



PROVINCE OF NEWFOUNDLAND AND LABRADOR

HOUSE OF ASSEMBLY

Volume 1

Number 6

4th. Session

34th. General Assembly

VERBATIM REPORT

WEDNESDAY, FEBRUARY 25, 1970

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House met at 3 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order!

HON. J. R. SMALLWOOD (Premier): Mr. Speaker, I am sure I speak for every hon. member of the House on both sides of the House, when I express a word of cordial welcome to some forty-seven students of Grade IX and Grade X of St. Edward's High School, Bell Island, who are here visiting us today in charge of their teacher Mrs. Dolph O'Neill.

Now I think that they are in perhaps both galleries, behind me as well as in front, I cannot see, but I would assume. And therefore, I feel safe as I can see only one, two, three, four young men. I feel safe in saying that in my opinion, the young ladies are just as intelligent looking as the young men, and a lot nicer looking - just as intelligent but a lot better looking.

We are happy that they have come to visit us here today. I do not know what their member, the Hon. the Minister of Public Welfare thinks, whether he will share my opinion about the beauty and intelligence of the boys and the girls. But I am sure we are all very glad they have come this afternoon to share from the galleries quietly and silently, which it must be, very silent, very quiet - share in the proceedings of the Legislature. They will see the people's House in Session. They will hear great oratory, they will hear marvellous logic, and they will hear profound philosophy. And I do not see how they could leave us unless they go in a minute or two - I do not see how they could leave us without being much wiser with regard to Newfoundland than they were before they came in.

I do not suppose they will have a thorough understanding of how this House works - it works according to rules like a football game - it has its own rules, or a hockey game. Most things are done according to rules, and this House has its rules, and the rules are very old. Indeed they are very ancient. The more ancient they are, the more precious they are, and the more they are respected at any rate, the more they are supposed to be respected - they are not always respected and carried out faithfully, but they are supposed to be.

And so because of the rules our visitors may not understand thoroughly the business of the House. We act according to very ancient rules, that were made long before we were born, before our fathers and grandfathers were born -

very very ancient rules, and therefore it will not perhaps always be easy to understand why we do what we do and why we behave, as we do. At any rate, that is it. St. Edward's High School, Bell Island - Grades IX and X - forty-seven of them under their teacher Mrs. Dolph O'Neill, and I can only say to the hon. member for Bell Island that I envy him - such fine, intelligent, and so far as the girls are concerned, good-looking constituents.

I am sure they all voted for the hon. member, and if not, I am sure they would if they could. Anyway they are very welcome to the House. And now I am going to sit down, while the eloquent Leader of the Opposition gets up and if he never does it again for the rest of the Session, he is going to agree with everything I have said. He is going to say "ditto" he is going to say "hear, hear" - he is going to say, "the Premier is absolutely right" - he may not say it again for the rest of the year, but he is going to say it today, that these students are intelligent, are good-looking, especially the girls, do not forget that - do not forget that part - the girls - or the hon. gentleman will have no hope of winning Bell Island next time. I am sure I will ^{be} joined by him as by all members of the House in welcoming the first students of this Session. I suppose there will many here before this season is over, we will have many many hundreds of other students, and the more the merrier, the more the better, and they are as welcome as the flowers in May.

Now I am not sure that I will be around long enough for these fifteen, sixteen; seventeen year olds to be voting, and whether I will around long enough for them to be voting for me, or not, I cannot say - there are people in this House who would like to know, but I am not going to give them any hints.

APPLAUSE:

HON. ANTHONY J. MURPHY (Leader of the Opposition): Mr. Speaker, I take great pleasure in joining with the Premier on this occasion welcoming these young students from Bell Island. Perhaps it is one of the few times we will agree - the Premier as usual was very eloquent in describing just what this House represents, and I think we all agree with it. It is a very historic room in itself this Assembly - We come here to transact the business that pertains to all the people of this Province. The Premier sometimes contradicts himself. In the first instance he said these students looked very intelligent, and then in the next breath he said they voted for the hon. member for Bell Island - now that just does not hold.

I cannot see that, but I suppose he has got to give his member the benefit of the doubt. I am very happy indeed to welcome these students here. Do not be afraid, do not be scared. It is not what you read in the paper, you hear over the air, pollution is not as prevalent in this House as some people seem to think - There might be some hot air, but I think basically it has been cleared by the Hon. Minister of Health. There is no danger, and we will all join and I am sure there are no political parties when we welcome these young people. These are the citizens of the future, these are the ones we are striving to keep our Province safe for, and I am sure that all of us on this side - I do not know if the nudging four are going to have a word to say or not - I do not know if they come in on this, but I am sure the hon. member for Bell Island is very happy and I do not blame him. I think he should be very proud of these young people. The name Mrs. Dolph O'Neill sounds familiar - I do not if it is the same of my old friend that I should know. But Mr. Speaker, I am very happy indeed to join with the Premier on this occasion to welcome these students, and to ask that they enjoy their trip here. And had a lovely sea-trip over, perhaps they are some of the few citizens of our province that can have a sea trip, and come into St. John's - not too long, a beautiful view coming in. And we certainly hope they do enjoy their visit, and we say "will ye nae come back again? Thank you very much.

APPLAUSE:

HON. STEPHEN A. NEARY MINISTER OF WELFARE:

Mr. Speaker, in adding to the welcome extended to my young friends of Bell Island, by the hon. the Premier and the hon. Leader of the Opposition, may I assure them that I have presented a petition on their behalf.

Accordingly, Mr. Speaker, I have for each one of them, before they leave this hon. House of Assembly copies of "Historic Newfoundland", bearing the signature of Joseph R. Smallwood, the only living Father of Confederation, duly witnessed by their own representative.

So you see, Mr. Speaker, those young autograph hunters, the prayer of their petition has been granted.

SOME HON. MEMBER: Here! Here!

HON. F. W. ROWE, MINISTER OF EDUCATION: Mr. Speaker, I rise with a little hesitation to a point of privilege:

Last year I rose on two occasions, two points of privilege, and it was subsequently stated in the press that Rowe stood up for the twenty-fourth time to a point of privilege in the present session. It was not reported - I should not have said that - but it was stated by a writer in the paper.

I think he was trying to be funny, but a lot of people thought that I spent most standing to points of privilege. I want to make it quite clear (and now I am serious) that I appreciate, as I am sure does every hon. member in this House, the difficulties confronting the Press, representatives of the various media, Radio and Television and the newspapers, in trying to report the proceedings of this House, and I, for one, do not take objection at all if on occasions small mistakes occur and perhaps a little distortion or a little misunderstanding creeps in. I do not take exception to it and I have no intention of quibbling every time somebody leaves out some jot or tittle of what I have said here in the House.

The news report of the "CBC" Regional News, at 11:50 o'clock, last night, February 24, 1970 - and I wrote it down as it was said or at least immediately after it was said, and it was so serious that I felt I should rise on a point of privilege.

Mr. Speaker, the exact words stated in the news bulletin at 11:50 P.M., CBC Regional News, was: "Dr. Rowe charged that former Cabinet Ministers were breaking their oath of office by taking part in a non-confidence vote against the Government.."

Mr. Speaker, I do not need to inform this House and I am sure the Hansard will bear this out, I at no time ever made such a statement, I at no time every implied such a thing and, of course, I do not think such a thing.

I should like to have that go in the record, Mr. Speaker.

PETITIONS:

MR A WORNELL.

I have nineteen letters here, MR. Speaker, all of which have the same tenor and prayer of a petition, and with your consent, Sir, I will present them as a petition. These letters are written by the residents of Furbys Cove, in Hermitage District. Some of the letters contain various names. The first one has seven names and the others have, six, seven etc. All together there are some ninety names represented, but there are twenty letters, Some letters have been duplicated. In other words, they wrote one month and wrote again.

The prayers of each letter or petition are identical. They all pray that rural electrification be extended to the Community of Furbys Cove.

Now last year, Sir, a transmission line was built by Checo Engineering, from Bay D'Espoir Power Hydro-Development Plant to Harbour Breton and Hermitage. This transmission line follows the contour of the land and goes to within one mile of Furbys Cove. I understand that poles were landed in Furbys Cove and the construction company cut a right-off-way into the line site. So it would not take too much money to have this transmission line connected to Furbys Cove.

I heartily endorse the prayers and request of these letters, Sir, and I ask that they be received in the spirit of a petition, in view of the unanimity of the expression they contain. I ask that they be received by this hon. House and referred to the department to which they referred.

On motion petition received for reference to the department to which it relates:

presenting reports of standing and select committees.

MR. KEOUGH: Mr. Speaker, I beg leave to table the following reports for the Calendar Year ending December 31, 1969 as required by statute: - the report of matters transacted by the Minister of Labour under the provisions of the Labour Relations Act, the report of the Labour Relations Board and the annual report of the minimum wage board.

MR. JONES: Mr. Speaker, tabled copies of the Public Service Pensions Non-participating Employees' Regulations, 1969. Under Statute it is required that these regulations be tabled in the House within fifteen days of the Opening.

Mr. Speaker, I would also like to say that additional copies of the Auditor General's report for the year ending 1969 are now in the clerk's office and will be distributed in due course.

MR. CALLAHAN: Mr. Speaker, I ask leave to table the annual report, Auditor General's report, and financial statements of the Co-operative Development Loan Board for the year ending March 31, 1969, and I say there are copies in the clerk's office.

MR. WELLS: Mr. Speaker, I give notice that I will on tomorrow, move the following resolutions: whereas it is essential for all members of this House to have reasonable office accommodations close to the House to enable them to properly discharge their duties and whereas the Government has refused to provide suitable accommodation on either the ninth or the tenth floors of Confederation Building for the members of Benavista North, St. John's West, St. Barbe's South, and Number East and whereas based on the tenth floor, is assigned to the hon. Minister without Portfolio, the member for Labrador South, is neither necessary for, nor used by the hon. Minister, therefore be it resolved that this House direct the Government to make available to the said members, the space on the tenth floor of the Confederation Building presently assigned to the said hon. Minister without Portfolio.

PON. J. R. SMALLWOOD: Mr. Speaker, I have at least partial answers to some questions on the order tabled for today.

Question No. 65 - the hon. the member for St. John's West.

(1) No.

(2) I have not, at the moment the answer to the second part. When it arrives, I will be glad to table it - to impart it to the House.

Question No. 66 (That is on the order tabled for today)

Question No. 66 - the hon. the member for St. John's West.

(1) The answer is "No".

(2) The answer to the second part is "Soon".

(3) I have not yet received the answer to the third part.

Question No. 67 - the hon. the member for St. John's West.

(1) The answer to the first part is that we did enter an agreement with Mr. Groom. It was an oral agreement confirmed by an ordering council. It was, I think, for five years.

(2) The answer is that the salary was \$20,000.00 rising to \$25,000.00 rising to \$30,000.00 a year. No pension.

(3) Yes. Mr. Groom has submitted his resignation. What Mr. Groom did, in fact, was ask me if the Government would release him from his agreement, which had, I think, two years to go. We agreed with regret and reluctance. It takes effect at the end of the year, and as to what provisions have been made with reference to any contract entered into with Mr. Groom, I do not know what that means. The Government's year - the year - the Newfoundland's year. The Government's year, the end of the year.

SOME HON. MEMBER: The public may not be aware of this, but the Government's year ends March 31.

PREMIER SMALLWOOD: That is right, March 31 is when the Government's year ends.

MR. CROSBIE: I have a supplementary question. The hon. the Premier informed the House whether or not he is quite sure that there were no provisions for payment of pension under that agreement - not whether or not there is not any pension paid now but provisions for pensions to be paid at the end of the term.

PREMIER SMALLWOOD: I will check further on that. My impression is that there is no pension. A pension at the end of five years? I do not think so. As a matter of fact I was under the impression that it was ten years, but Mr. Groom informed me when he came to see me that, no, it was five years. So, I am going by his word without having checked the ordering council. He was employed by an ordering council, and my impression was that it was for five years, but - for ten years - but he says, no, it was for five.

SOME HON. MEMBER: Five and five.

PREMIER SMALLWOOD: Five and five? Option of renewal at the Government's option, and at the end of ten years, I think that there might be a pension, but not at the end of five. Is that how it goes? Is that it?

SOME HON. MEMBER: Yes.

PREMIER SMALLWOOD: But, I think, my colleague the Minister of Finance probably has it more freshly in his mind, so that it would now appear that the agreement was for five years, as Mr. Groom thought - as he informed me when he saw me - but renewable for five, and that if it were to be renewed and he was to serve the ten, he would then get a pension but not at the end of five years.

Question No. 71 - from the hon. the member for St. John's West.

I can only say in connection with this whole question that has to do with the oil refinery at Come-by-Chance and it is a long series of questions, this matter is the subject of debate later today. A debate initiated by the same hon. member and I will say now in reply to this question what I will say in the debate that is to come, that we are not going to table any of this information at the moment. We are going to table all of it, but not at the moment, that certain negotiations are proceeding. These are extremely important and definitive negotiations - negotiations that are the final conclusion of all the negotiations and these are in the last stages at the moment and until they are completed, we will not be tabling any information but the House is to understand clearly that all the information is to be tabled, but not at the moment, not until these negotiations are completed in the next few days. It might stretch into a week but I do not think so, I think in the next few days.

It would be positively inimical, positively injurious to the public interest to give any information at this stage and we do not intend to do it at this stage.

Question No. 72 - the hon. the member for Bonavista North.

(1) No.

(2) No

(3) I do not know, but I would assume so

(4) I have not the slightest idea. This odd question, Mr. Speaker, I suggest to Your Honour ought not to have been permitted on the order paper. This is a question having to do with post offices with which this Government has not- in which it has no jurisdiction and for which it is not answerable and about which it has no information except what it reads in the newspapers.

MR. CROSBIE: Mr. Speaker, if there is to be a debate as to whether this question is suitable or not, I presume we can all participate in it or is not the answer to question ---

PREMIER SMALLWOOD: Mr. Speaker, there is no point of order here.

MR. CROSBIE: When questions are to be answered, Mr. Speaker, are they not just to be answered? If the hon. Premier wants to start a debate on whether the question is proper or not, we would insist on debating it.

PREMIER SMALLWOOD: Mr. Speaker, I suggest to Your Honor that this question ought not to have been allowed on the order paper and that any question in future put in by any hon. member referring to matters for which this Government are not responsible, ought to be ruled out and not put on the order paper. I ask Your Honor that this be done in future.

