MR. J. DINN: Mr. Speaker, I do not know what committee the hon. member is talking about. The co-ordinating committee has already had

MR. DINN: input to these regulations. The regulations have come forward, we are asking for comment now from the - as a result of making the regulations upon suggestions of these various committees, we have got the regulations in place now just about, there is some crossing of t's and dotting of i's and the various other little problems that I have gone back to a committee on. They are looking at them now, when they are finished that they will come back to me and I will take it to government and the regulations will be approved.

MR. SPEAKER (Otteneheimer): I will recognize the original questioner for a further supplementary.

MR. LUSH: Mr. Speaker, again this seems to me to have been a matter of putting the cart before the horse, because we drafted certain legislation, made certain rules and regulations, and it looks like we do not know for what reason, so we have set up this committee to now go about in an almost reverse manner. But anyway the question to the minister now is relating to the cost of that co-ordinating committee, the committee set up to look into the dust control problem. Either the minister or somebody else has indicated that the cost for this study will be in the vicinity of \$1.5 million, so I am wondering if the minister can inform the House as to what arrangements he has made with each of the parties concerned for paying that bill?

MR. SPEAKER: The hon. Minister of Labour and Manpower.

MR. DINN: Mr. Speaker, I indicated to the hon. member late last week that I was meeting with the President of the Iron Ore Company of Canada and the

MR. DINN: president of the union. I have to now meet with the President of Wabush Mines and the president of that union, and all of the negotiations have not been completed with respect to financial arrangement for completing the studies that are needed to identify the problems and to make recommendations as to the solutions to those problems.

I will be meeting before the end of this week, as I said, with Wabush Mines. I have an indication from the company, the Iron Ore Company of Canada, that they will get involved financially in this study, that they will get involved substantially in the financial arrangement for this study. I have asked the union, the president of the local for the Iron Ore Company of Canada has indicated that he does not think the union should be involved. Well, it is my opinion that they should be involved. Government certainly will be involved. The Iron Ore Company of Canada will be involved, or I have an indication now to that effect. I have to see, as I have already said, Mr. Speaker, the people in the Wabush Mines operation and the union for Wabush Mines and they will be giving me an indication by the end of this week as to whether they will become financially involved in the particular studies that we are talking about for the Iron Ore Company of Canada and Wabush Mines and the environment in the towns of Labrador City and Wabush. When I get all that information, when I get it together, when I get it compiled, I will make a ministerial statement here in the House to inform the House of what arrangements and agreements we have arrived at and I will, Mr. Speaker, be keeping the House fully informed of the ongoing progress as we go down the road.

O O O

MR. NEARY: Mr. Speaker, I am sure Your Honour that hon. members of the House would not like to let the opportunity pass without taking special note of a story in today's Daily News involving a major breakthrough at the children's Janeway Hospital here in St. John's. The story in today's Daily News, Sir, gives a -

MR. MARSHALL: On a point of order.

MR. SPEAKER (Ottenheimer): A point of order has come up.

MR. MARSHALL: I do not know what the hon. member is about to bring up, but there is an order in the House. We do not mind from time to time members opposite getting up and proposing appropriate notations of the events that have happened from time to time but I do think this is now becoming a habit and it is getting out of order.

MR. SPEAKER: There is no doubt that, as hon. members know, they can only speak when there is a motion before the House and to speak otherwise is by unanimous consent and when I am aware that an hon. member objects, then obviously there is no unanimous consent, then there is no motion before the House. So I now have to put motion one.

MR. NEARY: Could I move, Sir, that Your Honour write the Administrator, the doctors -

MR. SPEAKER: Order, please! Order, please! The rules do not allow me to recognize the hon. gentleman. When there is no motion before the House - I mean, the hon. member can speak when there is a motion before the House. When there is no motion before the House it is by leave, and when an hon. member gets up and starts to make a point,

MR. SPEAKER(Ottenheimer): then it is by leave. But until it is by leave I cannot recognize anybody.

ORDERS OF THE DAY:

Motion, the hon. Minister of Tourism, Recreation and Culture to introduce a bill, "An Act To Amend The Historic Objects, Sites and Records Act, 1973", carried (Bill No. 32).

On motion, Bill No. 32 read a first time ordered read a second time on tomorrow.

MR. MARSHALL: Order 13, Bill No. 15.

MR. SPEAKER: Order 13, the adjourned debate on Bill No. 15.
The hon. member for Burgeo-Bay d'Espoir.

SOME HON. MEMBERS: Hear, hear!

MR. SIMMONS: Mr. Speaker, your ruling earlier today brings to mind the subject on which I ended my few remarks on Friday, I was talking about the involvement of the former member for St. John's West, the then Minister of Finance, Mr. John Crosbie. I noticed during the weekend he took a bit of his venom out on me, he thought, and he made what I feel was a rather shameful attempt in the press to connect me to one John Doyle. Crosbie's attempt is one of the most cowardly bits of innuendo I have ever seen exhibited, Mr. Speaker, in public life and I take exception to it. I have never met Doyle in my life, I have never talked to him, I have never written to him, and, thank God, I never want to. As far as I am concerned he is a fugitive from justice, and the sooner they get him back here the better. And Crosbie had that within his hands too, Mr. Speaker.

I understand from the Federal Department of Justice that neither Crosbie nor any other member of this administration has even requested Ottawa to extradite John Doyle. Crosbie's attempt over the weekend, his smear attempt on me over the weekend in the press, Mr. Speaker, was a clumsy effort on Crosbie's part to hide his real relationship with Doyle. It was Crosbie, Mr. Speaker, not me, it was Crosbie who let Doyle off the hook on Stephenville, and who paid him \$5 million to boot.

MR. W. N. ROWE: At least.

MR. SIMMONS: At least \$5 million. Check the legislation of 1972. What a sweetheart deal that was, Mr. Speaker. It was Crosbie who let him off the hook, not me. It is Crosbie who sounds like the buddy with Doyle, not me. Crosbie had a lot more going with him than I ever want to have going with him. So if Crosbie gets a little offended, Mr. Speaker, because I am here knocking his buddy Doyle a bit, well, that is too bad, I say to John Crosbie. He is going to have to find some other issue to explain his defeat two or three weeks from now in the federal election in St. John's West. And he is going to need more than the child hater from St. John's East (Mr. Marshall), whom we just saw in action a moment ago, to defend him. He needs more than that down there now than spurious points of order that Mr. Speaker has to rule out. The member for St. John's East is becoming an embarrassment to Mr. Speaker. Every day now we get another ruling as a result of some antic by that hon. member.

Well, enough, Mr. Speaker, about Crosbie, and enough about the member for St. John's East. Let us talk about what went on over in Stephenville. I was talking about the mismanagement. I have only got a minute or two, but we will get into it in Committee. And I give notice to the Government House Leader now that in Committee we are going to scrutinize and ask a number of questions about this whole agreement and so I have deliberately left in abeyance any comments about the agreement itself, because we will have opportunity enough to analyze that in Committee.

But, Mr. Speaker, while we are on the principle of the bill itself I think it is fair to make a few comments about the mismanagement that went on when this mill was owned by government. And why there was such mismanagement. I mentioned the other day, Mr. Speaker, the illegal activity itself, the incompetent management.

I am out of time, Mr. Speaker, but we will come back at another time. Thank you very much.

SOME HON. MEMBER: Hear, hear!

MR. SPEAKER (MR. OTTENHEIMER): The hon. Minister of Lands and Forest.

MR. MORGAN: Mr. Speaker, I have listened to this debate on Bill 15 ratifying the sale of the Labrador Linerboard mill. I have listened attentatively to the Opposition spokesman in particular. And I find it, first of all, I would say, rather amusing that here we are selling a mill to a firm well known in the industry, with a good reputation. We sold it for \$43.5 million. And it is going to mean, after the first machine is installed, 860 new jobs, 260 in the mill and 600 in the woods operation.

MR. MORGAN: Not only that, but the mill is going to see the installation of a second machine which will see double the number of people employed in that area of the Province, to a total of approximately 1,700 people. Yet, of the Opposition spokesmen to date, not one person with the exception of the somewhat qualified support of the member for Stephenville (Mr. McNeil), all other members who spoke in this debate are opposed. It is obvious from their comments and statements made they are opposed to the sale of this mill and to the achievement of government in doing this to establish and create jobs in the St. George's Bay - Stephenville area.

The member for LaPoile (Mr. Neary) stood in his seat and spent the full forty five minutes trying to find scandal, corruption, innuendo, charges of scandal. The member for Windsor - Buchans (Mr. Flight) stood in his seat and said we gave away the timber rights to Abitibi, we are giving away the timber rights, giving away the rights of Newfoundlanders. He was opposed to it. He was against it. It was a bad deal.

And Friday afternoon the man who just sat down spent most of his time trying to castigate by innuendo the former member of this hon. House who was then Minister of Finance, now an M.P.-and will be an M.P. for a long time to come. He stood in his seat and cast charges and innuendo against the hon. gentleman. And I say to the same hon. gentleman who made these charges, if you have the courage of your convictions, do not hide in the House, hide behind the curtain of immunity. Do not do that; accept Mr. Crosbie's challenge and go outside this House and make the same statements outside the

MR. MORGAN:

House of Assembly

as he has made here.