MR. CROSBIE: I am not standing, Mr. Speaker, on the point of order. The point of order is the one I just made a few moments ago, which you have not yet given any decision on. I suggest, Mr. Speaker, that when questions to answers are being given, this is not the time to start the argument as to whether the question is properly put on the order paper or not. There are other methods of disposing of that, and if this is the time to argue these matters, I would like to be informed. I am sure that the rest of the members of the House would like to be, so we can join in the debate.

I submit that question and certainly part of it is quite proper.

MR. SPEAKER: The questions asked, as I pointed out in an earlier sitting of this House, when they reply to that is that there is no debate, but I think that it is still in order for the minister to whom the question is

directed, to state that this is outside of his jurisdiction and it has - it is in the jurisdiction of the Government of Canada and therefore, is not a proper question to ask him, and it is for the clerk and the Speaker of the House to decide whether the question goes on the order paper or not, but the comments are to the point, that it is within Federal jurisdiction and therefore, outside the ambit of questions which should be answered by the minister, perfectly in order.

PREMIER SMALLWOOD: Mr. Speaker, that being clear — Mr. Speaker, Question No. 75

Question No. 75 - in the name of the hon. member for St. John's West.

My answer must be the same as that given by me in answer to question No 71 on the order paper of today. The Government had no intention whatsoever of tabling any information whatsoever about the oil refinery at Come-by-Chance for some days to come - that as quickly as we have the freedom to do so, we will do so, but we do not have it at this moment because the negotiations are not definitively completed and they are almost definitively completed. We expect that they will be in a matter of days, whereupon we will be happy and proud and very eager and very determined to table all this information with emense pride, happiness and satisfaction for ourselves and for the people of Newfoundland.

MR. KEOUGH: Question No. 76 - On today's order papers, standing in the name of the hon. the member for Humber East.

Question No. 76

(1) Has the Workman's Compensation Board entered into an agreement to rent space in Philip Place?

Answer, yes.

(2) What is the amount of space agreed to be rented?

Answer, 11,604 sq. ft. of office space; 1,230 sq. ft. of vault space.

(3) What is the rental per sq. ft. per year?

Answer, \$6.00 for office space; \$3.00 for vault space.

(4) What is the amount of the total rent per year?

Answer, \$73,314.00.

(5) What rental was the Workmen's Compensation Board paying for office space on a yearly basis in Confederation Building?

Answer, \$33,175.92.

(6) What person or co-operation is the owner of Philip Place?

Answer, Lundrigans Limited.

(7) If the owner is a co-operation, what are the names and addresses of the principle officers and shareholders of the said co-operation?

Answer, the Workmen's Compensation Board does not have this information.

MR. WELLS: Question, Mr. Speaker. Is the hon. minister aware that another agency of Government namely the Newfoundland and Labrador Power Commission, acquired office space in the same building for \$5.25 a sq. ft. as announced by the hon. the Premier.--

MR. CROSBIE: On a five-year term.

MR. WELES: A few days ago on a five-year term?

MR. DAWE: Mr. Speaker, the answer to Question No. 77 on today's order paper asked by the hon. member for St. Barbe's South.

Question No. 77 - hon. member for St. Barbe's South.

(1) The amount spent, to date, to implement the Urban Renewal Scheme at Blackhead Road by the Province of Newfoundland.

Answer, \$1,286,340.75. This consists of two amounts. The first amount paid directly by the Province, \$681,198.00; loan from Central Mortgage and Housing \$605,142.00.

(2) The amounts spent, to date, by Central Mortgage and Housing Corporation.

\$907,714.09

(3) The amounts spent, to date, by Newfoundland and Labrador Housing Corporation.

\$393,83. This is the amount for house designs, but I should like to clarify, Mr. Speaker, to say that an amount of \$158,426.07 was purchased - was spent for the purchase of houses - was subsequently, this amount was repaid by the Province and it forms part of the amount in answer No. 1.

Therefore the total expenditure, to date, is \$2,194,448.71.

MR. MALONEY: Mr. Speaker, I have the answer to Question No. 68 on today's order paper, asked by the hon. the member for St. John's West.

HON. A. MALONEY(Min. of Fisheries): (1) The herring reduction plant \$530,758.58.

This is a payment in accordance with the statutory requirements of Act. No. 50 of 1966-67. The amount is \$530,758.58. On vessels, the amount of \$973,386 these two vessels are owned by the Government of Newfoundland.

(2) The amount spent during the fiscal year commencing April 1, 1969, was \$31, 800.

Question No. 78, asked by the hon. member for St. Barbe South,

(1) 18 vessels.

(2) 4 vessels.

I have for the House the names of the fishermen concerned, the particulars of the vessels, and the amounts paid in the form of bounty. I might add that a separate bounty is not paid on engines, so the bounty is paid on the completed vessels.

HON. E. ROBERTS(Min. of Health): Mr. Speaker, with reference to the question on today's Order Paper, question No. 74, asked by the hon. member for St. John's West. The answer, Sir, is that, no, neither I nor, to my knowledge any of my officials has told any hospital in this Province that they will receive during the coming fiscal year no more monies from the Government than they received during the fiscal year which will end on March 31, next. I should^{add}/for the benefit of the House, Sir, and I would have thought that the hon. gentleman would have recalled this, hospital budgets in Newfoundland and indeed throughout Canada, are established on the basis of the calendar year, not the fiscal year of the Government. My answer is easily applicable to the calendar year. It is true Sir, that the Government have asked hospitals authorities again this year to keep their operating budgets to the lowest possible level consistent with authorized services and the maintenance of a high quality of patient care, and I feel Sir, that I should tell the House the hospital boards are co-operating in the greatest possible degree.

{2) Does not arise.

MR. WELLS: Has there been any suggestion, by any officer of the hon. minister's department, that either of these hospitals mentioned in this question should cut back on their cost even if it means cutting out or reducing the services presently provided, has that been said to them on any occasion in a letter by an official of the hon. minister's department?

MR. ROBERTS: Mr. Speaker, I have not, nor could I see all the letters written by my officials.

MR. WELLS: Who is responsible for them?

MR. ROBERTS: I agree Mr. Speaker, and I have not said I am not responsible if the hon. gentleman has a particular letter, or particular communication in mind I would be happy to look into it. I am not going on a fishing expedition, Sir, If I understand the hon. gentleman's question, and I am not sure I do, I am not sure that it was, perhaps Sir, it is a question for the Order Paper and I would undertake to look into it and get the details of any particular programme he has in mind. To repeat, Mr. Speaker, I am not going on a fishing expedition, I have 2200 employees in the Department of Health I do not intend to read all their correspondence, Sir.

HON. W. ROWE (Min. of Community & Social Dev.): Mr. Speaker, question No. 70 asked by the hon. member for St. John's West. In connection with ^{that} question, Mr. Speaker, and all questions concerning DREE and this government's negotiations with that department. I would say that the Government is in the process of completing negotiations respecting the first year preliminary DREE programme. Until those negotiations are completed I have nothing to table in this Honourable House and when they are completed, when the negotiations are completed Mr. Speaker, the programme will be laid before this House in its entirety and fully explained.

ORDERS OF THE DAY:

HON. L. R. CURTIS (Attorney General): Mr. Speaker, I have a motion to make with respect to sitting hours of the House today, and on Fridays. As hon. members know today is private members day and it is by purpose to call that order first. It is not my intention to call any Government orders today, in other words, when the private members' business has been disposed of, it is my intention to call for the adjournment of the House, until tomorrow. On the other hand if private members' business extends beyond six o'clock, I propose to ask that the rules be changed and the House to meet tonight to finish disposing of that business. And, furthermore, it is my intention to suggest to the House that since there are many members of the House who live out of town that on Friday nights, as six o'clock Mr. Speaker leave the Chair and we have no night sessions on Friday nights, so the suggestion is really that we replace Wednesday night holiday by a Friday night holiday, which I think would suit everybody much better. The effect of my motion, would be to take rule no 7 and have it read this way, at six o'clock on Friday Mr. Speaker adjourns the House without the question. 300

put, the House then adjourns, stands adjourned until the following Monday. But that the reference to Wednesday in seven will be Friday instead of Wednesday. In other words, if at the hour of six o'clock except on Friday the business of the House has not concluded Mr. Speaker is to leave the Chair until 8 p.m. I think that I have made this situation clear and therefore move the following Resolution. I move that Standing Order 7 requiring Mr. Speaker to adjourn the House at 6 p.m. on Wednesdays be suspended and that instead Mr. Speaker at 6 p.m. to leave the Chair until 8 p.m. and further that on Friday at the hour of 6 p.m. Mr. Speaker adjourns the House without question put until the Monday following. Now I have a , if the House would prefer I could limit the Resolution to today and just move that the House not rise at 6 p.m. today. But so that the hon. members may know that Wednesday is private members day and that they will have as much time as they wish for private members business, It is suggested that we meet on Wednesday as long as private members like, after the private members business is complete I intend to move the adjournment of the House.

MR. WELLS: Mr. Speaker, I draw Your Honour's attention to Rule 29, Standing Order 29. which reads: Twenty-four hours notice shall be given of a motion for leave to present a Bill, resolution or address, or for placing a question on the Order Paper; but this rule shall not apply to Bills after their introduction or to private Bill, or to the times of meeting and adjournment of the House. This motion is not a motion with respect to meeting or adjournment of the House, this is a motion to suspend Rule 7 which requires notice and the hon. the Leader of the House, President of the Council, cannot, now say, claim this to be, or try and get this under the guise of being a motion to adjourn the House. It is no such thing Your Honour to suspend Rule 7 and that requires twenty-four notice pursuant to Rule 29. It is amply supported by references to Beauschene which I can give Your Honour should Your Honour so request. And what has just happened now ^{is} the threat to us to end off the debate on the Come by Chance Bill which we have scheduled for today or otherwise we have to work tonight, and we have been going night and day since we started. Discussing arrogante.

MR. SPEAKER: If another member wishes to make a contribution towards this debate I will hold my ruling until he does, I would be pleased to have any assistance that any member can offer.

MR. A. MURPHY (Leader of the Opposition): I too would like to add my support to the hon. member for Humber East I think it is complete ignoring of our rights here to

give what time we should be giving to the various pieces of legislation I think it is a threat to us particularly this today, now you boys finish this at 6 p.m. or by golly we will have you back there working tonight. I think it is an absolute threat. I do not think it is any way in the form of democracy, where a Government composed of this House such as it is with so many members on the other side can browbeat, if you like, this smaller Opposition here to do things that we feel and know are not in the best interest of this Province, Mr. Speaker, and I would like again as I have done in many occasions to tell the people of Newfoundland the way that the business of this House is being treated absolutely. What we are doing earlier today the hon. Minister of Education made reference to how difficult it is for these press men to report correctly in Heaven's Name how they do it cover two sessions let us be reasonable. Let us be reasonable. Yesterday the hon. member for St. John's West made a motion that we adjourn at 6 p.m. I did not mind the Premier. We know what the Premier is like as far as politics is concerned. But every one in this ...

MR. SPEAKER: The hon. member is speaking to a point of order.

MR. MURPHY: I am speaking to a point of order, Sir, yes, and to stress this point of order is the attitude that every single member on that side is taking. Every single member, and I do not think it is right, I do not think it is democratically right, Sir, that we should be threatened as we were today by the hon. minister, the Leader of the House to say look finish at 6 p. m. or come back here and stay all night and finish it. We go on record as being against this attitude, Mr. Speaker.

PREMIER SMALLWOOD: I do not know if this is a point of order before the Chair or not. A point of order is moved by the hon. member for Humber East. Speaking to that point of order, the fact is quite simple, this is private members' day Wednesday. Every Wednesday in this House it is private members' day, not the Governments' day. Every other day of the week the Government calls the business and its business comes ahead of everything, but on Wednesday it is private members' day. Now ordinarily on Wednesday the House rises at 6 p.m., this would give the private members about, right now to give them one hour and fifty-five minutes to 6 p.m. One hour and fifty-five minutes, no two hours and five minutes so private members' day today would amount to two hours and five minutes. The purpose of the motion moved by my hon. friend, the President of the Council, the Minister of Justice is to extend private members' day to 11 p.m. tonight. This is the tyranny of this Government, this is the dirty low down trick of this Government to keep the private members' of the right to debate the business

that they bring before the House - away with such arrogant hypocrisy.

MR. JOHN C. CROSBIE: Mr. Speaker on this Point of Order. As the Premier says Wednesday is private members' day. We are quite aware of the rules though he might not think so and on private members' day the House adjourns at 6:00 p.m. to meet again the next day Thursday at 3:00 p.m. If our discussion is not finished on Wednesday afternoon on this private members' day it can continue again on Thursday the following day. The motion stands over.

PREMIER SMALLWOOD: Can it?

MR. CROSBIE: It can.

If permitted by the majority of this House.

PREMIER SMALLWOOD: Yes, that is where they are making their mistake.

MR. CROSBIE: Or it can come up again next Wednesday, Mr. Speaker.

HON. L. R. CURTIS (President of the Council): Yes until next Wednesday.

MR. CROSBIE: Now.

PREMIER SMALLWOOD: A week later.

MR. CROSBIE: Mr. Speaker, the leader of the House is the hon. the President of the Council. He has not had the courtesy or the decency to even see a member of the Independent Liberal group or a member of the official Opposition to discuss this proposal with them. In what house of assembly or parliament in the world are there such conditions and circumstances that not even up-decency is shown by the leader of the House to discuss with us, as it is customary at Ottawa and every province to discuss the proposals he is going to make that affect our private members' day and affect the rules of the House. It is unheard of.

PREMIER SMALLWOOD: It is contempt.

MR. CROSBIE: It is contempt. It is arrogant. It is unbridled tyranny and nothing else. We do not propose to accept it. We are not going to accept it. The rules are clear and if the tyrants on the other side want us to debate here morning, noon and night for the next six weeks, we will go until we drop on our feet on the floor of this House.

PREMIER SMALLWOOD: Hurrah! Hurrah! Raise the flag.

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MR. CROSBIE: They are not going to stop us from being heard in this House.

Mr. Speaker we have our rights here. This motion is not in order and I asked that the hon. leader of the House have the common courtesy to discuss with us the business of the House and who is going to speak and in what order. Not what has been going on here for the last two days. Forcing us to speak everyone on the Opposition side with nobody from the other side speaking. They know, if we do not speak the motion will die.