But I would say he does not have the courage of his convictions because he merely wants to, again, use his smear tactics and cast innuendo, trying to stand in this House and say the reason why the mill was closed and taken away from John C. Doyle and taken over by government was strictly for one reason, because of the vested interest of the Crosbie family in the linerboard operation. That is the charge he made in this House on Friday afternoon. The gall of the hon. gentleman, the gall, after the taxpayers of this Province backing up every way possible this ill-conceived and poorly planned venture in Stephenville in the beginning!

Construction costs were \$155.4 million alone. The operating losses for the first four years of that mill, \$142.3 million. The taxpayers of this Province put into the operation at Stephenville \$300 million. And here we are now with a reputable company coming in, Price Abtibi, taking over the operation, making it viable, creating jobs, all to the overall benefit of our Province, and not one person in the Opposition benches stood and had the courage to say, Yes, the government was right, it was a right decision to do what they are doing. Not one, with the exception of my good friend from Stephenville (Mr. McNeil) who stood and said, Yes.

There were some aspects of the close down of the mill he was opposed to, but now this bill, this legislation is good legislation, it means jobs for his riding, it means jobs for the general area and it means a boost to our

MR. MORGAN:

economy.

There was no special deal, Mr. Speaker. There was no giveaway. The only reason these charges are being made in this House in the last few days is simply because of the close liaison, the almost like family-type relationship between one certain gentleman in the Opposition and John C. Doyle.

John C. Doyle is a fugitive from justice in this country and he has been that for a number of years. And the gall of the same gentleman to stand in this House and cast innuendo! Yet he has the nerve at the same time to admit to the general public he travels to Panama every second or third month of the year. What for? Not for vacation, not for a holiday, but to confer. To confer with his colleague and friend, the criminal, the fugitive from justice, John C. Doyle. And it is only because of John C. Doyle's bitterness that this hon. gentleman and his friends in the Opposition are so opposed

MR. MORGAN: to the sale of the mill at Stephenville. They are portraying and venting the bitterness of John C. Doyle, who thought he would get back that mill. He was opposed to government takeover and he wanted the mill back again.

Let me ask the hon. gentleman in the Opposition, one in particular, a certain question, and I will ask it in the form of a question without making an innuendo or charge. Is it true that when the hon. gentleman from LaPoile (Mr. Neary) was seeking the leadership of his party, aspiring to become Premier of the Province, is it true that he promised John C. Doyle if he ever became Premier and the Liberal Party became the government that they would give the mill back to John C. Doyle? Is that the main reason for the bitterness? - that they would oppose legislation to sell, they would oppose government actions to do that? Is that the only reason? Mr. Speaker, if it is, it portrays very badly on the more intelligent members of the Opposition to fall into that kind of a trap by a man who is a good friend of John C. Doyle, by a man who confers more with John C. Doyle than his own leader in the same party, listens to his ideas and views and suggestions, listens to his so-called stories of scandal and corruption and comes back into this House and stands and brings them forward accordingly. Surely, the gentlemen on the opposite side are not going to fall into that kind of a trap, to merely be standing for the rights of an individual, as I mentioned earlier, who is a criminal in this country and I think will never return to this country.

Mr. Speaker, the fact is, there is no giveaway, not even any subsidies - not even subsidization to get that mill going again in Stephenville - no subsidization, not from government, not from the hydro cost, not from the

MR. MORGAN: local government in the area, the town council. There are no concessions of taxes, no concessions in the cost of electricity, and there is no government direct assistance. So what is the big giveaway the Opposition is saying? The big giveaway is, according to one member in the Opposition who spoke on the timber rights in the Province, we are giving away the timber rights to Abitibi. Mr. Speaker, for the first time in the history of this Province, Price Abitibi, when the mill is in operation in Stephenville, will be charged stumpage charges on the timber they cut. For the first time in the history of our Province. We are not giving it away to Abitibi, we are charging them and taking revenue from them. There is no giveaway. In fact, a few weeks ago I sat down with Price Abitibi officials and discussed with them the timber required to operate the mill. One of the concerns I had as Minister of Lands and Forests, and also one of my predecessor's concerns as well, is to make sure that we have an adequate supply of timber for the operation of the mill. And for the first machine, 150,000 cunits of wood is required. That amount has been assured to the company for the first machine and we are now looking at and allocating sufficient wood supplies for the second machine.

But one of my concerns was also, How would the granting of these timber rights affect the general forest industry, like, for example, a sawmilling industry in that part of the Province? And I would never want to see while I am Minister of Lands and Forests - and I am sure my colleague will agree with me - for any company to move into an area and take over all timber rights, the rights to cut, and to prevent other people from going in and cutting as well, like, for example, small family-owned sawmill operations we have. And in my meetings with

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MR. MORGAN: Price Abitibi woods managers, Mr. McKelvie, in fact, and Mr. Johnson, two distinguished gentlemen, they clearly indicated to me that they would be willing to arrange to grant the requests of sawmill operators in the area to make sure they have an adequate wood supply.

MR. MORGAN:

So it is not a situation of going in and closing out all cutting operations to anybody else in the area. The company has also agreed to look at giving and making sure there is a timber supply, a wood supply for small sawmill operators in the general area. So we have not given away anything. We have given them sufficient wood supply to keep the mill going. We will allocate sufficient wood supplies for the second machine and in return we expect to work in a good spirit of co-operation and co-ordination between government and the company concerned.

So, Mr. Speaker, I am not going to take my forty-five minutes, like the members on the opposite side of the House, to say things over and over a number of times, I am going to merely say that for any individual to stand in this House, to look at this piece of legislation and to say that the Newfoundland Government is giving away timber rights, the Newfoundland Government is making a bad deal, the Newfoundland Government is giving away an operation, is selling out is not being truthful with himself or the House of Assembly, in his own mind. Because irrespective of the Opposition's statements the fact is that there were forty proposals received, forty companies asked to give submissions and proposals. It was not as the Opposition member for LaPoile (Mr. Neary) said only two or three submissions, a total of forty. The government did seek out and find the best possible deal available and in this case it was from Price Abitibi. We have not given away any timber rights. We have not sacrificed the rights of people to cut timber in certain areas of the Province. In fact, we are going to get revenue from our agreement we have made with the company. So why be dishonest? Why not support the piece of legislation? Why go back in the past and try to find some kind of a scandal or corruption or innuendo about the companies involved when the mill was taken over by government, companies that I knew nothing about? I was

MR. MORGAN:

not involved but companies

that I would say, in their operations, were not scrutinized totally by government. Digging in and trying to find out things that went wrong and blaming government for it. I certainly wish that last week, Mr. Speaker, the people in the St. Georges Bay area, in the Western part of the Province could have been able, through the means of cable television, to watch the proceedings of this House of Assembly. How does the member for St. George's (Mrs McIsaac) stand or for the Port au Port Peninsula (Mr. Rodder) or from the Stephenville area (Mr. McNeil)? Do they support the statements made by their hon. friends from LaPoile (Mr. Neary) and Burgeo Bay d'Espoir (Mr. Simmons)? Are they opposed to the Labrador Linerboard mill opening up in Stephenville? Are they opposed to almost 1700 jobs in Stephenville? Are they opposed to revenue for our Province? Are they opposed to boosting the economy of that region of the Province? Are they opposed to these things? Surely they are not. Surely they cannot be. Well if they are not I would say they should disassociate themselves completely and totally from the negative attitude taken by these two gentleman I just mentioned in particular. They should stand in their places in this House of Assembly and not do as was done last week, stand and stand and say, "Yes, it is a good legislation. It is a good thing government is doing." Do not always be negative. Nobody can look at this legislation and say, "Oh, no it is a giveaway. It is a sell-out." Surely they cannot but they are doing it for one reason, one of two reasons and the reasons I mentioned earlier. It is a bad deal. It is a bad deal for the Province. It is a bad deal for Stephenville. It is a bad deal for St. George's. It is a bad deal for Port au Port and for the general area. It is a bad deal for the Province. I said it earlier

MR. MORGAN: and I will say it again, Mr. Speaker, the only reason why it is a bad deal is because it is a bad deal in the eyes of one person who is living in Panama and that is John C. Doyle.

It was more than a coincidence last week that Mr. Doyle met and confirmed he met with the hon. gentleman from LaPoile (Mr. Neary). Mr. Doyle confirmed that, that the member of the House of Assembly from LaPoile district was in Panama meeting with him. He came back in the House of Assembly no longer than two days after that and condemned the sale of the Linerboard mill, condemned it, opposed to it, bad deal, give-away.

MR. MARSHALL: Would the hon. gentleman say that Mr. Doyle speaks for the Liberal Party?

MR. MORGAN: The hon. gentleman who in most cases speaks for the Liberal Party, the member for LaPoile, speaks on all matters, a spokesman on all matters no matter what it is, finance matters, forestry matters, transportation, fisheries, any matter, he is the official spokesman. The unofficial leader in the Liberal Party, always on the news media talking about the policies of his Party, but his policies, in my view, are those of John C. Doyle. He is controlled by John C. Doyle. And what I say in this House I will say outside the House of Assembly anytime. And the only reason why he is condemning the legislation, condemning the government for doing something constructive and positive, creating more than 1,000 jobs in a short period of time in construction and operating, is because he is venting the bitterness and portraying the bitterness of one John C. Doyle. And I would say if the members of the Opposition disagree with that kind of tactic they should stand in the House and say so. As I was saying earlier,

MR. MORGAN: I was only hoping that the people in Stephenville and Port au Port and St. George's could see the official spokesman in the Opposition speaking on this bill last week. And again the deputy official, I guess, spokesman, the member for Burgeo - Bay d'Espoir (Mr. Simmons) as well, his debate, his speech, his words of wisdom in attacking the government in creating jobs in that area of the Province.

So, Mr. Speaker, I will close my comments by saying that I was more than pleased to be involved in a small way in this operation now, as the Minister of Forestry, no longer than two weeks ago, working out with this new company, working out with them to make sure they do have an adequate supply of timber for that mill. And I say that the legislation should be voted on unanimously, supported unanimously by all members of the House, not only voted on and supported unanimously, but also spoken in favour of in a unanimous way. Because it is not only going to benefit the area of Stephenville and Bay St. George, it is going to benefit the overall economy of our Province.

Thank you.

SOME HON. MEMBERS:

Hear, hear!

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

MR. W. ROWE:

Thank you, Mr. Speaker.

Mr. Speaker, I will have a few remarks to say on this bill which is good in many respects and bad in other respects. We have heard some excellent speeches. I do not think everybody in the hon. House will be speaking at great length. I believe we have a couple of more speakers on our side of the House, particularly those

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MR. W. ROWE: who are directly concerned on a day to day basis, the hon. member for St. George's (Mrs. McIsaac), who was preoccupied last week and who is here now and who in all likelihood will be saying a few words tomorrow. And the hon. member for Port au Port district (Mr. J. Hodder), who has been preoccupied in other matters as well in the last week or so, who I hope will be here tomorrow and will be able to say a few words.

Mr. Speaker, before touching lightly on the history of this project and some of the strengths and weaknesses of the bill before the House let me say this, the hon. member who just spoke and some other hon. members who spoke in this House and asked the Opposition and other members of the House to support unanimously this bill are apparently not aware of the fact that we are being asked to vote on an agreement, the principle of which we can agree with unanimously and wholeheartedly, but we are voting on an agreement which is not even before this hon. House

MR. W. ROWE: in its entirety, that there are very many serious matters referred to in this agreement which the Government has had the contempt to leave out, not to table in the House and not to allow to become public at all, and I will refer to that a little later on, Mr. Speaker, But very briefly now let me refer to all the financial statements concerning the mill in Stephenville, the linerboard mill, all the financial statements concerning the past history and the present financial status of that mill which are referred to in this Act as forming part and parcel of the agreement which the Abitibi Paper company has had the benefit of analysing and getting copies of, other matters referring to assets and equipment and other vital considerations which could affect the way people vote in this hon. House, the Government has not had the decency, Mr. Speaker, to even provide to members of this hon. House. And then they stand up here, Mr. Speaker, and say that we should be here genuflecting and getting down on our faces and praising the Government and saying, "Yes, pass it through without criticizing, without probing, without trying to find out what the true situation regarding the Linerboard mill is", Sir.

Mr. Speaker, my hon. friend wishes to rise on a matter here and I will resume my speech in a moment.

MR. SPEAKER: (Ottenheimer) Hon. member for LaPoile.

MR. S. NEARY: Mr. Speaker, I want to stand on a point of personal privilege, Sir. When I was outside of the House, so I am told, when I had to do other business, Sir, I am told that the previous speaker made the most vicious attack, made the most serious innuendo that has ever been made in this House, and deliberately attempted to try to smear my good name and my integrity in the form of a question, Mr. Speaker. And Your Honour knows, Mr. Speaker, that you cannot

MR. S. NEARY: do or say anything unparliamentary in this House via the back door that you cannot do via the front door. Now, this same gentleman, Sir, recently attempted to smear the reputation and the honour of the former Premier of this Province unsuccessfully and now today in this House, Sir, in the form of a question- that is a new technique, Sir, I hope the press are taking note of who is stooping to the smear tactics and the character assassination in this hon. House. I have to stand here and defend myself. And tomorrow morning we will hear the croaking bullfrog saying there is a controversy between me and the minister who just spoke when in actual fact that is not true.

MR. J. CARTER: What is the point? What did he say?

MR. S. NEARY: I do not know what the hon. gentleman said. It is in Hansard. It had to do with my promising somebody the Linerboard mill which is completely untrue, Sir. It is nothing only a smear tactic, an innuendo, by a low down rattlesnake.

MR. W. MARSHALL: That is, first of all, not a point of privilege because we do not know what the point of privilege was. It was just a tirade about certain statements that were allegedly made in the course of debate by the Minister of Lands and Forests (Mr. J. Morgan). There was no point of privilege alleged. In any event a point of privilege has to be taken up immediately when it occurs. But there is another point of privilege that we will be dealing with after as the procedure reads you can only have one point of privilege or order before the Chair at the time, so immediately afterwards I will be rising on a point of privilege of referring to a hon. gentleman as a rattlesnake.

MR. S. NEARY: A low-down rattlesnake.

MR. W. MARSHALL: Apparently the hon. gentleman must have stung the hon. member for LaPoile (Mr. S. Neary). But you are not allowed to refer to people in that way and I shall

MR. W. MARSHALL: be rising afterwards. Presumably the member for LaPoile (Mr. S. Neary) will think it over in the meantime and hopefully withdraw.

MR. S. NEARY: You pious Judas! You would support a low-down rattlesnake who would do something like that?

MR. SPEAKER: (Cross) To that point of personal privilege.

There is no point of -

MR. S. NEARY: You will regret that, 'Bill'.

MR. SPEAKER: Order, please!

There is no point of personal privilege. The hon. member -

MR. S. NEARY: You mean, Your Honour, he can smear members of this House by asking questions?

MR. SPEAKER: The hon. member was asking a question and not making allegations. I do not see any point of personal privilege. And I would ask the hon. Leader of the Opposition to continue.

MR. W. MARSHALL: On a point of order, Mr. Speaker, in the matter of the point of privilege brought up by the member for LaPoile (Mr. S. Neary) he referred to the hon. gentleman from Bonavista South (Mr. J. Morgan)

MR. MARSHALL: the Minister of Forestry and Agriculture, Lands and Forest (Mr. Morgan) now, is a rattlesnake. This is clearly contrary to the rules of debates as shown in Beauchesne. There are many lists there from Page 104 to 114. And I would ask that Your Honour require a withdrawal by the hon. member for LaPoile (Mr. Neary).

MR. NEARY: Mr. Speaker, the hon. gentleman who raised the point of privilege or order whatever it was he raised, Sir, should point out to Your Honour where rattlesnake is listed in Beauchesne. Is it listed? Is it one of the -

AN HON. MEMBER: (Inaudible).

MR. NEARY: Excuse me, Sir, excuse me, I have the floor, I have the floor - Your Honour is thumbing through the pages there. Perhaps the hon. gentleman who raised the point of order or whatever it is he raised could tell Your Honour the page that it is on.

MR. MARSHALL: Well there are many references, Mr. Speaker, Paragraph 360, page 104 and 105 of Beauchesne. "It has been ruled unparliamentary to refer to a member as etc. etc." There is one instance here as a blatherskite, I think you could apply that to a rattlesnake as well, Mr. Speaker.

MR. NEARY: (Inaudible) called him a rattlesnake.

MR. MARSHALL: But the point of the matter is here in Beauchesne and it is taken it is not permissible to refer to a member of this House in an insulting manner and in a manner like that. And we have, you know, a reference to the hon. member as a rattlesnake. That is not parliamentary language, and not the type of language that is allowed to be used in a House of Assembly or in a Parliament. And I think that the hon. gentleman should withdraw his reference to the hon. member as being such. It is here in Beauchesne.

MR. NEARY: It is not in Beauchesne. The hon. gentleman cannot find it. Mr. Speaker, I would like to comment on what the hon. gentleman has said. I would not compliment the hon. minister, Sir, by calling him a blatherskite which would be unparliamentary, but I would call him low-down rattlesnake, and that is not one of the

Mr. Neary: unparliamentary words that is listed in Beauchesne, Your Honour.

MR. SPEAKER (MR. CROSS): To that point of privilege. Certainly there is a whole list of words in Beauchesne that are listed as unparliamentary, and it is true that I cannot find the word 'rattlesnake' mentioned. But I think there are a number of words that are unparliamentary that are not as bad possibly as rattlesnake. I know the hon. member might have been perturbed, but I would ask him to withdraw the remark.

MR. NEARY: No, Mr. Speaker, I will not withdraw the remark. I think the hon. gentleman is a low-down rattlesnake and until he apologizes to me and this hon. House I will not withdraw that remark. My integrity and my honour have been questioned by the hon. gentleman and I shall not withdraw, Sir. I think the hon. gentleman is a low-down snake in the grass, and a rattlesnake.