We have had enough of it. On this Point of Order I support it, Mr. Speaker.

HON. EDWARD M. ROBERTS (Minister of Health): If I may speak to a Point of Order, Mr. Speaker, and perhaps without the impassioned and, I submit, Sir, largely irrelevant eloquence of my hon. friends opposite the hon. member for St. John's East and St. John's West.

Mr. Speaker, if I have ever heard an arrogant statement, I will submit my case to your Honour and then your Honour will rule as your Honour sees fit.

Mr. Speaker, the motion made by the hon. the President of the Council in his capacity as House leader is one which I submit is one to alter the sittings of the House, Standing Order 29 which can be found on page twenty-one of the Standing Orders of the House, Sir, does apply, and it was read by my hon. friend from Humber East. It says: "twenty-four hours notice shall be given..... except to motions dealing with the times of meeting and adjournment of the House."

I submit, Sir, that this is supported by the precedence that this motion is to that affect, to the affect Mr. Speaker, if I may be permitted the privilege which the hon. gentleman claims for himself but is not willing to accord others of at least finishing what I have to say. If the hon. gentleman then wishes to dismiss it out-of-hand, Sir, that is his privilege.

Mr. Speaker, I submit that this motion is one, the heart of which, the substance of which is to speak to the times of adjournment and sitting of this House. I submit, Sir, the fact that it mentions Standing Order 7 - it is merely the means by which the motion and I submit, therefore, that the motion

is in order, Sir.

MR. WELLS: Mr. Speaker, may I reply before your Honour answers. I refer your Honour to a reference in Beauschene..

MR. CROSSBIE: Who is the speaker of the House?

MR. WELLS: Paragraph ten, page eleven, your Honour, Beauschene.

MR. SPEAKER: Before we go into this any further, I thank all the hon. members who have spoken for the assistance they have given me. I will also say that I have had some assistance because I was looking upon this as rather a tricky question, this Rule 29 which states: " the twenty-four hours notice shall be given of a motion for leave to present a bill, resolution or address or for placing a question on the order paper. But this Rule shall not apply to the times of meeting and adjournment of the House."

Now I had interpreted that that this motion would be in order for that reason, because it did not apply to the times and hours of sitting of the House, the meeting and adjournment of the House.

Now it was pointed out, as I say, I had discussed this matter with various members of the House and lawyers who are not members of the House and we did not come quite clearly until we found this and I will draw your attention to page forty of the Beauschene fourth edition, citation fifty-one and here is what it says: "no notice is required for a motion relating to the times of meeting or adjournment of the House." The word, 'times' is translated by the French word which in English is 'hours' in the French version, Standing Order 51 and this is important. They use the word instead of times, the word 'times' is translated as 'hours' and it seems, therefore, that if a motion does not relate to the hour but to the day on which a House is to sit, a notice must be given. That decision given by a speaker rose on May 21, 1920. "When the House intends to sit later than 6:00 p.m. on Wednesday or Friday, and at that particular time, when this was written, the House of Commons sat Wednesday and Friday this was private members' day.

"When the House intends to sit later than 6:00 p.m. on Wednesday or Friday or later than 10:00 p.m. on other days (our hour is 11:00 p.m.) a motion may be made during the sitting and without notice having been previously given

that the House do not adjourn at 6:00 p.m. or 10:00 p.m. today as the case may be."

The reason why no notice is required is that Standing Order 41 which is our Standing Order 29 which provides for notices to be - not Standing Order 29, no. Our Standing Order is a different number. The reason why no notice is required is that our Standing Order which provides for notices to be given says that the rule shall not apply to the times of meeting or adjournment of the House.

Now that is the quotation from Beauschene , page forty and I think, and I agree that it relates as it says in our Standing Order 29 that no notice is necessary to the times of meeting and adjournment of the House and consequently I accept the motion, but in accepting the motion I would suggest that the motion be reworded and the part which deals with the hour on Friday be left out of the motion altogether with the consent of the movers.

MR. CURTIS: Mr. Speaker, I only put that clause about Friday in to let hon. members know our intentions.

MR. WELLS: Point of Order, Mr. Speaker. We may now have the exact wording. My Point of Order was raised on the basis of the wording which was to alter Rule 7 and we may now have the exact wording of the hon. the President of the Council's motion and then we could consider whether or not it still offends Rule 7.

MR. SPEAKER: The suggestion that I do make. I said that in changing the motion and leaving out Friday, I think it would be as well that the House do not adjourn at 6:00 p.m. on Wednesday and that the Speaker do leave the Chair until the following day.

MR. WELLS: On that Point of Order, Mr. Speaker. Is it intended for all Wednesdays or just today. If it is all Wednesdays, I submit, Mr. Speaker that it still offends Rule 7 and refers to days rather than hours.

MR. SPEAKER: I give it as my opinion and it is referred to today only. This is dealing with one particular issue.

Those in favour of the question please say "aye."

Contrary "nay."

I give it as my opinion that the "ayes" have it.

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SOME HON. MEMBER: On division, Mr. Speaker.

MR. SPEAKER: On division is not dividing.

SOME HON. MEMBER: The hon. member will learn, if he is here long enough.

MR. SPEAKER: Order, please.

ORDERS OF THE DAY

MR. CROSBIE: Mr. Speaker, I rise to move the motion that is on the Order Paper seconded by the hon. member for Humber East.

Mr. Speaker, it is now I think two years since this House has had a full debate on the Come-by-Chance Oil Refinery Project at Come-by-Chance. I think the full last exploration of that matter, that agreement was in May 1967 in this hon. House.

There has been a lot of water passed under the bridge since that time. Now we already had an intimation today of the attitude the Government is going to take on this motion and it is an interesting one. The argument that is going to be used. The argument that was used when Question 71 and 75 were dealt with by the hon. the Premier. Oh! he says, somebody dares to ask a question about whether there is going to be an AIDA grant or not in effect he says. We are not going to answer it. We are not going to table any information. We are not going to give any information until we are ready to give the information. We are the Government. We are in control. We will decide, when the information comes out and when it will not, and the excuse we will use is that certain delegate negotiations are underway. Certain delegate negotiations are always underway with this Government and they are never more underway than when somebody wants to get some information that is of the public interest and importance. That is when those delegate negotiations really get going. Well it will not wash. We do not accept it and we have a motion, Mr. Speaker, on the Order Paper and I will just refer to the motion first.

The introduction of the motion point that first there is a great deal of uncertainty as to the exact status of the project to construct a Core Chemical Plant for the manufacture of Petroleum products at Come-by-Chance. It refers to the Agreement made as at 23rd day of January, 1968 between the Government and

Newfoundland Refining Company Limited as was ratified by Act No. 86 of this House in 1968.

It refers to the fact that the Government has lent or caused to be lent to the building company involved in this project an amount not exceeding the sum of Five Million Dollars for purposes of interim financing of the project.

It refers to the fact that the Government of Canada appear not to be satisfied that they have received sufficient information to decide whether or not to expend an amount of approximately Twelve Million Dollars in the construction of harbour and dock facilities at Come-by-Chance and to the fact that the Government of Canada have indicated that it would like to see a much greater percentage of the capital needed for the project invested by Shaheen National Resources, Inc.,

It refers to the fact that it is desirable that members of this Honourable House of Assembly and the public of Newfoundland be fully informed of the position with reference to the Come-by-Chance Project.

Then it says: BE IT RESOLVED that this House direct His Honour the Speaker to appoint a Select Committee to inquire into and to report back to the House with respect to the status of this Project and progress to date including a report as to the amount of moneys spent to date on the Project, details of the expenditure of the amount of Five Million Dollars interim financing . What has the Five Million Dollars been spent on? Has there been an audit done? The progress to date of the Newfoundland Refining Company Ltd., with respect to meeting the conditions precedent they agreed to meet in the principal agreement and to report back with respect to the position taken by the Government of Canada relative to the construction of harbour, dock and water supply facilities and with the Select Committee to have all necessary powers to carry out its duties properly and to report back during the present session.

Mr. Speaker, I think it would be useful first to just briefly go over the history of this project to show why it is necessary

MR. J. C. CROSBIE: to show why this is necessary for full disclosure being made to this House of what the present position is?

It was in the winter of 1967 that this proposal was first advanced by Mr. Shaheen to the government. And at that time I was a member of the Government, and a member of the Cabinet. And my suggestion, or at least I think it was, the hon. the Premier appointed a committee of Cabinet Ministers to negotiate the legal details of the agreement, with Mr. Shaheen and his associates. And the members of the committee were the hon. Minister of Justice, who was then the hon. member for Burin; the hon. the President of the Council, myself; and the hon. then the Minister without Portfolio, who had no office in the building, who is hon. the hon. the member for Rumber East.

That Cabinet Committee met with Mr. Shaheen and his associates when this thing was first suggested, and the House will remember that their suggestion was that the whole project be carried out through Crown Corporations of the Government of Newfoundland, the purpose of which was to ensure that the whole project would be tax-free. The Corporation will not have to pay any corporation tax to the Government of Canada. We would not get our share of the corporation tax either, because this would be a big inducement. And at a meeting with Mr. Shaheen and his associates certain conditions were agreed to, and there is no question of Cabinet Secrecy involved in it, because these conditions were afterwards tabled in this House. And an Act was passed at that session, called the "Avalon Core-Chemical Plant Act", it was later revealed the next year. At that time it was proposed that this was to be a refinery, the cost I think some \$35 million. We will have a capacity of some 30,000 barrels a day.

And if we were asked the Government of Newfoundland, a Province to guarantee our fee that \$30 million is raised for the project. Now I do not want to refer to all the conditions, but at that initial meeting the Shaheen agreed for example, to invest in cash in the project at least \$10 million in equities. Otherwords not to loan the money to the project in equity, venture, risk, capital, invested and if it does not succeed you will lose it, in equity.

And other condition that was agreed to then was that ^{if} an aid a grant of \$5 million was not available, because of a crown corporation being used, that the Shaheen's people would see that the extra \$5 million went in, if it was not forthcoming. And he was to arrange for a private purchase of this \$30 million loan on a fifteen year bond issue. A private purchase so as not to interfere with

our credit, the credit of the Province, as much as that could be avoided. And it was agreed that Mr. Shaheen would give the committee a feasibility study on the project, that his own company had completed. And it was agreed then, that the shares of Newfoundland Refining Company Limited, which is a subsidiary of Mr. Shaheen and Company would be apothecated to the Government, so that if there was a default, the Government would have to share for them to take that company over.

And it was agreed further, Mr. Speaker, that as additional security for the Province of Newfoundland, Shaheen Natural Resources Incorporated would guarantee to the Government of Newfoundland the principle and interest payments for two years on this fifteen year bond issue. And if there was any default, the parent company, Shaheen Natural Resources Incorporated would be responsible to see that for two years, the principle and interest were met, so as the Province would not have to meet it. It would give us two years to look around for somebody else that could operate it.

Mr. Shaheen said, he could not guarantee the whole \$30 million with his parent company, because it would interfere with their other operations. And that was fair enough. It sounded fair. But, it was agreed then that he would guarantee this for two years - at least two years payment of principle and interest. And there are other conditions agreed to, and these were tabled in this honourable House.

And the Avalon Core-Chemical Plant Bill was brought in and passed.

In November 1967, Mr. Speaker, the member of the committee, I was forwarded a draft agreement that had been prepared by the Shaheen people and their lawyer. And that draft agreement, Mr. Speaker, contradicted, was contrary to, some of the most important points that had been agreed upon and tabled in this House in the winter of 1967. It was a shocking document, as far as this Province was concerned. And on November 17th, 1967 I wrote the Minister of Justice - a six page letter outlining the position I was going to take on that draft agreement and pointing out where previous conditions had now been changed in this draft agreement.

Now, Mr. Speaker, I am not going to go into all that detail. It suffices to say, that letter of mind and the position I took in a matter called that there be arranged a meeting between these Shaheen people, members of the Cabinet Committee, and the Premier to try and iron some of these things out.

And I would like to say this right here now, Mr. Speaker, as far as my experience was concerned, and the Cabinet Committee that dealt with Mr. Doyle

and Mr. Shaheen - when you dealt with Mr. Doyle, you knew where you were. We would have firece disagreements, but he was a good negotiator. If we said, no, we cannot agree to that. Then why? Although he wanted it, he would say, all right I can live with it. And then on some other points that we disagreed with, that he wanted or thought should be in, and we said "no". If he explained why it was important and so on, then we would accept. And I found that Mr. Doyle was satisfactory to deal with like that, and was not sneeking around behind your back, going to see the Head of the Government. Try to get things reversed, that had been agreed or to try and pass on stories, or try and put the knife between your shoulder blades. Mr. Doyie was a gentleman to deal with, I found on that Cabinet Committee. And you could deal with him. While Mr. Shaheen and his people were different quantel of fish.

In any event without going into all the details, these things had to be ironed out. And, Mr. Speaker, no one likes to lead a Government or wants to lead a Government- it is a traumatic experience. But, I consider this project to be so serious and so important for the future of this Province, that I will sincere to do that, If I thought it had to be done. If I could not go along with it. But, naturally one wants to compromise where one can in the interest of everyone concerned. So there was considerable debate and discussion as to whether or not some of these points that were presented to this House in 1967 should be changed or not. But, I will not say who was on that side or this side, I do not think it would be proper, I would not do it unless I was goaded into it, or unless it became some great issue.

In any event, Mr. Speaker, it was always difficult to negotitate for our Cabinet Committee, because the fault of power in the Government is the Premier. And this is true not only in the Government of Newfoundland to be quite fair about it, but it is true of any Government. It is his administration. So in any matters that were indispute or in disagreement between us and the Shaheen people, of course, Mr. Speaker, the hon. the Premier would have to be - they would have to be referred to him. And his tendency would certainly always to side with the promoter. Not for any reason at all - not for any bad reason, because the hon. the Premier is so anxious to have developments like this, takes a different approach them. He does not seem to care too much about what they are costing in relation to their benefits and so on, or at least just in my opinion.

In any event, Mr. Speaker, from November when I wrote that letter to the Minister of Justice, and after we had a meeting at Toronto to go over it, from the various points were agreed or compromised on, we worked long and hard

on drafting the agreement. Now this committee, of course, was only able to deal with the needs of technicalities of the matter, we were not the cabinet. And by January 19th. 1968, I think, that draft agreement between us was agreed. Now it was not the agreement that I would have liked to have had, but it was an agreement that I accepted in the interest of trying to say what the Government and all the rest of us.