MR. MARSHALL: Mr. Speaker, the procedure we are now into unfortunately - and I had hoped that the hon. gentleman would withdraw - but I suggest to Your Honour that we are now in a position where the hon. gentleman has defied the ruling of Your Honour which is in a much more serious vein. And I do not know if Your Honour wishes to adjourn to determine the procedure, but the procedure to my mind is quite obvious. Hopefully the hon. member for LaPoile (Mr. Neary) would, on reflection, withdraw it. But if he does not withdraw it the remedy is there and the hon. member has to be named and moved from the Chamber, because we are at the stage now where Your Honour's authority and the authority of this House has been challenged.

MR. NEARY: Mr. Speaker, I would submit that if Your Honour is going to adjourn for a few minutes that Your Honour send for the tapes. Because this is a very grievous and serious matter in this hon. House, when a member's honour has been questioned, his integrity has been brought into jeopardy by a low-down innuendo in the form of a question asked by another hon. member. I believe Your Honour should rise the House and send for the tapes and let Your Honour and the Speaker

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Mr. Neary: hear the tapes and consult and see, Sir, if I do not have a strong case, Your Honour. I do not intend to

MR. S. NEARY: put up with that kind of innuendo
in this hon. House and I do not have to.

MR. SPEAKER (MR. CROSS): I feel that to straighten out this
matter it will be necessary to adjourn for maybe five minutes.

RECESS

MR. SPEAKER: Order, please!

Before we adjourned for the minute or
two certainly a ruling had been made that the words used by the hon.
member for LaPoile (Mr. S. Neary) were unparliamentary. The hon.
member for LaPoile was then asked to withdraw the statement, he
refused to do so and in refusing to do so he was disregarding the
authority of the Chair. I will now call upon the hon. member again
to withdraw these remarks, the hon. member for LaPoile.

MR. S. NEARY: Mr. Speaker, in view of the fact that I
do not have the transcript of what the hon. gentleman said in front
of me and in order that the seriousness of his charges and his allegations
will not be lost because of what Your Honour considers to be
an unparliamentary term that I used, I withdraw. But I want to give
Your Honour notice that when I get the transcript I will be
raising a point of privilege tomorrow when I get a chance to study
the transcript overnight.

MR. SPEAKER: The hon. member has withdrawn. I will
call upon the hon. Leader of the Opposition to continue.

MR. W.N. ROWE: Thank you, Mr. Speaker. It is always
nice to have a little spell from one's remarks. Perhaps the member
will come in in about an hour's time and raise another point of
privilege.

Mr. Speaker; I was mentioning the fact that
there are a number of very important matters in this

MR. W. ROWE: agreement which the government has, with unprecedented contempt for the members of this House, not even included, not made public, not tabled in the House, not made available to the members and I will be dealing with those in a little more detail later on. I do not intend, Sir, to go into any long-winded speech on the history of the Labrador Linerboard mill. The member for LaPoile (Mr. Neary), the member for Burgeo-Bay d'Espoir (Mr. Simmons), the member for Windsor-Buchans (Mr. Flight), the member for Stephenville (Mr. McNeil) have given us the benefit in excellent speeches, Mr. Speaker, excellent speeches, have given us the benefit of what they perceive to have happened with regard to the Linerboard mill and have given us their ideas on this bill itself. Government members have also risen in their places and have made speeches concerning what they see to be the history of the Linerboard mill. Mr. Speaker, and their view of history in this matter certainly is very different from the reality of the situation. Henry Ford when he made his famous utterance that, "History is bunk", must have been listening to some speeches similar to those, Mr. Speaker or some rendition of history similar to that given by some hon. members opposite concerning the Linerboard mill. Now I do not intend to belabor the matter at all but there are one or two salient points which need to be touched on for the record, which need to be emphasized and which need to be reinforced, Mr. Speaker, in this hon. House so the people, the members present, the people of this Province do have a clear idea as to what exactly the government's role was in Labrador Linerboard mainly, Sir, because what the government has done in the past six or seven years regarding Labrador Linerboard has a very important bearing on this bill and the agreement they have entered into with Abitibi Paper Company concerning the disposition of the mill and its assets and the amount

MR. W. ROWE: of money that the government will be getting in return for the mill and the amount of money which the government will be still liable for and the people of this Province will be paying out for many years to come.

It would be kind, Mr. Speaker, it would be putting it at its most charitable, its most generous and in the kindest way possible to say that this government has made a number of disastrous blunders in its handling of the Labrador Linerboard mill. That would be charitable. Other members have gone further than characterizing the government's handling as blundering, disastrous blundering and have touched on the very real possibility of actual wrongdoing. And, Mr. Speaker, I believe they have good evidence for making that kind of an allegation as far as the government's handling is concerned. I will satisfy myself for the present, Sir, by saying that the government made a number of disastrous blunders. They can be boiled down to two really with a number of mistakes and mismanagement in two major areas. The first blunder was in the manner of the takeover of the Linerboard mill from Doyle and the subsequent management or mismanagement of the mill thereafter. That is blunder number one. And disastrous blunder number two concerns the close down of the mill by this government in 1977.

Let me just deal very briefly, Sir, with the takeover of the mill by the government and the subsequent management by the government under government auspices and control of the mill for some four or five years thereafter. The idea of the government taking over this mill from Doyle in the first place, Sir, may have been a sound idea. There were opinions pro and con at that time as to whether that should have been the method used by the government. A number of serious doubts were raised about the governments taking over the mill from Doyle in the way that they did. Perhaps at the time and in retrospect.

MR. W. N. ROWE: The best thing for the government to have done with regard to Labrador Linerboard mill was to have allowed the mill itself, that asset, that operation, to go into receivership. Because there was no way without government support and without pouring additional government money into the operation of the mill that it could have carried on at that time. Let it go into receivership. That would have been the way to get rid of the owners at that time, Mr. Doyle and anyone else who had any interest in it with him, Let it go into receivership. The government may, in fact, by that method have lost some money, money which had been put into the mill at that time, but, Sir, it would have been nothing near the hundreds of millions of dollars which the government subsequently poured down the drain, public money of this Province that the government poured down the drain in the succeeding four or five years of mismanagement of that mill. The government may have lost money. It might not have been able to recover all the money the government had sunk into it up to 1972, but, Sir, it would have been almost a negligible amount of money compared to subsequent losses. The company then would have been into receivership or bankruptcy, and as has happened, Sir, with other paper mills in the history of this Province, there would have been a bidder from the receiver in bankruptcy with respect to that mill at that time, who would have been able to take over the mill at a market price, a price that they deemed by bids from the receiver in bankruptcy, and private enterprise would once more have been involved in that mill right at the beginning. They would have bought it for a price which was viable and they would have then operated it in a manner which is best characterized by all private enterprise operations in Canada and in Newfoundland, such as Bowaters

MR. W. N. ROWE: or Price or A.N.D. Company which preceded it. But, Sir, it would not have been the first time that that had happened, and that probably would have been the best way to do it. But no, Sir, Mr. Crosbie and others at the time, with Mr. Crosbie leading the way, decided that the government would take it over and the government would operate the mill. It probably would have been a matter of indifference whether it went into receivership or whether the government had taken it over if the manner of the takeover and if the methods of operating that company subsequent to the takeover had been in any way proper and in accordance with good management principles and good concepts of operating a gigantic mill such as that one. It has been indicated and it should be reiterated, Sir, that the manner of the takeover was characterized by vindictiveness against the previous owner, vindictiveness against the former Premier at that time, Mr. Smallwood. The manner of the takeover was characterized by an attitude of suspicion of every kind, The idea that there was nothing good whatsoever about Labrador Linerboard mill. Simply because it happened to be an industry which had been started by the previous administration, by Mr. Smallwood and the Liberal Government of that day, therefore it was bad. No other arguments were necessary, Mr. Speaker, as far as Mr. Crosbie and the others who were involved at the time were concerned. No other arguments were necessary to persuade or convince them that the whole concept, the whole idea, the whole mill, the operation of the mill, was bad, evil in some way. And an attitude of total suspicion was associated with everything connected with that mill. And that was the psychological attitude, that was the attitude of the government at the time. And then for the next four or five years we saw a lack of management and a mismanagement

MR. W. N. ROWE: we saw lack of controls, which some have called apparent rip-offs and skulduggery for three or four or five years; we saw matters which my hon friend from Burgeo - Bay d'Espoir (Mr. Simmons) has called conflict of interest and vested interest by people concerned with the mill and the running of the mill, vested interest in conflict with the best operations of that mill. All of these things, Mr. Speaker, conspired together to make sure that Labrador Linerboard from its beginning

MR. W.N. ROWE: was destined to be a failure, a total failure in the government's hands. A total failure! We saw in the field of marketing, the marketing of the product itself where there had been an agreement, and a contract with this agent, Ernst Heinzel was a marketing agent in Europe. Apparently there was a contract between the mill and this agent for the marketing of the total production for the first five years at economically feasible prices. We saw that after the government takeover, simply because this person had been in place before the government took it over, I would say with very little inquiry as to the merits of the situation or what was in the best interest of the Province and the mill itself, we saw this agent thrown out and the marketing was turned over to a small American firm totally unknown to the industry, apparently formed for the purpose of marketing for Labrador linerboard and, Mr. Speaker, subsequently thence have indicated that that process, the marketing arrangements which were entered into by the government with this small American firm, these arrangements were very questionable! Very questionable, Sir! And some evidence has come to light recently which shows that the principals of that firm were perhaps acting in their own interests first and not in the interests of Labrador linerboard and that regardless of whether there was a conflict of interest there or something even worse, it was an agent who was completely devoid of any experience in the field of marketing the linerboard. And we wonder why the market situation was dismal and why the mill did not make money. Perhaps it could not have made money. But, Sir, I would say that there is very strong evidence from that fact alone that there was not a best effort made by the government or by anyone in connection with the mill at that time in an operational capacity, policy making capacity - there was not best efforts made to get that mill produce, marketed in the correct way.

MR. W. N. ROWE:

The shipping contract referred to by my hon. friend, the member for Lapointe (Mr. Neary), I believe, and also Burgeo-Bay d'Espoir (Mr. Simmons) which was cancelled because it had been entered into previously, cancelled and apparently again renegotiated with the same shipping firm at higher prices, higher costs to the mill than had originally been entered into. These are a couple of examples, Sir, of the kind of vindictive action taken, suspicion shown by the government and unwillingness to even admit that anything in connection with the mill up to that date was in any way sensible or sane or viable. The whole takeover, Sir, as I have said and the management thereafter was steeped in vindictiveness and incompetence, probably worse than incompetence and anything good associated with the mill was viewed with such suspicion that it was changed by the government of the time led by Mr. Crosbie and the former Premier and others, most of the time changed for the worst. Now, Mr. Speaker, there is no reason for anyone to be questioning themselves as to why the mill failed in government's hands. Every effort was made to make it fail, Mr. Speaker, and every effort was made to try to prove by this government that the mill was some kind of a piece of chicanery.

MR. W. ROWE: or complete partisan politics by the former administration and there was very little thought or effort put into the positive idea of making that mill succeed. In the meantime, scores of millions of dollars of public money went down the drain. I will not belabor it, Sir, I will just comment on that and pass on to blunder number two, major disastrous blunder number two committed by this government with regard to the Linerboard mill.

We had the mill closed down in 1977 by this government. Apparently the closedown was forced by the credit rating agencies of the government in New York, or at least that was the impression given at the time. The government once it was confronted by some statements, loose or otherwise by the credit rating agencies, Moody's and Standard and Poor in New York, to the effect that if they did not cut back on their outlay of cash and their borrowing then the agencies may be forced to give the government a lower credit rating in their reports in the future, once that happened, the government went to its knees, Mr. Speaker, the government turned to jelly and the first thing they could do to show apparent good faith in the matter of cutting back on expenditure was to close down Labrador Linerboard.

In spite of the fact, Mr. Speaker, that the best evidence available at the time indicated that there would be a turnaround in the fortunes of that mill by 1980, which was just three years down the road from the time of the closedown itself, there was going to be a projected turnaround and that has been born out by recent events. There was going to be a turnaround in the whole papermaking field, Linerboard and otherwise, within three years, yet the government went to its knees and closed down the Linerboard mill

MR. W. ROWE: with the loss of some 1,200 jobs directly. And Statistics Canada at the time, if my memory serves me right, when I looked at the figures, indicated that 5,000 jobs would be totally affected by this closedown directly and indirectly, 5,000 jobs at a time when this Province was in the throes of unemployment and suffering drastically as a result. And what was said at the time by my friend from Stephenville (Mr. McNeil) and by others in this hon. House that in direct costs alone it would probably cost more to close down that mill for a two or three year period in terms of the built-in costs, in terms of the mothballing costs and the maintenance costs thereafter, it would probably cost more to close down the mill than if the mill had been kept open for the two or three years which would have been necessary before the turnaround in the paper markets happened and the mill became viable once more. It cost more, Sir, in actual direct costs to close down that mill than to keep it open, but the government wanted to have some kind of a symbolic gesture to show the credit rating agencies of their seriousness and their intent to cut back and they did so at the loss of some 1,200 jobs directly, I suppose, 1,200 jobs directly affecting adversely directly and indirectly perhaps 5,000 jobs in this Province. Whether it cost more or not, it is hard to say, the government will not give us any figures and I will deal with that matter a little later, but from what I can gather the cost of closing down the mill was at least as great as the cost of keeping it open would have been. And indirect costs, indirect costs, Mr. Speaker, not direct but indirect costs as well

MR. W. ROWE: - the loss of income tax revenue as a result of the job losses, other tax revenue, the cost of unemployment insurance and welfare payments, the cost to individuals of having to move elsewhere to find jobs, the social costs, the losses to individuals in the field of housing, the disruption of lives, the agony of unemployment, all of these social costs, Mr. Speaker, were never, as far as I can determine, ever entered into the government equation as to whether it was going to be a sensible thing for the economy of this Province and the benefit of the people of the Province to close down that mill. But they went and did it anyway and that, Sir, to me and to most other objective individuals looking at the situation comprised blunder number two by this government; a blunder which they have to answer for, Sir, to the people of this Province; a blunder, Sir, which has had very adverse effect I would say and I submit and my hon. friend from Stephenville (Mr. McNeil) has said, "A very adverse effect on the ultimate disposition of this mill to the Abitibi Paper Company"; a blunder, Sir, which showed a callousness and a weakness on the part of the government and certainly a government which was addicted to balance-sheet policy making and policy making which did not take into account some of the other important matters which they certainly should have.

Now, Mr. Speaker, I will not belabour that either. Other members have spoken on the history of the mill and I just wanted to point out these two major, perhaps disastrous, blunders which were committed by the government and to reinforce and emphasize the mistakes which were made so that we can learn from them and also so that we can cast the light of the morals to

MR. W. ROWE: be learned from these mistakes on the bill which is presently before the House.

So, Sir, I will turn without further ado to this sale to the Abitibi Paper Company of the Linerboard mill. Let me say, Sir, that we are totally in favour of the takeover of Labrador Linerboard by private enterprise. We are totally in favour of the takeover of this mill now by private enterprise as exemplified by the Abitibi Paper Company. We favour, without any demur whatsoever, the principle of this bill. The principle of the bill is an excellent one. Sell the mill to private enterprise. Sell the mill to Abitibi Paper Company. Abitibi Paper Company is a fine corporation. If the mill is going to be sold to private enterprise, the government would have found it hard to find a better company. It is a fine company, a good company, a good representative of private enterprise. But, Mr. Speaker, simply because the government is selling the mill to Abitibi Paper Company does not mean that all of us in this hon. House have to fall down on our faces and kiss the feet of Abitibi, nor does it mean, Sir, we have to genuflect to them and thank them for this tremendous favour they are bestowing on the Newfoundland people without any probing, without any criticism of the government's actions, without any questioning of whether this is a good deal for the people of Newfoundland or not.

If Abitibi Paper Company, Mr. Speaker, is buying Labrador Linerboard, it is because it is worth their while to buy it. They are not doing any favours to us. They are not doing it because they think the people of Stephenville or the Bay St. George area are fine people, as fine as they are. They are not doing it because they love this government or the Newfoundland

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MR. W. ROWE:

and Labrador people generally.

They are buying it, Sir, because they think it is a viable opportunity for them to get in there and make a profit, a good risk, a good investment of money, a good mill in a good location with a market to take the produce at a price which can provide a decent revenue, a decent return to Abitibi Paper Company.

MR. W. ROWE:

And they would not be buying it, Mr. Speaker, if they thought as the hon., the former Premier and Mr. Crosbie and other members of the hon. House opposite, some hon. members, not all. They would not be buying it if they shared the views of the member I just mentioned; that the mill was in the wrong place, that it was worthless, that markets were disastrous, that there was no future for the mill, they would not be buying it. My hon. friend has already made that point but it is worth making again, Sir. Abitibi is buying this mill because it is a good deal for Abitibi, not because they love Your Honour or anyone else in his hon. House. And so, Sir, it is a deal which is being made at arm's length by this province and a capitalistic free enterprise company owned by shareholders interested in making a profit. It is an arm's length deal. And like any deal where the future of this Province is going to be affected, it is a deal and not only private concerns are involved, it is a deal, it is a public deal, a public arrangement which must be scrutinized and looked into and sized up and examined and questioned to see whether in fact we are getting the best possible deal for this province. And let us look at some of the matters, Mr. Speaker, that comprise this deal between the government and Abitibi Paper Company. First of all let us look at the price paid, or to be paid, by Abitibi for the mill. The price is \$43,500,000. Sounds like a lot of money. It happens to represent about one-tenth, ten percent, one-tenth of the replacement cost of the Linerboard Mill. Is that correct? About one-tenth of the replacement cost. And when you see something being sold, Mr. Speaker, for one-tenth of its replacement value, that in itself without further ado, that in itself must be looked at. It must be questioned. It must be decided whether that is a good price or not on the evidence available to us as members of this hon. House. On the surface it does not appear to be a very good price from the government's point of view. It is an excellent price from Abitibi's point of view, I am sure, but it does not on the surface appear to be a good price.