Under that agreement, Mr. Speaker, No, by the way in that Agreement several important the/things that were changed from the document filed here in 1967 were first that Mr. Shaheen proposed not to invest \$10 million cash equity. He wanted to change that, he wanted to put it in his debenture. In other words make a loan, he would loan the project \$10 million. And take subordinated debentures. Well, that was not satisfactory. Because, if anything happened to the project, that was another \$10 million the project had, it owned, it would have no equity in it. So that was agreed that he would take subordinated debentures and as the agreement outlined, if there is any default in connection with the project, the subordinated debentures do not have to be paid back to Mr. Shaheen who would own them, or his company would own them. They will not have to be paid back, the principle or the interest. But, still it is not a good a position as equity because interest has to be paid on them, while the project is going ahead, so that was one important change.

The second important change was that if the Aida Grant did not come through ~~the~~ the \$5 million did not come through, rather than that as being put in as equity that would be put in as a loan. And another very important change from the original conditions filed here, Mr. Speaker, were that Mr. Shaheen would no longer agree to have his parent company, his company with assets guarantee to this Province two years payment of principle and interest payment, if there was any default on the project. That vanished. And in the agreement that was passed by this House, that is gone. And I think it is a great pity that it is gone. But, I have accepted responsibility for it, the same as everybody else in the Cabinet who agreed with it, or who agreed with the agreement.

Now, Mr. Speaker, it is just as well to be quite clear about this project, and the credit of this Province. Since this is being carried out by means of Crown Corporations of this Government, it seems quite clear to me that if anything happens in this project, if there is any default if it gets underway and there is any default, it will not be just \$30 million that we are going to have at risk. It is now a \$120 million project, I understand, it is going to be a 100,000 a barrel a day refinery. If anything goes wrong with it, these will

be crown corporations, wholly owned subsidiaries of the Province of Government of Newfoundland. And I can assure this House that the creditors of those crown corporations, if anything goes wrong will look to this Province for payment of everything they are owed, and they will not accept any legal argument. by us which will be correct, that we are only legally responsible for \$30 million. They will say, these are your crown corporations, known to the agency of the Government of Newfoundland. Are you going to let them default and ruin the credit of the Province? So any sensible way of looking

MR. J.C.CROSBIE: Any sensible way of looking at it - we are behind it for \$120 million.

Now after January 19th. Mr. Speaker, when this final draft of the agreement was agreed - there was a meeting held in February sometime at which there were present members of the Cabinet Committee, the Premier and others, representing the Shaheen people.

SOME HON. MEMBER: February of 1968?

MR. CROSBIE: Yes, February of 1968

Mr. Speaker, at that meeting it was first suggested - it was not a Cabinet meeting - there is nothing wrong with saying it - it was first suggested that the Government of Newfoundland should go even further than this agreement - should go on to give the promoters Mr. Shaheen and his associates \$10 million interim financing - not the \$5 million that this House eventually passed

HON. J.R.SMALLWOOD (Premier): Mr. Speaker, to a Point of Order I do not know if it a Point of Order or a Point of Privilege - it is not the privilege of the House but it is not my privilege - but the hon. gentleman now is recounting to the House events occurred in the Budget - in the Cabinet of which he was then a member sworn to secrecy - he is now just calmly telling the House and in the crudest

MR. CROSBIE: This is not a Point of Order

MR. SPEAKER (Noel): Order please, order the hon. the Premier is speaking

PREMIER SMALLWOOD: In the crudest possible form just making no bones about it just as though he had never taken the oath - although if he had taken it he is now freed of his oath solemnly taken - he is breaking his oath crudely and it is unbelievable Mr. Speaker, it is unbelievable - I appeal to the hon. gentlemen sense of honour as a British subject - he took the oath and he swore on the bible that he would keep secret what happened in the cabinet.

MR. SPEAKER (NOEL): That this hon. House can take cognizance of an alleged breach of oath on the part of a member of the House - accepting only the oath of allegiance which was made in this House. If there is any remedy or otherwise for breach of any other oath it does not lie in this House and hon. members are responsible for the law of the land - to their own conscience - and to the public at large for what they do here.

MR. CROSBIE: Mr. Speaker, on that point let us deal with this point that is going to be brought up time after time

MR. SPEAKER: (Noel): Order, order please

MR. CROSBIE: Mr. Speaker, the Premier made charges I have broken an oath and there is not a word of truth in it

MR. SPEAKER (Noel): Order, I have ruled on that Point of Order - and

PREMIER SMALLWOOD: Mr. Speaker, the hon gentleman is on his feet

MR. CROSBIE: I do not take orders from you

PREMIER SMALLWOOD: He is on his feet your Honour

MR. CROSBIE: I will take no orders from you

MR. SPEAKER: Order please - the speaker feels that hon. members should remember the rules of the House which are designed for their own protection and for the protection of freedom of speech - for the protection of the right to speak - and these rules have been laid down and as all hon. members knows or know - that to speak you must be relevant to the issue and the issue before the House now is the resolution moved by the hon. the member for St. John's West. Please continue

MR. CROSBIE: Mr. Speaker, to get back to my point - just the same fancy I am not an oath breaker - and this is not breaking any oath - it did not happen in Cabinet - and in any event if the hon. the Premier will look up the authorities he will see that on an issue that a Cabinet Minister resigns on he is privileged to reveal what the disagreement was about and how it came about. So this matter Mr. Speaker

PREMIER SMALLWOOD: I will deal with that - I will deal with that

MR. SPEAKER: Order please, order

MR. CROSBIE: Mr. Speaker, continuing my speech it was suggested that \$10 million in interim financing should be advanced to the promoters of this project. I took the same position then as I took later on that \$10 million bid. I took the position that under this agreement the hon. House has passed or ratified by Act number - I think Bill no.65 in 1968 - that we had made every concession that anyone could possibly dream of asking a sovereign Government to make in order to get this project under way - and that if any group of promoters could not go and get financing arranged with banks or otherwise - having such an agreement as this in their hands - signed by the Government of Newfoundland we should proceed no further with them - and it would be better for us to do it ourselves because if we are going to take all the risks - let us take all the profits. Why take all the risks and let somebody else have all the cream if there is any. The agreement - that was in February - that issue did not arise again Mr. Speaker until May. The House well knows the results of that - when my colleague the hon. member for Humber East and I decided we had compromised

all we were going to - and we had compromised plenty, but we were going to go no further - and in all conscience we had no choice but to resign if that interim financing was to be proceeded with. Not just on that one matter alone of \$5 million - God knows this Province has fired around lots more than \$5 million - not just that - it was the act - it was the point as which - a point comes at which a man must say " I have been pushed as far as I can be pushed - on 100 issues - 200 - 500 I can be pushed no longer - if I continue I will end up a vegetable - the time has come to make a stand" and we made it and the results are known.

Now to look at this agreement briefly Mr. Speaker, oh incidentally before I look at the agreement - one of the points was that we were to be allowed to see the feasibility study that these gentleman had had prepared - Mr. Shaheen and his group - and I repeatedly asked to see that feasibility study. In the winter of 1968, I cannot remember the month now but probably February two of Mr. Shaheen people came to my house one night with this feasibility study that they had prepared - any myself and the Deputy Minister of Finance, Mr. Groom were allowed to peruse it while they sat in my sitting room and watched. It was such a secret document - an important document that they could not leave it out of their hands. We could not be trusted with it - so I did see this feasibility study. I do not know if any other hon. Minister did or has since - and it would be wrong for me to say what was in it - as it is a confidential document of theirs - unless pressed to the wall and forced to - but we did eventually see it - or I eventually saw it.

Now Mr. Speaker, looking at this agreement briefly if I can be brief on it - we are going to give to the project - the project is being done by Crown Corporations but do not let that mislead anyone or fool them. Crown Corporations yes - technically - but in actual fact under this agreement these Crown Corporations are controlled and operated by Mr. Shaheen through his company - Newfoundland Refining Company Limited. They control these Crown Corporations as long as observe that agreement - so although the form is Crown Corporations - the control is Mr. Shaheen. Do not fool ourselves on that - and when we hear somebody say that this \$5 million was advanced to our own company huh! hu! nothing to is - the \$5 million is gone to our own company, is still in our own hands - that is not the fact - it is gone to the Crown company - the question is who is it pated out to and who is in control of the Crown Company under these agreements.

So under this agreement adopted by this hon. House we are going to convey the land to them for nothing - nobody worries much about that - land is

not worth all that much in Newfoundland - and particularly not on the Avalon Peninsula according to my learned friend the member for Humber East who says we do not have even top soil here. There is not too much down in Come by Chance I do not think -

And under this agreement we are to guarantee, this Province has agreed to guarantee to provide to the building company \$30 million. And Mr. Speaker if the refinery is to be - the refinery has a capacity of 40,000 barrels a day or less - we are going to have a first mortgage for our \$30 million - but if the project is to be as it is supposed to be now 100,000 barrels a day - the Shaheen interests have to raise the \$80 million or whatever it is that is necessary in additional money - our \$30 million will only be protected by a second mortgage - not a first mortgage - and as I say this is the legal technical part of it - in actual fact as far as the credit of Newfoundland is concerned we are going to be involved in the whole thing.

Under the agreement section 3A, we have agreed to supply this oil refinery with power at two and one half mills per kilowatt hour Mr. Speaker, the famous two and one half mill power and that is power that is going to be delivered at about one half of what it costs the Newfoundland and Labrador Power Commission. That was one concession that was made - two and one half mill power.

Under section 3E, the Shaheen group are to have the first refusal - if this Government proposes to help anyone else financially establish an oil refinery in Newfoundland for twenty-five years - they have to be offered first refusal if such a deal comes up. Well the various agreements to be entered into as I said Mr. Speaker, so that in effect the Shaheen subsidiary Newfoundland Refining enter into contracts to supervise the construction of the refinery and for that they are going to get all direct salary cost plus one hundred percent thereof and all out-of-pocket expenses.

Under 4D, they are to enter into a contract to operate the refinery and for that they are going to get a fee equal to twenty-seven and eight tenths percent of the annual net profits of the operating company - but even better Mr. Speaker, under section 4E, they are to enter into a sales agency agreement with the operating company - under which Newfoundland Refining - the Shaheen subsidiary will sell all the products of the refinery and will receive a fee annually of 5.1 percent of the amount of the gross sales of the operating company. In other words Mr. Speaker, whether the whole project makes any money or not they will receive a fee of 5.1 percent of the gross sales. And

a refinery of this size is going to have gross sales of at least \$100 million a year - more likely \$120 or \$140 million a year - so that Newfoundland Refining under that clause alone will as a minimum - if the facility is operating and selling anything make \$5 million in a year - and I would venture to guess probably have their investment of \$10 million back in one year - but certainly two. So this is not an ungenerous agreement as a sales agency agreement.

Now Mr. Speaker, under clause 5, of the agreement we passed - the Shaheen interests had to agree to certain conditions precedent - that they would meet before the Province became obliged to meet to carry out it's undertaking. They had to arrange for example to sell the \$30 million Government loan - private placement for a term of fifteen years - only conduct negotiations after consulting with us - they have to submit to the Government evidence satisfactory to the Government that they have assets to the value of \$10 million to put in as equity. Satisfactory to the Government and the question I asked here Mr. Speaker - is - who is the Government? Is it to be evidence satisfactory to the hon. the Premier? It says the Government. That they have

says the Government, that they have assets of \$10,000,000.

These assets - this \$10 million can be - they are going to get subordinate debentures for them, and then they have to take or pay contracts for the sale of the product of at least sixty percent of the product. They have got to present proof of that, evidence satisfactory to the Government, and there are various conditions present like that.

They have to show that they have the crude oil arranged for at least sixty percent of it, for five years, and in Section 5 (j), before our Government is permitted to issue the bonds, the \$30 million in bonds, refining is to furnish to the Government and opinion of an independent person, approved by the Government confirming the feasibility of a project,

So, naturally, Mr. Speaker, one of the thoughts that comes to mind, is, had an independent person being appointed to investigate the feasibility of this whole project and has he made a report - a feasibility study prepared by the promoters, who are trying to promote a project, is one thing. Naturally, they are going to be on the optimistic side. They are trying to promote something. They are not going to come in and give you a feasibility study, showing the whole thing as ridiculous. No. They are only going to bring in the study that shows the whole thing is sensible and profitable. You cannot accept that. No Government should accept that, Mr. Speaker. A Government should always have independent experts who have no connection with the promoters concerned, to make feasibility studies and to check on our behalf, and this certainly has not always been done by our Government. So, it will be interesting to see whether this is done and what it turns up.

So, before our Government is committed, all those conditions have to be met, which was one reason why my hon. friend from Humber East and myself accepted the agreement.

Now, another important point to remember, Mr. Speaker, considering this motion is that you can have all the agreements in this world that you want, and they can be legally perfect, every detail covered, and the question arises, "Who is going to check the enforcement of those agreements"? Who is going to see that they are carried out? Who is going to police them?

Are the people responsible going to care about it once it gets under construction, and a massive project like this of \$120 million? It affects this Province so intimately.

At the very least, you will need a team of experts if this is to be done properly, keeping check day by day as the construction of the refinery goes on - financial people, accountants, and so on, checking every step of the way to see that the agreements are being carried out and that our interests are protected; not enough just to have the agreement.

We must also have people willing to enforce the agreement and release them.

That was the position, Mr. Speaker, - some of the main features of the agreement that was passed in this House.

Now, Mr. Speaker, another sore point - there is always a sore point with me - was that this whole project was to be done through Crown Corporation, which would mean there would be no corporation tax, which means that automatically, that if you make profits, your profits are doubled. There is a corporation tax once you earn over \$35,000.00 a year of fifty percent - fifty-two percent, and if this project is profitable as was indicated, an project like this, very profitable, half of those profits would ordinarily go in tax were now not going to be taxed.

Why would not the promoters agree to invest the part they were saving in taxes back in this Province? They would not do it, and the best we got is a "best efforts clause" - that they would use their best efforts to develop other industries once the refinery was underway. That is the best we were able to get.

Now, Mr. Speaker, the question of interim financing came up again early in May of 1968, when an hon. friend and I discovered that there was a clause in the legislation to come before the House that would provide for this interim financing, and the rest of it is known here. We opposed it. No agreement - we could not reach an agreement with the Premier, and we resigned.