MR. W.N. ROWE: \$43, 500,000 , about one-tenth of the replacement cost of that mill. Now, Mr. Speaker, one may say, Your Honour may say, other members of the House have said that the replacement cost of the mill is largely irrelevant, the cost of building the mill is not the question that should be asked. That may be so. It may be that the only question which should be asked with regard to the mill is what is the mill worth on the market. What is it worth in the free market? What is it worth to people who will size up the mill itself, size up the market for its product? What is it worth in terms of the money that will be invested in it and the projected profit which is likely to accrue from that investment? What is its market price, if it is to show a profit as a result of efficient operation? That may be the only question to ask. So, Sir, I will ask that question. I will ask whether \$43.5 million is a price which is reasonable in terms of market value and profitability. There is no way for me as a member of the House to determine that because I am no expert when it comes to looking at all the aspects which would have to be looked at. So the only evidence

MR. W. ROWE:

that I can go by as a member of this House, Mr. Speaker, the only evidence we can go by as members of this House, backbenchers on both sides, the only question we can ask is can this government be trusted to have negotiated with a company like Abitibi Paper Company a good, sound market price based on the true market value of that mill? The only way we can determine the answer to that question, Mr. Speaker, is to look at this government's record very briefly, in a couple of other matters. This is not the first time the government took over something. When it took over the Labrador Linerboard Mill it was the first time then but subsequently the government has taken over other assets belonging to private enterprise in this Province and I am referring to the BRINCO assets in Labrador which the government took over, the BRINCO assets including the Upper Churchill power development which was then about ready to go on stream. Mr. Speaker, you only need to ask anybody who was associated with BRINCO, not anybody outside of BRINCO but ask the persons who benefited from that purchase of the BRINCO assets, people who were affected, who were associated with and concerned with BRINCO themselves at the time of that takeover by the government, ask them what they think in their honest judgement of what the government did with the BRINCO assets and they will tell you, Sir, in private if not in public, that the government takeover of the BRINCO assets was in terms of the price paid to BRINCO, one of the greatest sell-outs ever perpetrated by any government in the Western World. The price that the government paid for the BRINCO assets, Mr. Speaker, was so highly inflated compared to the actual value, that members of BRINCO and the former associates of BRINCO are still chuckling, Mr. Speaker, at the amount they got as a result of this government's so-called negotiation with Brinco.

My hon. friend from Burgeo-Bay d'Espoir (Mr. Simmons) knows whereof I speak. We sat in the office of a gentleman who had been connected in an indirect way with BRINCO at the time of the takeover and he stood to benefit from the takeover and he chuckled,

MR. W. ROWE:

Mr. Speaker, he laughed at the amount which was paid by this government to BRINCO. They had so much money, Sir, they had a problem, they did not know what to do with it. It gave them a problem. It became a company which was suddenly top-heavy with cash, too much money. Certainly their shareholders did very well at the expense of the people of this Province because the government borrowed that money, Sir, from a bank in order to pay BRINCO for its assets. That was an indication, Sir, of hard-nosed negotiations in those days. BRINCO became so wealthy they did not know what to do with their money. They had a real cash problem the opposite of the usual cash bind companies find themselves in, too much money, more money than they ever dreamed possible, Mr. Speaker, if they were ever to liquidate or convert their assets into cash.

MR. F. ROWE: (Inaudible) they are looking for another BRINCO to do the Lower Churchill.

MR. W. ROWE: That is what the government's record was there, Mr. Speaker. Look at the government's record with regard to another industrial enterprise that they were associated with and I am referring to the Lower Churchill venture where this government showed how good it was at spending the peoples' money in industrial ventures when it lashed out \$110 million more of the peoples' money for a premature, abortive start up of the Lower Churchill, Mr. Speaker, in 1975 which went on for a few months, the construction start-up and then following the 1975 elections suddenly stopped, \$110 million of the peoples' money down the drain, Mr. Speaker, at a time when there was no feasibility study which indicated

MR. W. ROWE: any markets for the power that the additional money needed would be able to be raised or, in fact, whether the whole thing was technically feasible or not at that time. These are two examples, Sir, of this Government's ability when it comes to negotiating, or when it comes to getting involved in various industrial enterprises, And in each case, Mr. Speaker, it has cost this Province and the people of this Province scores of millions of dollars, tax dollars and borrowed money, as a result of their ineptitude, their incompetence and their blundering, and as my friend from Burgeo-Bay d'Espoir (Mr. R. Simmons) would say and has said, worse than blundering and incompetence and mistakes.

So, Mr. Speaker, there is an example of the hard-nosed, rational negotiating that this Government might have done with regard to the Abitibi paper company. But we can also relate back these two blunders to the Linerboard mill in another way as well, something which I do not think has been mentioned here to date. If these millions, Mr. Speaker, tens and scores of millions of dollars had not been wasted with regard to the high price paid for the BRINCO assets, and if these tens of millions had not been wasted with regard to the premature construction start-up of the Lower Churchill, Mr. Speaker, then there would have been no need whatsoever for this Government to have to close down Labrador Linerboard in 1977. It was the throwing away of these millions of dollars of public money and the borrowing needed to do so that caused the credit agencies in the first place to force this Government to take the kind of action which they did take as a symbolic gesture, and that was the closedown of Labrador Linerboard. Symbolic perhaps for the gnomes of Wall Street; somewhat more than symbolic for the people of the Stephenville area and the Bay St. George area I would submit.

MR. W. ROWE:

So, Mr. Speaker, we have seen the record of the Government in negotiating good prices and in spending public money sensibly regarding industrial enterprises, and that record, Sir, is dismal. It is a dismal record. And we have nothing in this Government's record, Sir, that we can take any comfort from whatsoever to indicate that the price negotiated with Abitibi paper company is any better than in the case of the BRINCO assets. And so, Sir, we have two pieces of evidence; the fact that the mill is being sold for one-tenth of the replacement cost and the fact that this Government's record in negotiating good prices is all so disastrous to lead us to the conclusion that this price that Abitibi is paying for the Linerboard mill, while good from Abitibi's point of view - and I am not blaming Abitibi Paper Company - this price is not in the best interests of the people of this Province. It is probably far too low.

When you add, Sir, the statements already referred to by the member for Burgeo-Bay d'Espoir (Mr. R. Simmons), the member for Stephenville district (Mr. W. McNeil), and other members in speaking in this hon. House - when you add the statements of Mr. Crosbie and the former Premier, now the member for Humber West (Mr. F. Moores) that the plant was in the wrong place, that the wood costs were far too high, there would never be any economic way of getting wood to the mill, that the mill was put there solely for political purposes with no economic viability, that the mill was not economically viable in its own right and that the mill was not worth a dollar, not worth a dollar to anybody, then as my hon. friend from Burgeo-Bay d'Espoir said yesterday and as my hon. friend from Stephenville district said, "Is there any reason to doubt that this Government could not negotiate on behalf of the people of this Province a good price for that mill?" I do not care how many proposals were

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MR. W. ROWE:

in, Mr. Speaker, forty, fifty,
or a hundred and fifty, the fact of the matter

MR. W. ROWE: is that the atmosphere had been created by this government, an atmosphere that they were soft touches, an atmosphere that the mill itself was worthless, a psychological atmosphere that the government itself had closed it down anyway and that there was no way they could open it up because the whole operation was characterized by incompetence and perhaps worse. No wonder we had forty or fifty proposals made. Everybody was trying to buy it for a song, and we have a good company, Abitibi Paper Company, which has come in here and which, in fact, did get the mill for a song or the next thing to it, and that should not be treated as in any way a criticism of Abitibi Paper Company, it is solely a criticism, Mr. Speaker, of this government and the way it has managed and mismanaged and botched the Linerboard mill from start to finish. The people of this Province should be well aware of that and are well aware of it and any who are not, Mr. Speaker, will be made well aware of it before too much more time has passed.

Mr. Speaker, let me turn to the bill itself, Bill 15, "An Act To Ratify The Sale Of Labrador Linerboard Mill And To Convert The Mill To A Newsprint Mill", and let me look at some of the particulars of the bill for a moment. The agreement, of course, was dated and is ratified and confirmed and adopted from the date November 16, 1978, which is a fair time ago now, Mr. Speaker, and that in itself together with the fact that the act is deemed to have come into force on November 16, 1978, that in itself, Sir, shows the esteem with which the government holds the backbenchers on their own side and the members of this side of the House.

MR. W. ROWE: Again, Sir, that indicates a certain contempt for this hon. House. There is no way that we in this House, Mr. Speaker, can go over that agreement clause by clause as the schedules of this act, that agreement will be passed holus-bolus. There will be no scrutiny of any of the clauses of that agreement. Even when we get into committee in this House before third reading, we will be going over only the clauses of the bill itself. It is a fait accompli, Mr. Speaker, and no member of this hon. House was ever given an opportunity to analyze before the fact any of the matters contained in that agreement.

As I said earlier, we can agree with the principle of this bill and we can vote for the principle of the bill and vote for the principle of the agreement itself, but there are one or two things, Sir, that have to be scrutinized and looked at with some care and some questions raised because they affect the people of this Province.

One of the things, Mr. Speaker, which raises my suspicions right off the bat has to do with Clause 4 of the bill which has a side note attached to it or by the side of it saying, "Avoidance of doubt", and which reads in part that, "For the avoidance of doubt it is hereby declared that notwithstanding any other Act and so on, all acts of the Comptroller, the Deputy Minister of Finance, including the issuance of public money out of the Consolidated Revenue Fund in order to meet the government's obligations shall not be deemed to have been in contravention of any Act or law including The Financial Administration Act, 1973, and The Stephenville Linerboard Mill Act, 1972". We have in this bill a clause

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MR. W. ROWE: whereby any acts of the Comptroller are ratified. Mr. Speaker, when I get to the matter of the financial statements of Labrador Liner-board mill, that clause becomes a little more revealing than it would appear to be on the surface.

Further on in the act itself, in the bill itself, Clause 5, Sub-clause (iii), we have a provision where the provisions of the agreement are not in accordance with the Crown Lands Act, "The agreement will not be held to be in contravention of the Crown Lands Act".
Now

MR. W. ROWE:

why would that particular clause be put in there, Mr. Speaker? Why would the government wish to put in something that makes the agreement superior to the Crown Lands Act of the Province which governs everybody else in this Province? We may see some answers to that as well when we come to the agreement with regard to the forestry and the woods operation and other operations, the assets and so on.

Turning to the agreement itself, Mr. Speaker, it is noteworthy to take notice of the fact, as was done by my hon. friend, the member for LaPoile (Mr. Neary), that Labrador Linerboard Limited was never taken over as a Crown corporation with a statute of its own, statutory provisions requiring the tabling in this hon. House of various information affecting the operations of Labrador Linerboard Mill. It is also noteworthy, as my friend the Chairman of the Public Accounts Committee knows, that the Auditor General cannot even touch, cannot even get at the financial arrangements or the financial finagling of Labrador Linerboard as a private company whose shares happen to be owned by the government of this Province just as if the government went down and brought the shares of Bowring Brothers Limited. It still is a private company under the Companies Act with no access by the public to financial information or any other information. Mr. Speaker, the only question that can be asked there is why would Mr. Crosbie, why would the government at the time, ministers at the time, the Premier at the time, why would they see fit to enter into that kind of an arrangement rather than the normal Crown corporation where the Auditor General would have access to information and could report to this hon. House?

Mr. Speaker, turning to Clause 3 of the agreement itself we find that Clause 3 shows that the vendor make certain representations and warranties to the purchaser, the vendor being the government and the purchaser being Abitibi Paper Company. And Clause 3, subclause (d) mentions that the audited financial statements of the company for the fiscal year ending March 31, 1978, have been prepared and that the government has no outstanding liabilities, contingent or

MR. W. ROWE:

otherwise, other than the liabilities disclosed in this audited balance sheet. And then the audited balance sheet or the financial statements are referred to in the agreement as "LLL 1", triple "L" 1, a document.

Mr. Speaker, as I mentioned earlier it is noteworthy again that this government has the contempt for this hon. House to refer in the agreement to these financial statements. And as far as I am aware - perhaps the hon. minister who is concerned can disabuse me of my notion if I am wrong - as far as I am aware no balance sheet affecting this company has ever been made public, no financial statements have to this date been made public, no one is aware of the liabilities of Labrador Linerboard and when I come to another section of the agreement the importance of that will be seen. Nobody knows, Mr. Speaker, what is the financial state of Labrador Linerboard and the extent of their liabilities, liabilities which this government have agreed to assume. The purchaser has it, Mr. Speaker, yet we as members of this House, asked to vote on an agreement and a part of the agreement an essential part of the agreement, are deprived of that elementary information which is nothing short of contempt for the members of this hon. House who are asked to do that, Mr. Speaker, without having the adequate information.

The same thing applies to subclause (f) referred to as "LLL 2" which is a list of the equipment which formed part of the assets of the company at the closing date. Again nobody knows, I do not know. Does my hon. friend from Stephenville (Mr. McNeil) know what the equipment, the assets of that company are? What assets, what

MR. W. ROWE: equipment are being turned over to Abitibi Price? For example, do we know what the value of that equipment is, as I am sure it would be in the financial statements of the company, value for scrap if for nothing else?

MR. McNEIL: How much has been received on what they sold to date?

MR. W. ROWE: How much money has been received by the Government and what has been sold to date? All of these questions, Mr. Speaker. No answers to the questions. Sub-clause (l), the same thing, refers to the leasehold and the freehold assets of the company, which are undoubtedly valued as well. We do not know what the value is of these assets, freehold and leasehold. Abitibi knows what the value is; they have the benefit of more information than members of this hon. House who are asked to vote on this agreement.

Sub-clause (m) on page 10 and 11 of the agreement of the bill refers to legal actions, which are listed again in this document LLL-1, the financial statements, legal actions against the company. We do not know what the liability of the Government is with respect to them, or the prospective liability, or what legal advice has been given to the Government. Abitibi paper company knows. Members of this hon. House are asked to vote on an agreement without knowing what an essential part of the agreement is, Mr. Speaker, referred to later on in the agreement as forming part of the agreement.

Further on, sub-clause (p) of the agreement of clause 3 on page 12, we see where the vendor has handed over to the purchaser all engineering and consultants' reports concerning the conversion of the Linerboard mill to a newsprint mill. And consultants'

MR. W. ROWE: reports concerning the properties, the business, the finances of the company, all the consultants' reports. Mr. Speaker, have been handed over to the purchaser as a part of this agreement, yet we as members of this hon. House elected to represent the people's interests have no idea in this world what some of these consultants' reports may be, what they may have advised the Government to do - yet we are asked by this Government to vote on this bill. The vendor undertakes, again on page 13, Mr. Speaker, to save the purchaser, Abitibi, harmless, to indemnify the purchaser against any brokerage fees or commissions in respect of this transaction. I did not hear any hon. minister of the Government, Mr. Speaker, mention as to whether there are, in fact, any brokerage fees. I ask the question now, Mr. Speaker, of the hon. Minister who is supposed to be conducting this through the House - he is not in his seat - or any hon. minister - the Premier - Is there any person or company or agent who is receiving a brokerage fee or commission in respect of this transaction, this sale of the linerboard mill to Abitibi Paper Company? It is a simple question; it should be easy to answer the question.

It is referred to in the bill, Mr. Speaker. It must be there for a reason. I do hope that the Premier when he deals with the bill himself, or some other minister will refer to that and tell us yes or no. 'No, there are no brokerage fees, no middleman fees and commissions' or 'Yes, there are' and if so, who is receiving them - what company, what agent, local or otherwise, is receiving brokerage, commissions or fees as a result of this transaction.

On page 14 of the agreement, Sir, we notice that there is a hydro agreement referred to - in

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MR. W. ROWE: sub-clause (e) of clause 4 of the agreement, a hydro agreement is referred to as having been entered into with Abitibi Price. Again, I am not aware that we have a copy of the hydro agreement. Has the hon. member for Stephenville -

MR. W. McNEIL: No copy.

MR. W. ROWE: - been done the courtesy of receiving a copy of the hydro agreement which could affect this Province to the tune of

MR. W. ROWE:

millions of dollars on the sale of this mill. No, Mr. Speaker, I have not received it. I would say nobody in this hon. House, outside of the government ministers, and perhaps not all government ministers, have received a copy of the Hydro agreement. I would like to see it. I notice that all the risk is on the government, not on Abitibi, if certain things happen that cause the operation of the mill to close or to diminish. If certain things happen, then it is the government which bears the risk under the Hydro agreement. I would like to see the agreement spelled out. I would like to see the clauses and terms of the agreement to see exactly what is the government's risk, and I would like to see some minister of the government, or somebody else associated with the government, who could provide information as to whether this is a normal kind of contract with the Abitibi Paper Company. Other hydro contracts in other provinces, are they the same this? Is the risk on the Hydro Corporation and the government of the province or is the risk, in case of closedown or shutdown or curtailment of operations, on the paper company itself? In other words, is there a take or pay contract in respect of the supply of hydro electricity to other mills owned by Abitibi Price? Does my hon. friend know if there is a take or pay contract in other provinces? No, he could not be expected to know. The government should know, Mr. Speaker, because if that happens, it is Newfoundland and Labrador Hydro and the people of this Province who have to bear the brunt, not Abitibi Price. Perhaps it is a normal agreement, perhaps it is the way it should be, but I

MR. W. ROWE: would like to see further evidence. I would like to see the Hydro agreement itself and I would like to have some assurance from the government that this is a normal contract that all private enterprises enter into with hydro corporations and that the risk in case of so-called acts of God and closedowns and shutdowns for any reason, forest fires and so on, the risk then is assumed by the government and that the company itself would be reimbursed, would not be forced to pay for the electricity which they have contracted to take.

Another matter mentioned by my hon. friend from Stephenville (Mr. McNeil), and which I hope has been solved by now by the Minister of Labour and Manpower (Mr. Dinn), has to do with employment in the Stephenville, in the Bay St. Georges area. I notice that one of the clauses on Page 16, 6(a)(iv), mentions that in the conversion of the mill "and thereafter in respect of capital expenditures to the mill and the woodlands," full opportunity will be given to contractors and sub-contractors and persons normally resident in the Province to compete for such work and to give them preference subject to their being competitive in price, quality and delivery". Now, the point raised by my hon. friend from Stephenville was that there was a problem with regard to hiring on people in the Stephenville area, in the Bay St. Georges area, and that as a result of the actions of certain unions, it looked as if people in that area could not take full benefit of the conversion and start-up operations of the mill by Abitibi. I hope he has now solved that problem.