We took the position, Mr. Speaker, that this agreement had already made very, very generous concession to these promoters, and that if we were going to be asked to take any more chances - we the people of Newfoundland - we were going to be asked to take anymore chances or risks in this enterprise, that we had the right to ask for something more than 300 or 350 jobs at Come-by-Chance. We have got the hope of getting, perhaps, other petro-chemical industries if that refinery goes there, but the only thing we are certain of is the refinery with 300 or 350 jobs and many of those are technical jobs that Newfoundlanders may not be suitable for until they are trained. That is all we are sure of, and now, after all the concessions I have described in that document, back come the promoters to ask us to take another risk to advance them \$10 million - \$5 million, subsequently, to go on with preparations and so on, and that would have to be advanced before they made any other conditions precedent in that agreement.

We took the position, only if they agree that we are going to go into this thing on a joint venture, that we will share the profits, or only if they agree that they will put percentage of the profits back here in Newfoundland and that they are obliged to do that as some other major concession. Otherwise, no. Why should we make concession after concession after concession and get nothing back for it. It is just against human nature to accept - \$120 million and all of the credit that we are putting into it and the rest that we are putting into it and our only certainty is perhaps 350 jobs at Come-by-Chance.

It did not make any sense. It would be better for this Province to go ahead and do it on its own and hire the experts or try to make some better deal or get someone else, some other group, if they would not agree and if we took a hard position, Mr. Speaker, and had said, "Look here, this is our position, and that is it", I have no doubt what would have happened. They would have agreed, they would have had to.

But that is history, so we had to retire from the Cabinet.

Now, Mr. Speaker, this motion is a motion essentially asking for

information on the status of that project, since.

MR. CALLAHAN: Mr. Speaker, I gather the hon. gentleman has now passed to the motion - to another phase - that he has completed his recounting of the background of the agreement, and this leads to my question, Mr. Speaker.

Is it not so that the hon. gentleman has left out one vital important matter which is necessary to complete the accounting, mainly that after he passed the House, he and the hon. the member for Humber East voted for the agreement, in favour of the bill.

MR. CROSBIE: Mr. Speaker, has not the hon. gentleman been listening to me? Has he not been listening to me at all? I have not said that - I have said today when I started my remarks, that I accept responsibility for this agreement. Has he not been listening to me?

MR. F. ROWE: That is not the question.

MR. CROSBIE: And not only that, in May of 1968, Mr. Speaker, the hon. member for Humber East and I voted against that clause that provided interim financing and abstained on the second reading of the vote of the bill.

MR. F. ROWE: Oh no, you voted for it.

PREMIER SMALLWOOD: And I shouted across, "Thank you, thank you, for voting for it."

MR. SPEAKER: Order, order!

PREMIER SMALLWOOD: Both voted for it in the second reading. Oh, now, try to say "No".

MR. CROSBIE: We do not care, even if you are right.

PREMIER SMALLWOOD: I am right.

MR. CROSBIE: You are not right.

PREMIER SMALLWOOD: I am right.

MR. CROSBIE: You are so often wrong. Mr. Speaker, the record is easily checked and the vote on that occasion can be checked.

MR. F. ROWE: The hon. gentleman spoke for at least an hour in favour of the bills.

PREMIER SMALLWOOD: And voted for it.

MR. CROSBIE: The hon. gentleman thinks he is making such a great point. Will you let me speak? I mean, I have the floor. Now, I say that we

abstain on second reading, but I will assume for a moment that you were correct which is a terrible assumption to make, and one is not safe to make, but you could be. Supposing you are? I have already said that the agreement that I have just described here, we were involved in, that we accepted responsibility for and we--

PREMIER SMALLWOOD: In the Cabinet, and after crossing the floor.

MR. CROSBIE: and we resigned on the interim financing. So I just described the generous concessions that are in this bill, and since said that to go further into interim financing, was too far.

MR. F. ROWE: Subsequently to that, the hon. gentleman voted for the bill from that side.

MR. CROSBIE: Mr. Speaker, the record is easily checked and I am giving my version of the record.

SOME HON. MEMBER: That is exactly what it is, a version.

MR. CROSBIE: And my version of the record is that we abstained on second reading and voted against the interim financing clause of that bill, and it is easily checked.

PREMIER SMALLWOOD: Voted for it, voted for it. Both of the hon. gentlemen.

SOME HON. MEMBER: Does not the hon. the Premier remember the argument?

MR. SPEAKER: Order, please.

SOME HON. MEMBER: Mr. Speaker just addressed the Chair that there is to be no conversation across the floor. These rules are well known to all hon. members.

MR. CALLAHAN: Mr. Speaker, I am going to press on now, because that is just trawling another one of those red herring..

MR. CROSBIE: We will have the matter checked later today and we will see who is right.

MR. CALLAHAN: Mr. Speaker, we resigned to our regret. Let us see what has happened since.

In later in the year 1968, a controversy broke out about this Crown Corporation, about the whole thing being done through Crown Corporation. The Government of Canada decided that this tax loophole had to be stopped.

Now, under this agreement I was describing - these are all Crown Corporations, - but the Province of Newfoundland has given the Shaheen Natural Resources people an option - if there is no default under the agreement, then they have up to fifteen years to exercise their option. Once our \$30 million is repaid, they can exercise their option and they buy the shares of all those companies for \$2000.00, but legally, technically, all during that fifteen years, these would be Crown Corporations, owned by the Government, and would pay no taxes.

The Government of Canada decided that this was a tax loophole they had to stop because if this was adopted, all across the Canada, the drain on their treasury would be tremendous, and they decided to introduce legislation to the effect that if a crown corporation, the Crown Corporation get any private concern, an option on its share, it would not be treated as a Crown Corporation for tax purposes or to that effect, and there was quite a furore about that.

On October 24, 1968, in the Toronto Globe and Mail; Mr. Roy Furmark, who is an executive vice-president of Shaheen's said that this would not effect them in any way and they would go forward and they would not get depreciation allowance on the refinery, in any event, and they would qualify for an aid - a grant of \$5 million and \$12 million for harbour development and a quick tax write up, so it would not effect them and they would continue

In fact, he said they, that transshipments would begin next summer. That was October of 1968 - transshipments would begin next summer at Come-by-Chanee.

The \$5 million Mr. Speaker, we know from newspapers reports, was borrowed by the Government or by the industrial development corporation and agency of the Government from the Franklin Bank down in New York, was provided to the Provincial Building Co. Ltd. ---

Provincial Building Company Limited, a Crown corporation, and so we understand paid out by that Crown corporation. And part of this motion asks for a select committee to report back on what the \$5 million has been spent for.

Provincial Building Company Limited has spent it. They have spent it. They have given it to somebody. Some of it must have been given to the Shaheen companies. Some of it has been paid out direct and in other ways. It is now time the report was made on where that \$5 million was spent.

Provincial Refining Company Limited, Mr. Speaker, is a company which has three directors, according to the 1968 return - The hon. the Premier, the hon. President of the Council and the then Minister of Justice, who is now the hon. Member from Burin. Now they probably have changed since. The hon. member for Burin would not be a director now.

And it is interesting to note that the quorum for a meeting of the directors is two.

PREMIER SMALLWOOD: He is not. He resigned by sending me a telegram. He telegraphed me his resignation from that board.

MR CROSBIE: He is still on the board, technically.

PREMIER SMALLWOOD: He telegraphed me that he is not.

MR T.A. HICKMAN: If I am, I can speak as a director.

MR CROSBIE: In any event, Mr. Speaker, this \$5 million is arranged as a loan for the Provincial Building Company, and it has been spent, and we are entitled, I believe, to know where it was spent and how it was spent and on what it was spent and who spent it. And we understand that this loan was due at the end of December. It was renegotiated once and had to be renegotiated again to December 31st. It was borrowed by the Industrial Development Corporation at about nine per cent, fell due on June 30 and was renegotiated at an interest rate of between ten and eleven per cent. We have not heard whether that loan has been renegotiated past December 31, nor what has happened.

Newfoundland Refining Company Limited is Mr. Shaheen's company - these are the Crown Companies. Then in the January 1969 Globe and Mail Mr. Speaker, there is an article there by Lyndon Watkins discussing the project, quoting officials of Shaheen Natural Resources & Corporate, who said they are hoping for a late 1970 date for the start of production. They had received five bids

for construction now estimated the cost \$108,000,000 of total financing amounting to \$120,000,000. And we are told then that \$3,000,000 in this article was spent on the site. \$1,000,000 for steel and foundations for the first two crude oil storage tanks. \$2,000,000 for slight preparations, services and temporary wharfage.

Mr. Otto Lessing was quoted as saying major construction will begin in the Spring, the Spring of '69. \$80,000,000 of \$120,000,000 total was raised in the United States - \$30,000,000 to be raised by Newfoundland, \$10,000,000 in equity.

The hon. the Premier was quoted as saying the Government would prefer not to guarantee our \$30,000,000 during the next two years, but it would be honoured as a commitment in not more than two years. And Mr. Shaheen has signed a ten year agreement with British Petroleum Limited Supply crude oil. And then later Mr. Speaker, in February 1969, there is a series of articles in the Toronto Daily Star written by one Bob Miller about the whole project and what had happened.

These articles say that three hundred and fifty workers would be employed there when the refinery is ready. Mr. Shaheen described Mr. Edgar Benson the Federal Minister of Finance as a "foolish fellow", doing the bidding of Imperial Oil.

And in the final article, there was an interesting comment. Mr. Homer Wight, president of Newfoundland Refining Company Limited, when asked why a Company that talked in terms of hundreds of millions as Shaheen Natural Resources did, would need \$5,000,000 to start work on the project - answer we were strapped. That was a frank answer. We were strapped.

In the October 9 edition of the Evening Telegram of '69, they quote from the October Newfoundland Bulletin. This is how we have to get our information on the project. The Newfoundland Bulletin they are quoting from, but the figures must be presumably correct, as there has never been an exaggeration in that very worthy document.

The story gave a breakdown of expenses to date and what has been accomplished at the project. Now when this went in the Newfoundland Bulletin in October, the hon. the Premier never said, delicate negotiations are under way, we cannot put this in the Newfoundland Bulletin. No, No, the delicate negotiations are under way when we want to bring it up in the House of Assembly and ask for information for the public, that is when they start their talk of delicate negotiations. The Bulletin lists money spent - it says \$8,000,000 has already been spent in Come-by-Chance. Some of the things is surveying of the site, removal

of bog and so on, \$869,000 - Construction utility system \$275,000. Construction camp \$120,000. Two crude storage tanks, \$2.781 and so on and so on. Racey McCallum, core boring, \$146,000. This is a peculiar one actually, Racey McCallum & Bluteau Ltd. have completed a core boring program, and so on \$146,000. Frederick R. Harris supervised their work and prepared design and tendering documents for the wharf, and got \$270,000. Probably some technical reason for that.

Tenders for the wharf have been received from international firms contracts could be awarded when a decision is made as to how the project would proceed. Design engineering was done by the Thyssen Group and Ralph M. Parsons & Company.

An interesting item and this is the one that we should be interested in seeing what is was spent on. Overall project development expenses and cost of marketing development: \$3.200. This is all in the Newfoundland Bulletin.

It was not said then that discussing the project or giving information on the project would be harmful to delicate negotiation. And I am sure that negotiations have been going on in connection with this project since May of 1968.

In the December 1969 "Globe and Mail" Mr. Shaheen denies that there is any financing trouble. He talks about the Franklin Bank loan. And Mr. Blake of the company - Mr. Oscar Blake - said: "everything is set we are only waiting for the bid procedure on the dock to be completed, the Federal Government builds all docks in Canada." That is what he thought. The Federal Government builds all docks in Canada - not according to the Hon. Mr. Arthur Lang, not this one apparently - we do not know for sure. We only know what we heard reported in the newspapers. Mr. Blake said that between eight and nine million dollars had been spent. He said: "none of the \$5 million inter-financing went to companies in the Shaheen group". It would be interesting to know whether that was so or not.

January 19, 1970, the Evening Telegram "The way was cleared within the next couple of days for the final signing of all agreements covering a refinery." according to Mr. Otto Lessing. Mr. Shaheen expected to reach an agreement with the Federal Government tomorrow over the building of the oil dock, the refinery site. That was the next day - that was January 19. And there is a bit more in it.

Telegram January 22 - "Ottawa is not satisfied with oil dock expenditure

The Newfoundland Government and promoter John Shaheen have not convinced the Federal Government that it should invest \$12. million to build docking facilities for the \$120. million Newfoundland Refining Company Limited, Come-by-Chance Oil Refinery. Public Works Minister Arthur Lang said Wednesday in the House of Commons. He said, "the refinery is being built by private investors, supported by the Provincial Government. Ottawa has been asked for help but sought more information to justify the expenditure to prove that federal participation was imperative. So far that has not been forthcoming" he said.

February 2, 1970, Telegram - report from Mr. Arthur Lang again: "The Federal Government is not satisfied that Shaheen natural resources is sinking enough of its own money into this proposed \$120. million Refinery. In a telephone interview Mr. Lang said "this is the reason the Government has refused to put up the \$12. million for docking facilities at the site without further investigation. Mr. Lang said Ottawa would like to see a much greater percentage of the capital invested by the company.

If a man can start something with very little money, he said, it makes people think twice. It makes some people think twice, he should have said. Mr. Lang denied that his being called a stupid jackass had anything to do with this.

We all remember the hon. the Premier called him a stupid jackass. And I believe Mr. Lang when he denies that this had anything to do with it. He said the decision was made by the Treasury Board, and not by his department. It would be interesting to know what he recommended.

And in the Telegram of February 23, he again repeats: He says, "that if and when Shaheen Natural Resources re-applies for Federal assistance, the Company's financial involvement will have to several times what it was in the original proposal. Ottawa turned down the first request because it was not satisfied the Company was not putting up enough of its own money. Mr. Lang, in an interview with the Telegram declined to specify Shaheen's outlay. It said it was considerably less than the \$12. million requested from the Government for docking facilities. To qualify for federal assistance in any deal of this kind Mr. Lang said, it must be proved that the operation is economically viable and that there is a real earnestness on the part of the developer. He said, Shaheen's relatively small investment indicates the project does not satisfy either of

these prerequisites. That Mr. Speaker, is apparently the position that the Government of Canada has taken in this matter, two years almost after this House passed the agreement - after our \$5. million inter-financing has been spent, according to the Government of Canada to qualify for federal assistance it must be proved the operation is economically viable, and there is a real earnestness on the part of the developer. And he has not proven that to them. And we have not proven that to them. But this Government apparently does not require this as a qualification, or else the qualification that this administration accepts is far different from the qualification that this Government of Canada expects, or the evidence it gets - or the people who advise it.

So our motion Mr. Speaker, our motion asks that your Honour direct that a Select Committee be appointed to look into these matters and to report back. This does not necessarily have to be a Select Committee. If the Government get a full explanation of everything - this should best be done before a Committee, whether or not a Select Committee or Standing Committee. There is no reason why the Government of this Province should not be prepared to come before a Committee of this House, and outline in detail just where this project is now, what has happened, what position the Federal Government has taken - where our \$5. million has gone, and how and why and where. What the progress is to date, and when in actual fact, is it likely to start, or whether or not we are going to be asked for further concessions.

In considering this industry, Mr. Speaker, and what this Government should or should not do to try to get it established here, I have already described the many generous features of the agreement we entered into. And I suggest that if an opportunity comes for renegotiating that agreement. If the promoters have to ask for any more concessions, or any more help from us, that is the time for our Government to say "gentlemen this is now what we will do, you want more help, do you? You want the Newfoundland people, that four, five hundred thousand souls with all their problems, revenues, and developments and what they need here in Newfoundland - you want them to put up more to help this project. All right gentlemen, now we are going to devise a new bargain. We are going to take at least a fifty percent share, depending on how much they are looking for, perhaps more of this project. So that if it is a big money maker, as you seem to think, the Government of Newfoundland have set a losing revenue on it. We will gain it directly, we will get half of the millions that it might

or propose to make - hundreds of millions. That is the least we could require if they need any more assistance, because it would give us a chance to drive a hard bargain ourselves and say what we would do if they need any further assistance. As it stands now Mr. Speaker, the tangible benefits of this refinery are one some three hundred and fifty jobs, and they will not all be for Newfoundlanders. And that means that we are going to invest or tie up our credit for about three ^{and thirty} hundred to three hundred and fifty thousand dollars a job for that refinery.

What could we do with three hundred and fifty thousand dollars to create jobs in Newfoundland

What could be do with \$350,000 to create jobs in Newfoundland in other ways?

It may or may not result in other petro-chemical industries coming from it.

One significance about the whole project is that it is highly capital intensive - the oil industry, the petro-chemical industry. In other words you have to have massive amounts of capital and employs relatively few people.

If the Federal government is not going to spend \$12 million on the harbour, dock and wharf facilities, where is the \$12 million to come from? Is it going to come from DREE funds that the Government of Newfoundland could otherwise use for other worthy purposes in Newfoundland or will the Government of Newfoundland be asked to put it up itself entirely or have to or has it been requested to? It is a highly competitive business, the oil business. It does not use any of our natural resources. It is going to have lots of competition presumably from the new refineries in Nova Scotia, Montreal and the rest of it.

We have a great deal to use, if it is not successful and it is successful for a year or two under the present agreement, Mr. Shaheen has very little to lose. As I say at \$100 odd million a year for two years, he would have his \$10 million back on that aspect of the thing alone. It is a highly technical industry, Mr. Speaker, the oil industry, which means that there is always a risk that there is going to have to be further great amounts invested as oil technology changes. The nature of the refinery might have to change. The Shaheen natural resources is not a large company. It is not one of the oil giants. It is a company that believes in leverage.

In other words Mr. Shaheen is a promoter. He is a smart operator with little money of his own, but is available to him, but with that little he operates to get leverage and that is what he has done in this instance. With \$10 million supposedly to go into the project as working capital when it is all constructed, with the promise of that, Mr. Shaheen has levered \$5 million interim financing from us and has arranged with us for another \$30 million in loans and guarantees and using that has gone on to arrange to sell another \$80 million worth of bonds to other people probably oil companies who want to sell their crude. All this done with very little financial resources, with a lot of knowhow, with a lot

of leverage. Not a massive oil company. All done with a lot of leverage. A \$120 million project of which the Shaheen people are putting in about seven decimal six percent towards the project, when the \$10 million goes in.

There are fast write-offs. Exempt from building materials tax, exempt from property tax, the land to be free, the electrical power two and a half mills per kilowatt hour and with these various fees, it is quite a good deal for Mr. Shaheen, if it goes ahead. All these questions arise, Mr. Speaker, all these questions arise that should be answered. They should now, when the House first opens as to what has happened since this matter was last fully debated in this House and since this House was last open. We have all these newspaper reports. One in contradiction of another. Every month practically for the last two years, we heard it going ahead now. It is going ahead now. It is going to be this spring. It is going to be this fall. It is going to be so and so. It is going to be signed tomorrow. Until occasionally a fact comes out that cannot be withheld. It cannot be covered up. Mr. Arthur Lang could not be shut up. There was no way of shutting him up, when he was asked as to what the status of this \$12 million for the wharf was. That was a fact that came out.

Mr. Shaheen has described one of his corporative objectives to maximize profit with rapid pay back on a minimum or equity investment. There is a Harvard Business School study done of this project which is very interesting. Apparently the Harvard Business School, the research people there, the students have to do these projects and one was done on the Shaheen Natural Resources Company Incorporated. Shaheen Natural Resources is a highly leveraged holding and operating company and so on. It goes on to analyse the company and what its project is here in Newfoundland.

The company's strategy is to maximize their profits with a minimum investment. That is a good strategy for any company. We look for projects that have fast pay-outs and that we can get five and ten financing which he explained was eighty percent, twenty percent equity. Two and a half mill power is mentioned in this report. As a result of the Government, hydro-electric

power development, hydro-electric is available at two and half mills per kilowatt hour, a rate which can only be approached in some areas of the Pacific coast. In the Mid-West electric power costs approximately twenty mills. On the Gulf Coast it costs approximately seven mills per kilowatt hour. One of the favourable aspects of the refinery proposal was the financing arrangements that were available. That is for sure.

In this type of industry, that is the oil industry where technology changes so rapidly, you cannot afford a twenty year pay-out. We need our money back within four or five years. The oil industry is so highly technical and changes so quickly that the oil companies and oil promoters, when they start a project want to get all their money returned within four or five years, not fifteen. Another thing we have done is agreed a fifteen year bond. This project was successful. Our investment in it could be paid off in four or five years at the maximum. These are fifteen years bonds, because it was planned to be a crown corporation where no taxes would be paid and the money would be rolling in. A refinery after fifteen years, because of the technological changes there might be very little use for it. Do not forget by the way that under the agreement the Shaheen company does not have to exercise its option. It is up to it, whether it wants to buy the shares or not at the end of fifteen years or anywhere in between.

Well there are other matters that could be mentioned but there will be other speakers, Mr. Speaker. All that this resolution asks for is an opportunity for the public of Newfoundland through a committee of this House to take a good hard look at this project now to see what are the facts. Never mind the slogan, never mind the progress or perish or the patriotism that we are going to be in undated with as this session goes on. Never mind the develop or perish, never mind irrelevancy such as the hon. members over here hate anybody on the other side. They do not. They do not hate any lovable old characters over there at all. It is not the question. What is at stake is the future of this Province, Mr. Speaker. We are to be treated like bad boys that we dare to bring in a resolution. I can forecast what is coming, because he tipped his hand in the question period - the hon. gentleman tipped his hand in the question period. Delegate negotiations! The hair is going

to be pulled right out of his head - delegate negotiations are underway. They were underway. Then you brought this resolution in, which is against the public interest, he is going to say. You have done a terrible thing - a terrible crime to Newfoundland. That is what we will hear. Well we do not accept it. We do not agree. We are members in this House, on this side whose obligation is to represent our own consciences and the public. Our function is to criticize what we do not agree with. To praise what we do, and on matters of this importance to Newfoundland, Mr. Speaker, I cannot see how it could even be argued that this information should not be forthcoming and the best place for it is before a committee of this House who should be able to examine the people it wants to examine in connection with the project. Cross-examine them, ask for reports, take evidence, look at studies, get the facts and report back. That is all the resolution asks, Mr. Speaker.

It points out the areas of uncertainty. What information is needed? It says that it is desirable that we and the public be informed and suggests a select committee. That is our function, when this House meets and this House, Mr. Speaker, only meets for eight or ten weeks a year. The Government operate twelve months of the year. There are 8,000 or 9,000 Civil Servants wacking up the facts to them, investigating things for them, advising them. The House meets for eight or ten weeks and during that eight or ten weeks, there is nobody on the Government side of the House going to start a fuss about give the public information on this, or give it on that or asking questions. I remember when I was on that side last year an ordeal for me over there last year. I had the audacity to put two motions on the order paper and the hon. the Premier nearly went out of his skin when they came up for debate. The audacity of a private member on the Government side of the House to put motions down for debate on private members' day. Imagine any of the backbenchers on the Government side having that audacity. That is what we need in this House is more audacity and tenacity and obscenity.

We have the right to ask for this information. Mr. Speaker, I am always very, very pleased and delighted to hear from the hon. the Minister of bog lands. (Laughter). Mr. Speaker, he is still rambling on. He never gets stopped by the bog

Mr. Speaker, I think I have made most of the points that I wanted to make. I will just conclude by saying this: that our motion asks for information. It does not condemn the project. The motion does nothing for or against the project. It asks for the public of Newfoundland to be told. Where it is now and just to have this basic information on a \$120 million issue, that is one of the largest and most important that this Province has ever being engaged in.

I urge, Mr. Speaker, all hon. members to support the motion.
(Applause).

PREMIER SMALLWOOD: Mr. Speaker, I do not think there is much need for me to say very much, because I have already indicated to the House earlier today the Government's rejection of the motion moved. We reject the motion because of the fact that the information sought to be obtained in the motion through the appointment of a select committee to receive the information is to be brought to the House in any case after the completion of negotiations and negotiations that are not, as the hon. gentleman who just sat down quoted me as saying, delegate negotiations, but very important negotiations and negotiations that are definitive

PREMIER SMALLWOOD: the finalization of very long drawn negotiations that have gone on for years. Mr. Speaker, these negotiations have gone on for years for the simple reason that they were not with Standard Oil Company; nor their Canadian Branch - Imperial Oil. They were not with Shell Oil, they were not with Texas Gulf, they were not with one of the vast majors in the oil industry, which is I think, the greatest industry on the earth, containing the biggest companies and the greatest amount of capital investment, requiring staggering amounts of money to operate at all. These negotiations were not with such vast oil empires, they were with a relatively small firm. If we had been able to negotiate an oil refinery of this size at Come-By-Chance, with such oil majors, the negotiations would have been much shorter, all such companies would have wanted from the Government would be the piece of land at Come-By-Chance. And we have lots of land. The use of the harbour, and there is lots of harbour there. And labour, they would not have wanted any money from the Newfoundland Government. They would not have wanted any financial guarantees from the Newfoundland Government. All they would have wanted is the perfectly ordinary kind of concession that they get everywhere they go in the world.

Unfortunately, we were not negotiating with such a company, because there was no such company that showed the least interest in putting a great oil refinery here in Newfoundland. When we were trying to get our first oil refinery in this Province, I was trying, I tried for years, I tried Imperial Oil, I tried Irving Oil, I tried British B.A. - British American Oil to persuade them to build a refinery in Newfoundland, to serve Newfoundland, to refine here in Newfoundland, the oil, the gasoline and so on that Newfoundland would consume. Just a small oil refinery - not much more than an old-fashioned kettle plant, making ten, fifteen, twenty thousand barrels a day.

No, Sir, not interested - the answer was no. I did succeed in getting John Shaheen to do it. And he did it in Holyrood, now it was only a small plant. It started I think at 8,000 barrels a day. It is now up to I think 12,000 or 15,000 barrels a day, creeping up as its sales increase here in Newfoundland and in the Province of Quebec. They did not need any financial guarantees from Newfoundland, because it was such a small enterprise. And Mr. Shaheen at that time was the principal shareholder in the English Oil Company in England, known as Ultramar. Ultramar did not need the financial backing, and they built the oil refinery. They did need some help, and we gave them that help - namely; that for

twenty years after the oil refinery would be introduction, the Newfoundland Government would buy no oil or stove oil or heating oil or any petroleum products except from that company, provided their prices were competitive. Now this is the only help they asked, and the only help they were given.

Therefore, when Mr. Shaheen, who until just before that, just before he came, was the principal shareholder, the controlling shareholder and director of Ultramar of which Lord Tangleby is now the Chairman, came to us and said, I think there is a great opportunity for Newfoundland or Nova Scotia to have a great Core-Chemical Plant. That is an oil refinery of a kind of a type of a sophisticated, complicated, modern, scientific type of production, that would produce not only just simple kerosene or simple gasoline to run cars, and trucks, but the core stock for petro-chemical plants. When he came to us and said, I see a great opportunity there. We began to negotiate with him. But, negotiating with him is quite a different thing from negotiating with the great giants of the world, who have thousands of millions of dollars - thousands of million of dollars to spend. Standard Oil, for example, Standard Oil I suppose is worth \$40 billion - \$50 billion, not \$50 million, but billion. And a Billion is a thousand million. And they must be worth the best part of \$50 billion. I would like to be negotiating with Standard Oil, I wish it was they, rather than Shaheen, who would be interested in putting an oil refinery in Newfoundland. We could not need to be negotiating all down through these years with them, six months, the deal would have been signed, and they would have wanted the land, lots of land, probably every acre of land in Core-By-Chance leaving no room for anyone else, for anything else, and we have been glad to give them the land, give them the rights to the harbour, and that is all it would cost. But, they were not interested. The only person interested was John Shaheen. And if John Shaheen is worth \$20 or \$30 million it is certainly the outside limit of what he is worth. And that consists of radio stations, television stations, and some small oil companies, and other interests not vast industrial enterprises, it would for Americans, small stuff. Chicken feed. And what he is worth is in business, and I suppose, he is expanding in all those business and I suppose he is always strapped, always strapped for money, always short of money, especially, the last couple of years, when everyone other than Standard Oil and the great giants, Unilever and the great banks, and insurance companies, everyone is being strapped for the last couple of years - there is not a firm on Water Street that has not been strapped. There is not one - not one. This does not mean that they are insolvent. This does not mean that they are broke, this only means that they are strapped.