I notice that further down employment in the mill itself, it is agreed, will be "first given to people normally resident in the Bay St. George area of the Province and thereafter to persons normally

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MR. W. ROWE: resident in the Province to the extent that required skills are available". I do not know if there is the same problem going to be encountered there with unions. I do not know if my hon. friend has heard of that or not, whether there are going to be problems getting people from the Bay St. George area actually employed in the mill as a result of some union contracts or difficulties.

MR. MCNEIL: That was a concern that was brought up by all of them.

MR. W. ROWE: That is right. We have two different concerns: One is the actual capital construction on the mill now and then we have the concern when the mill itself goes into operation, whether the preference can be given, as this act says, to the people of the Bay St. George area. I would assume

MR. R. ROWE:

that this act, if it passes, takes precedence over any union contract and I do hope that the government shows unwonted courage in dealing with the employment matter when the time comes and that people in the Bay St. George area will in fact have first priority, top priority when it comes to getting these jobs in the mill.

Mr. Speaker, there are a number of other things in this agreement which should be brought out. I do not know how much time I have left. Could somebody at the Table indicate to me?

AN HON. MEMBER: Until six.

MR. W. ROWE: Until six. So I have about fifteen minutes left, Mr. Speaker, hardly enough time unfortunately to get into all the matters in this agreement which need to be aired and need to be looked at. I will try to deal with as many as I can, and then when it comes time to go through Committee stage we can perhaps at the appropriate clause of the bill itself ask some questions of the ministers concerning clauses in the agreement. So I will skim over some of the things I was going to ask here, Mr. Speaker, and go to some of the more important things.

Mr. Speaker, on page 18 of the agreement it mentions in subclause (d) that "the Purchaser shall have received a ruling from the Department of National Revenue, satisfactory to the Purchaser" regarding some taxation benefits. When the minister closes the debate or when some other minister speaks, Mr. Speaker, I would like to have him spell out exactly what was the federal contribution, both by way of tax benefits or tax exemptions and by way of actual grants from the federal government. One of the things I notice is that this government has been very reticent concerning the financial benefits from the federal Government of Canada on this mill start-up again. They are quite willing to take all the praise and credit for trying to get the mill going again, Sir, but I want to go on the record as saying that the Government of Canada provided perhaps the greatest impetus. I believe my hon. friend would agree with that. The Government of Canada has provided the greatest financial benefit, the greatest impetus to getting this mill going again

MR. W. ROWE:

and they should get and they deserve full credit for what they have done. But this government, Sir, certainly does not ever want to make that fact known if it can hide it and make it difficult to get at.

Mr. Speaker, on page 19 of the agreement we see again again in Clause 11 where the vendor, the government, agrees to indemnify and save the purchaser harmless from and against all suits, all legal proceedings in connection with the company, where the company is named as the defendant and these suits and proceedings are listed again in this famous piece of paper, "LLL-1". Mr. Speaker, I as a member of this House prior to voting on this act and this bill would like to know what these actions are, what their likely cost to the government will be. And I find it, Sir, contemptible that this government would bring this agreement into the House and not apprise members of these essential matters which are part of this agreement and which because they happen to be on a separate piece of paper are not given to us as the essential information which they are.

Mr. Speaker, in Clause 24 of the agreement on page 26 we see this point I am making actually referred to. The Clause reads as follows: "The parties agree that the contents of Schedules "LLL1" and "LLL2" and "LLL3" shall be incorporated by reference into this agreement and shall be deemed to be a part of this agreement. "LLL1" is the financial statements of the Linerboard mill, Mr. Speaker, and how much money the government is responsible for because there is a clause in the agreement which says that the government will pay all liabilities, Mr. Speaker,

MR. W. ROWE:

pay the costs of all liabilities which have been undertaken to date by Labrador Linerboard. The government of the people of this Province, Mr. Speaker, may for all I know be liable for hundreds of millions of dollars. I do not know. How much have they paid? How much have they borrowed? How much is the company responsible to the government for which the government is now going to write off? This is all contained in these financial statements, Mr. Speaker, which form part of this agreement and which the government to this time has not yet tabled in this hon. House. And I ask the hon. the Premier, the Premier who has gone out of his way, Mr. Speaker, to try to give the impression of openness to this House and to the people of the Province, I ask him if he intends to table, to give members of the Opposition, members of the government side, backbenchers, if he intends to see to it that before we vote on this bill whether we will have an essential part of the agreement, as much a part of the agreement, Mr. Speaker, as the writing which we have before us here now, namely, the financial statements and a statement of legal actions against the Linerboard Mill which the government has undertaken to be responsible for, all the financial liabilities of the company which the government has undertaken to be responsible for, Mr. Speaker, whether we in this House are going to be done the elementary courtesy of knowing what it is we are voting for. What is the agreement, the full agreement?

Another essential part of the agreement "LLL2" is the equipment, Mr. Speaker, that is being sold to Abitibi which forms part of the mill there and this piece of paper, a schedule to the agreement which forms part of the agreement would list the equipment, would list the amount I would imagine already sold, would list the equipment which is in place and probably that or the financial statements themselves would give the value of this equipment so that we will know, Mr. Speaker, exactly what it is that Abitibi Price is getting in return for its \$43.5 million of purchase price.

Another piece of paper, a schedule to the agreement, "LLL3" refers to the contracts of Labrador Linerboard Limited, Mr.

MR. W. ROWE:

Speaker, contracts I would assume involving liabilities which the government would be responsible for and would indemnify the purchaser, Abitibi, from and contracts perhaps containing assets, Mr. Speaker, of the Linerboard Mill that Abitibi Price would get the benefit of as a result of paying its purchase price. I would like to see what the value of these contracts are in terms of credits and liabilities.

In short, Mr. Speaker, as a member of this hon. House asked by this government to vote on this agreement, I would like to know what the agreement is. I would like to know what all essential parts of the agreement are. I would like to know what Abitibi Paper Company is getting in return for its purchase price. I would like to know what the liabilities of the government are going to be following the sale of the Linerboard Mill to Abitibi Paper Company. This has nothing to do, Mr. Speaker, with whether we favour or disfavour the principle of the bill and the agreement. I have already said that we favour it. But, Mr. Speaker, I have seldom seen in my experience in this hon. House over the past ten years or more members of the Opposition, members of the House, backbenchers in this House,

MR. W. ROWE: who have been treated with the kind of contempt which is implicit in this act when we are asked to stand up in the first instance and say, "Yes, oh yes, it is a great act, a great bill, push it through"; we are criticized in a very negative fashion by the government if we raise any questions, ask any questions, point out any loopholes or criticisms that might be made of the bill. But more important, Mr. Speaker, as a member of this hon. House, I and my colleagues, and the member for Bay of Islands (Mr. Woodrow), the member for Mt. Scio (Dr. R. Winsor), the member for St. John's North (Mr. J. Carter), Exploits (Dr. Twomey), and other members of this hon. House, Mr. Speaker, including my own colleagues, are asked to vote on an agreement many of the essential elements of which are not even contained in the act itself or the bill itself or the agreement itself and many essential elements of which we are not even given the courtesy of having a look at. And we are asked to vote for an agreement, Mr. Speaker? I do hope, Sir, that the press of this Province pick up that element, not for - I could not care less; that is from my own point of view - pick up the fact that all the essentials of this agreement are not before the House of Assembly, that we do not know what Abitibi Paper Company is getting. We do not know what assets it is getting, We do not know the value of those assets. We do not know the value of any contracts. We do not know what liabilities the government is going to be left with. We do not know what liabilities the government has had foisted off on it which may be a proper part of the sale to Abitibi. We do not know what the financial liabilities of the government are now or will be following

MR. W. ROWE: the sale because remember, Sir, once the sale takes place and Abitibi owns it then there is no way the government can ever recoup the liabilities which it has assumed to date, because the government itself assumes and takes responsibility for paying off the financial liabilities of the Linerboard mill. So we know that Abitibi Paper Company is getting all the assets, all the benefits of Labrador Linerboard and we know that the government is being left with all the liabilities, with all the financial and legal liabilities of the Linerboard mill. We know that much, Sir, but we do not know what the assets that Abitibi Paper Company is getting are and we do not know what liabilities the government is going to be left with and any premier and administration, Mr. Speaker, that seeks to convince the people of this Province that they are being open, that they are telling the people what the true situation is, any government which seeks to do that, Mr. Speaker, would surely before this bill was even distributed around have made sure that these essential elements of the agreement were included with the bill so that we would know what we are talking about and know what we are voting for. It is not too late. Members have not had the benefit of that information so that they could debate the bill and the agreement with more information and thereby perhaps a little more intelligently. But it is not too late.

I would ask the Premier to provide members before the House sits tomorrow with this information, with these essential elements of the agreement, "The parties agree that the contents of these schedules, the financial statements, the legal actions, the contracts, the equipment, the asset, the freehold and leasehold assets,

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MR. W. ROWE: the land, all form part of
the agreement and shall be deemed to be part of the agreement".

Mr. Speaker, I do hope that
the government will supply us with this information.

Mr. Speaker, I move the adjourn-
ment of the debate.

MR. SPEAKER: (Ottenheimer) The hon. member has moved the
adjournment.

Hon. minister.

MR. MARSHALL: Motion, the House at its rising
adjourned until tomorrow Tuesday, May 8, 1979, at 3:00 p.m.