So we have negotiated with Shaheen. So we have had difficulty, after difficulty, after difficulty. Every kind of difficulty that could be thrown in our paths has been thrown. I cannot imagine any kind of obstacle that could have been put in our way to get this great refinery in Come-By-Chance. I cannot imagine an obstacle that has not been put in our path. Everything that they could throw at us, they have thrown the book at us. To stop the oil refinery. There are people who do not want it. And I am not talking of politicians now. I am talking about oil people. There are people who do not want it. There are people who are determined that that oil refinery shall not go in Come-By-Chance or anywhere else in this Province. There are people who have been willing to spend vast sums of money, and who have spend vast sums of money to stop it. Vast sums.

I estimate, at least half a million cash to block it. To stop it. And it would be a good investment for them, it would be chicken feed for them. A mere paltry half million dollars, to block this oil refinery.

SOME HON. MEMBER: Inaudible.

PREMIER SMALLWOOD: And Sir. I could, yes.

SOME HON. MEMBER: Would he.

PREMIER SMALLWOOD: No, I would not. But, I could, and I could also, but I will not. I could also name many an outfit that has done everything imaginable to block Come-By-Chance.

I would say, Mr. Speaker, that in the history of the ten provinces, of Canada, there has never been an example like this of dirty pool, of dirty business, and of dirty politics, used to kill a great enterprise. Not in Canada's history. And I who have fought to get industries for this Province, and this Government who have fought to get industries for this Province, have had the fight of our lives to get this great oil refinery.

Now, Mr. Speaker, I had said to John Shaheen, more than once, that if this oil refinery costing a \$130 millions, a \$100 million first mortgage, \$30 million the second mortgage - \$10 million equity, not counting the ships, if this vast industry

This industry, if this vast industry, vast that is as to the amount of capital it needs, vast in that sense. If that vast industry meant only another oil refinery, bigger, say eight times bigger than the one at Holyrood, say eight refineries of the size of the one at Holyrood and I would like to see eight refineries in a row, lined up in a row, eight like those at Holyrood. That would be a sight to see, but if it meant that only another oil refinery employing 400 to 500 men, not 300. If that is all it meant employing 400 or 500 men, Mr. Speaker, while I would be delighted to have an industry employing that many, just as I am delighted to be getting an industry in Stephenville that will employ 200, this Mohawk outfit, 200. I thank God for 200 jobs in Newfoundland. I thank God and this Government.

I do not despise 400 or 500 jobs, but do you think, Mr. Speaker, that this Government would be interested in \$130 million for 400 to 500 jobs. I have here in my pocket, right here the names of companies whose names are known around the world, who will go into Come-by-Chance. Once that oil refinery is actually under construction and well underway say half constructed because, Mr. Speaker, after everything that has happened in the last couple or three years in connection with the oil refinery at Come-by-Chance and John Shaheen the slander, the slander we heard here Monday night, indefensible slander of a man. The slander of Shaheen from the hon. member for Humber East. Indefensible slander, contemptible slander. Yes, the hon. gentleman sees this man as a criminal virtually. The President of the United States does not.

MR. WELLS: That is what he has demonstrated to me.

PREMIER SMALLWOOD: I am glad the hon. gentleman is speaking like he is, because I have his words here that he uttered on Monday night. I am tugging him a little more. I want him on the record. I want it unmistakable. He is calling on his right. He is not so hot-tempered. He has not vilified Shaheen. He has not called him or hinted that he was a crook or a scoundrel.

Now, Mr. Speaker, after what has happened in connection with the oil refinery the doubt that has been thrown on it, the liable, the columniation, the

misrepresentation of the facts in the past two years - would you be surprised if a great and reputable petro-chemical company interested in a new source of Core stock with its attention drawn to Come-by-Chance, attentinn drawn to the geographical and the logistical advantages of Come-by-Chance and agreeing that this would be a good place for them to go. Can you be surprised that any such firm in the light of all the talk and the uncertainties of the last two years would prefer to keep their powder dry, to see if this refinery is really going to start in actual fact that it is not just talk, that it is not just political propoganda, that it is not just a cod, as we use to say in Newfoundland, that it is real, that it is for real. Can you be surprised, if they prefer to wait to see if this oil refinery is a reality, before they move in?

My reason for putting up the great battle of my life which beats even the battle of Churchill Falls. In Churchill Falls, I had a man with an emperor complex to deal with in the neighbouring province who delayed it for years and drove the cost of developing Churchill Falls up by something in the order of \$400 million to \$500 million by delaying the commencement of construction. By the time construction was able to start, prices had escalated, cost of materials had escalated, the cost of money had escalated and the cost of producing the power, at least the cost of not producing the power, the cost of putting in the installation at Churchill Falls has virtually doubled. Even that battle was not as fierce as the one to get this great oil refinery.

I have been sustained in this battle. I would not want to be Premier. I would not want to be cowardly. I would not want to give him on this so long as there are Newfoundlanders who will sustain me, who will keep me in office, so long as there are men who will back me up. Let all the rest desert what they think is the sinking ship. Let them go. As long as loyal Liberals will stand by me, I have been willing to fight to get this oil refinery not for the sake of an oil refinery, but for the sake of what can be a vast employment that would be based on the oil refinery. Because I know, Mr. Speaker, the need for

jobs.

Mr. J. Parker has been sneered at and jeered at, run down and slandered and yet Mr. Parker did what I have been doing for years. He has been looking at the facts, not the propaganda, looking at the facts. He says how many men can this fishery maintain in Newfoundland in the future? How many men are we likely to have getting their living out of the mines in the future? How many men are we likely to get to make their living out of this and that and the other with bases going here, bases going there? Where are the jobs to come from in the future on this little Island of ours? That is a pretty sensible thing to be doing. This is what every thoughtful Newfoundlander should be doing, because if we do not find the jobs, then the only solution left is either to follow Mr. Parker's advice and move our people up where the jobs are, in Ontario mainly, or give in, throw in the sponge. Throw in the sponge. Something that Newfoundland never did even when she start, even when Newfoundlanders, bellies worse were clinging on to their back bones, when their bellies were empty. We never gave in.

HON. J.R.SMALLWOOD (Premier): We never gave in not in five hundred years - but we have to do that or leave - get out of this Province - get out or stay here and give in and admit we are just poltroons - we are curs - we are going to live on charity - we will spend our talent and our brains and ability just coaxing and begging ever more and more money out of Ottawa - and we become paupers here. It is that or we get out - or get jobs - tell me the fourth - there there are - the three and what do I do as the Premier of this Province? Come on - what do I do? Will I lead the way and we go out or will I lead the way for a great begging expedition or will I lead the way to get jobs?

What should any Premier do - he should lead the way to get jobs - that is what he should do. Any Premier who does not do that is a traitor to Newfoundland - he is a traitor. Quizzling was a gentleman compared with that Premier if there were such a Premier of this Province. Whatever might be the case in other Provinces - in this Province where we have been for five hundred years - where your ancestors Your Honour - probably like mine starved - went hungry for nearly five hundred years. In this Province above all Provinces the job is the job of creating jobs. Personally I sit in this House here and I try and interest myself in the speeches. God knows that is hard enough to do with some of the speeches one hears - but one makes allowances and says that everyone is not the same - we are not all built the same way - and our talents run in different directions - but I sit here impatient and bored when there is talk in this House about almost any thing you like to mention except jobs for our people. What is there so important as that? Come on - what is there so important in this Province so important as creating jobs - tell me what it is. What is it schools? What is the good of schools if you do not have jobs? Hospitals - what is the good of them if you do not have jobs? A university - a medical college - what for to provide educated men to build up Ontario? What is there in this Province half as important as the creation of jobs?

Oh if you are a member of the House of Assembly and you get \$8,500. a year, and if you are a Minister of the Crown and you get another ten or eleven on top of it - and you are getting up around \$18,000. or \$20,000. a year - and you become a fourth class pauper at that income in the eyes of rich men - but in the eyes of our Newfoundland people you are a multi-millionaire floating in money if you have \$18,000. or \$20,000. a year - and if you have that in this House here it is so easy to kid yourself - it is so easy to blot

out the realities of Newfoundland - it is so easy if you have not been around - if you have not travelled - if you do not know men in tens of thousands - if you have not been in hundreds of the little harbours and coves - if they do not come day and night to your office and to your house looking for God's sake for a job. Then you can oblige yourself to it - you can turn the deaf ear to it - and you can begin thinking of priorities and options and you can talk about reform of the civil service - and you can talk about a hundred things - all of them important - each of them by itself in the aggregate important - but trifling, piddling, unimportant compared with the one great problem of problems for this Province.

Look Mr. Speaker, if I were to drop dead now - you know and I might some people - you know hope springs eternal in the human breast - if I were to drop dead now or have a stroke - and if this was the last speech I was to make in my life - you know what I would like to have remembered about me Mr. Speaker, do you know what I would like - I would like people to say "that little so and so - God what blunders that man made - God in heaven what mistakes he made - God in heaven what poor judgement he had - God in heaven how inefficient and deficient he was - but there is one thing about that little so and so - he was the one man in Newfoundland - the one man - of all the men who saw that the only hope for Newfoundland and her people - jobs industries - employment - cash-wages - the only hope " Now this was not true 100 years ago - oh 100 years ago in Newfoundland you had 1,000 settlements about the same number you have now. Between then and now it went to 1,300 now it is back to 1,000 or 900 - and you had tens of thousands of people in Newfoundland living on the roughest fare you can imagine. Do not think you could go in to the average outport and go into a shop and see what you see today - I do not know what will happen after Confederation came and that is only twenty years ago - I remember going up the southern shore in an election - a by-election - no a Federal election two months after we became a Province Then I went over to Conception Bay and I was down in Bonavista Bay and I went in shop after shop after shop God in heaven you could not believe it - you could not believe your eyes - the stock - the foods that were brought in and put on the shelves that they had never laid an eye on in all of their lives. It was not like that always - it only came to be something like that after Confederation - but before that the roughest of food, the roughest of clothes, the roughest of home furnishings, people lived on the very lowest standard - they had no expectations of anything much better than that. The battle year

PREMIER SMALLWOOD: year after year was to get another twenty cents on a quantel of fish, salt cod, and if fishermen got fifty cents a quantel, I add it on to the price of fish they were made. They will probably come close to squaring their accounts, if they can get this extra fifty cents. That is the way it was - people did not need to be educated. You went in your fathers boat when you were eight or nine years old. You did not need to be educated. You did not need to be trained. You did not need to have jobs. Your job was able to show you were born, you were only in the boat with your father. And you cut the tails, you cut the tails. And you will get promoted and you will cut the throats. So that was a big promotion. That was the kind Newfoundland was until the other day, but today, Mr. Speaker, today - what are you going to do? Are you going to bring up a race of illiterates? Are you going to bring up a race of labourers? Are you going to bring up a race of young people who are doomed, and are doomed, and are doomed to be common labourers in an age, and on a continent where common labourers are not wanted any more. Not needed any more. So, what are you going to do in Newfoundland? What are you going to do? Are you going to - remember now that you are living in the second half of the twentieth century in the age, when a few months ago men went up on the moon, and walked around on it: Here on this little Island, near this rock, what are we going to do here? Are we going to turn our backs on all that? We are going to try and kill ourselves, that all we have got to do is reform the Civil Service. Get better schools. Have a better University. Get more water and sewerage. Have more paved roads. That is not our problem - these are problems, these are desirable things. I am not running them down. God knows I have striven to hard to provide things like that for our Province, and because you can talk all you like about industry. If this oil refinery gets going in the next month, if it gets going slam bang, did you get 450 men working on that wharf, which will be the biggest wharf in this Province, and maybe the biggest wharf in Canada. I do not know one in New Brunswick or Nova Scotia as big. I do not know one in Quebec as big. I certainly do not know one in British Columbia that is as big. This is an immense wharf. This is going to take ships up to 300,000 tons. You get that going in the next month, and you get 450 men working to build that wharf for the two years, and another hundred building a refinery. And another hundred building the paper mill, if you get that, remember you only get it only after long suffering. We have spend years trying to get these things. Years and years - what were we doing in the meanwhile? We spend years and years trying to get the great paper mill at Stephenville. We spend

ten years, I spend of my life trying to get Churchill. Ten years. Ten years. A smarter Premier might have been able to put it over Mr. Lesage time and get it in five years. I was not. It took me ten years to get Churchill Falls.

Now, look suppose in those years when we were battling to get these industries, we had not done anything else, we had said to the people now, you wait. Never mind roads now - never mind roads, never mind paving. Never mind rural electrification - you go on with your kerosene lamp, and never mind water and sewerage. Never mind that, you have your out-house, a one-holer or two-holers. Never mind you want any modern conveniences, and infrastructure, do without that, let us wait until we get the jobs. Suppose we had taken that attitude. What would the population of Newfoundland be tonight? Would it be 515,000? Would it be a 160,000 Newfoundlanders more than there were on the day I became Premier? No there would be more than 160,000 less than it was twenty years ago.

So while you are baffling to get the jobs, to get the industries, you are forced whether you like it or not, you have to get the money, you have to beg it, you have to borrow it, you have to get it, you understand Mr. Speaker, you have got to get that money, and provide these improvements in Newfoundland while you are waiting for the industries and the mistakes that you can make so easily. God how easy it is to make this mistake. To get wrapped up in the roads, in the paving, in the water and the sewerage, in the rural electrification, in the new hospitals, the new schools, and forget all the time you are doing that forget that is all money down the drain. That is all labour lost, that is all just wasted. If you do not get the industries and get the jobs and get the employment.

Why cannot people see this? Why is it people cannot see it? What makes people so blind, that they do not see that? I give J. Parker credit for one thing. He is a young Newfoundlander, born here, brought up here, got a bit of education away, came back. In business he is probably a millionaire, maybe a multi-millionaire, but he is still a good young fellow. And he looks at his own native home, Newfoundland. And he cannot see, he cannot for the life of him see where our people are going to live; or how they are going to live, he cannot see it. He cannot see it. And so he says, let 150,000 move out. That is not the answer.

I do not blame him for saying it. I do not blame him one single bit. It is not the answer though. The answer because, you know why it is not the answer, I will tell you why it is not the answer. If we all agreed here in this House, and we came up with the money, and Ottawa agreed, and everybody agreed that a 150,000 could be moved out, they would be helped to be moved out. They are going

to be financed to move out. Tell me please, how do you hold it at a 150,000? How do you have a limited war? How do you have limited crime? How do you have limited emmigration? You say, the best will in the world, mathematically, irremathematically, this is the right number now, there is a pressure of population, not enough jobs, too many people, so move the people out, and then there will be enough jobs. But, you move the people out, where do you stop? You may stop, but how do you stop the rest of them? Let it settle in the minds of our young people, in Newfoundland today in a thousand school, in our trade schools, in our University. Let it settle in their minds, that Newfoundland is done, and they have been over there an awfullot to lead them to think that - let them come to this conclusion that Newfoundland is done - that she is down and out. That she is in a mess. Let them think that, let them be brought to believe that there is no future here in this Island. That there is no future for them. That this is not going to be the place where they will get a job, where they can use their brains. Where they can use their education, where they can use their skills. Where they can use their ambition, and where they can use their love of native land. One gets the idea that that is not for them, and how are they going to keep them down on the farm then, Mr. Speaker? How are you going to hold them in Newfoundland then, when you start talking about paid immigration, people moving out - I tell you that is death. That is death to this little Province - death, death and destruction.

This is why I fight for this refinery. This is why I fight for it. This is why I have lost two ministers. They have gone. One of them has been eating his heart out ever since - eating his heart out that he was so short-sighted and so influenced by the others - eating his heart out. He knows what a fatal mistake he has made, what death it means to what could have been a promising political career. I have lost two ministers -

It being now 6:00 o'clock I do now leave the Chair in accordance with the motion.

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PROVINCE OF NEWFOUNDLAND AND LABRADOR

HOUSE OF ASSEMBLY

Volume 1

Number 7

4th. Session

34th. General Assembly

VERBATIM REPORT

WEDNESDAY, FEBRUARY 25, 1970

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House opened at 8:00 p.m.

Mr. Speaker in the Chair

MR. J. C. CROSBIE: Mr. Speaker, for the information of the House, this afternoon when I was speaking on the debate on this motion, the hon. the Minister of Mines, Agriculture and Resources and the hon. the Premier insisted that when the Newfoundland Refining - Newfoundland Agreement Act of 1968 was voted on in this House, they insisted that the hon. member for Humber East and myself had voted in favour of the bill whereas I said that in actual fact we had abstained on the vote in the second reading of the bill and had voted against the interim finance and clause of that bill.

Since this afternoon, the journals of the House have been checked and it turns out that I was correct in the position that I express to the House and that the hon. the Premier and the hon. the Minister of Mines, Agriculture and Resources were wrong, as is not an uncommon thing.

HON. J. R. SMALLWOOD (PREMIER): Mr. Speaker, I have a suspicion that the hon. gentleman who just sat down, and I, this afternoon, were very much out of order. It seems to me that if Your Honor cared to look at this motion, the first part of which is on page three, and the essence of which is on page four, everything on page three being mere preamble, with the essence of the motion being on the top of page four, virtually everything said by the hon. member for St. John's West, and by me was out of order.

I feel that the debate should be restricted to a simple question that the House directs Your Honor to appoint a select committee to certain things. I hold that the debate should be strictly limited to that and that in the moving of such a motion or in speaking to it, it is not right, according to Parliamentary rules - practice and rules of this House - to have a wide ranging debate on the whole question of the oil refinery, the proposed oil refinery and the whole project - financial, economic terms of it, its valuability or not, its profitability or not - a whole review, a history and review of the whole project.

That is more interest than merely to be strictly legal and lawful and follow the rules of the House and more interesting to say and more interesting to hear. Certainly, I have personally enjoyed hearing it and speaking to it.

But, Sir, the damage is done now, I suppose. We have been breaking the rule and, I suppose, for the remainder of the debate, we cannot make chalk of one and cheese of another, and, Your Honor, now, I think is stuck with us, with all of us here in the House that wish to speak to this motion - to allow us to make the sort of speech that is permitted really, only on two occasions, in the life of the House, this House, (1) the speech from the throne, (2) the debate on the budget; in both of which, the hon. members are utterly free to talk about virtually everything under the sun, but in accepting on those two occasions, hon. members are expected to speak directly, strictly to the point before the House.

If the House passed the piece of legislation this year, after long debate, goes through its various stages, first reading, second reading committee of the whole, and then, finally a third and final reading, gets the Royal assent and becomes law, then next year or five years afterwards, the Government bring in an amendment to that bill, amending one of its clauses - that act, that law - amending one of its clauses or two or three of its clauses.

The House is not allowed to do anything but debate the actual amendment that is brought in. Just because an amendment to an act, to an existing act, is brought in, does not mean that everybody can get up and talk about anything he likes concerning that act. He is limited to a discussion of the proposed amendment or amendments, and normally, members of the House are restricted under the rules, but I fear that we have broken the rule here, today, and we are having sort of wide ranging debate on the oil refinery, which does not even exist, but which is projected.

I said here, before dinner, that my only interest in the oil refinery lies in the fact that the oil refinery is not to be an ordinary refinery, such, for example, as the one in Holyrood. The one in Holyrood is a very simple and unsophisticated oil refinery. It takes crude oil and with the sort of apparatus they have there, at that refinery, they can extract certain things out of the crude oil, including stove-oil for heating this building for example, and gasoline to drive your car or truck, and there

are oil refineries in the world that are that simple. They may be small, they may be large or medium, but simple. Their purpose is to turn out a pretty simple and unsophisticated product.

Now, if you take a ton of - a barrel of crude oil - depending on the oil well it comes from, what country it comes from, the Middle East or North Africa or South America or Western Canada or different parts of the United States, from different parts of the world, depending on the source, the origin of the crude oil and the kind of crude oil it is, you can take it into an oil refinery and you can -- in any oil refinery, you can take out a simple product, namely stove oil and gasoline and one or two other things.

But, you can take the same oil into a sophisticated oil refinery that is made for the purpose and you can extract from that crude oil, by various processes, in the refinery, you can extract certain things which in ordinary, unsophisticated oil refinery will not extract, and the oil refinery at Come-by-Chance is to be an extremely sophisticated refinery.

Indeed, it is, in a way, wrong to call it a refinery. It is a core chemical plant.

Now, what does that mean? Core chemicals are the core, the core stock for chemical plants. The chances are, ten to one, Mr. Speaker, that this thing that looks like leather, covering the upholstering of this car and of that chair there and many chairs, was made out of oil. It is very likely that this carpet was made out of oil - oil, crude oil.

Actually, thousands, quite literally many thousands of industrial and commercial products that are made of crude oil, the number is unlimited. Part of the motor car you drive is made out of oil, besides burning gasoline, the car itself, in parts, is made out of oil. In your home, the curtains on your window, the floor covering, the shower curtains, your tablecloth, probably made -- huh? Tiles. Yes, these very tiles underneath the carpet. These tiles are almost certainly made out of oil.

The number and variety of products made out of oil is almost uncountable, not uncountable, but it is a very large number.

Now, a core chemical plant, which is what the plant at Come-by-Chance is to be, is a plant that takes crude oil, that comes up out of the earth and is brought to Come-by-Chance in great ships of 300,000 tons each, carrying 3 million barrels of oil at a time - is a plant that will take that crude oil and produce core chemicals.

Now, it will not make carpets, this oil refinery or this core chemical plant. It will not make tiles, it will not make this leather. It will just make the stock, the raw material for chemical plants and the first thing that comes out of that oil refinery is a relatively simple product, and its the raw material that goes into a chemical plant, and the chemical plant takes it as its raw material and manufactures it by a very sophisticated process into another product.

Now, that other product, becomes the core, becomes the raw material for still another chemical plant which takes it and by its sophisticated process, turns it yet, into another product which is a finished product as far as that plant is concerned, but from that plant, it goes to another plant which takes it as its raw material and by its sophisticated process manufactures it into yet another product, and so it accelerates.. In the end; you have plants turning out carpets, turning out tiles, turning out a great number and variety of commercial products that are sold throughout the world and it is as you move further away from the core chemical plant, towards the plants half a mile moved over - when you reach over there, you are in plants, each one of which could easily employ 1000 men and women.

As you get further away from the core chemical plant, and the relatively simple product that comes out of the core chemical plant, the refinery, to the plants making a more sophisticated article out of the raw material which is four or five times removed from the core chemical plant, it is then as you get over there, that you get into a much more sophisticated kind of manufacture, turning out products that are saleable anywhere in the world.

And the amazing thing, Mr. Speaker, is this, that the number and variety of products that are now being made in these petro-chemical plants throughout the world - the number and variety is growing at an

550

unbelievable rate.

Now, we all know, we all know what modern industry, with the aid of modern science is doing. Whatever your raw material, whatever you are engaged in, or trying to find —

NOTE:

RECORDING SYSTEM IN HOUSE FAILED.

HON. J. R. SMALLWOOD (Premier): have in Newfoundland, the highest in North America, and the death rate we have, the lowest in North America. Our population is growing very fast by natural increase, the fastest of any part of Canada or North America. And with a labour force now of a hundred and forty thousand, and say fifteen thousand of them unemployed at this moment, and the population growing, then obviously if you are going to create industries in Newfoundland to absorb your people, to give them jobs. If you are going to do that, then clearly at the rate of three hundred thousand dollars per job, multiply fifteen thousand jobs by three hundred thousand, and how many billions is it? Come on somebody should be quick enough on that. Fifteen thousand times three hundred thousand dollars. It is up in the billions. Four and a half billion. That is forty-five thousand million dollars - or forty-five hundred million dollars.

Four thousand five hundred millions - four and a half billions. Gad, there is hardly that much money in the world is there? Anyhow we are not going to have four and a half billions in Newfoundland to create fifteen thousand jobs. Put it another way - be modest. Let us say that we could find jobs in Newfoundland in industries that Ottawa would help to the extent of thirty thousand dollars each - fifteen thousand jobs at thirty thousand dollars - not three hundred thousand - how much is that? Half a billion say - half a billion dollars to create fifteen thousand new jobs, that is too rich for our blood, that is too rich for Canada's blood.

So therefore, Come-by-Chance Oil Refinery - you would not look at a second time, if that was it - if it began and ended with an oil refinery, if that was it, it would not be worth the breath to talk about. One good look at it and you would dismiss it.

But Sir, there is one thing about it. If you have a hundred thousand barrels a day of crude oil from Venezuela and Algeria and the Middle East - a hundred thousand barrels a day of crude oil, arriving in Come-by-Chance and being put through that refinery, you might have a petro-chemical industry.

But there is one thing you can bet your life on - you can bet your hope of heaven on this, and the hon. gentlemen across can bet without any hesitation, they can bet their hope of winning the next election on it. Bet anything you like, your life, anything you can bet on this - that if there is no refinery at Come-by-Chance - if there is no core chemical plant at Come-by-Chance, there will be no petro-chemical industry. There cannot be. The whole

economics of having a petro-chemical industry lies in the fact mainly that the core chemical plant is there. You could build your chemical factory so close to the oil refinery that you could pipe, you could put pipeline from the oil refinery into chemical plant, and pump the core stock over to the chemical plant. And that chemical plant could pump its product over to the next plant.

This could be done if you begin with the refinery. If there is no refinery, there is not a chance on this earth of there ever being a petro-chemical industry at Come-by-Chance. Now Sir, here is the great and tragic, and if you like romantic thing about this whole business.

We have been in Confederation now twenty years. Nova Scotia has been in it a hundred and one years. Nova Scotia was one of the four provinces that made Confederation in the first place. And in Nova Scotia, one part of Nova Scotia, namely Cape Breton, at a place in Cape Breton called Point Tupper - at a place called Point Tupper in Cape Breton, Nova Scotia, Gulf Oil, a great American major, one of the oil majors is building a great chemical - or a great oil refinery. It is not as big as the one to be built in Come-by-Chance. It is I think sixty-thousand barrels a day compared with one hundred thousand.

And that whole program in Cape Breton is based fair and square exactly and precisely on the idea of a petro-chemical industry. And they are a gunshot from us. A big gun if you like, but about a big long gunshot, away from Come-by-Chance. We were ahead of them - Newfoundland - we were ahead of them, in every way we were ahead of them. It was a titanic struggle between a great oil Major, Gulf Oil worth thousands of millions of dollars, and a small man, Shaheen worth twenty, thirty millions. Poverty in the oil business. Not poverty, it is the dole. You are just a recipient of dole - you are hardly worth even mentioning if you have only thirty million dollars, when you are in the oil game, especially if the thirty million is not cash, but consists of radio stations, television stations and small oil companies, and properties here and there.

He has a T.V. station I think and a radio station in Hawaii - he has two or three down in the southern United States, and one in New York state. He has got T.V. and radio stations that he owns. And these are profitable some times, but they are not the big dough like oil, and his oil companies are small. So Shaheen is only a pygmy. He is only a little office boy in the eyes of the great majors. (Interruption inaudible) If the hon. gentleman would listen he might learn, and I may say he needs to learn, because there is a lot he has to

learn yet. Yes - Last night the hon. gentleman entertained us and we listened patiently - we learned something.

Now this titanic battle between a pygmy in the oil business and a giant began, in other words between Come-by-Chance and Point Tupper, between Newfoundland and Nova Scotia - between Ikey and Joey, if you like. That battle had all the elements of tragedy and drama, melodrama. Because Mr. Speaker, in this world tonight, there is trade, no industry that is so foul, so filthy, so unscrupulous as oil.

Steel - the steel masters of the world are Sunday School teachers compared with the oil men. Oil - oil will kill you - oil will murder you - oil will assassinate you - oil will hire gangsters to kill you. Oil will put governments out - oil will start revolutions - oil will kill kings - oil will take over countries. It has taken over countries, the whole Middle East. All this great row between the Soviet Union and United States with Nasser and Israel - what is that? That is oil Mr. Speaker. That is oil.

That is what is at the bottom of it. Oil stops at nothing and for once a great oil industry ran into someone, two men, John Shaheen who was in the United States Navy, a captain in the United States Navy and was one of fifty men on the earth today who wears a proud decoration. Read any of the books on the O. S. S. General Wild Bill Donovan and Johnny Shaheen who use to be dropped behind the lines during the war. That man has the courage and the guts of a John Doyle and that is saying something. That is saying something. The courage, the unquenchable courage of a John Doyle. That was one of the two men and the other one I am too modest to name. You have to guess who the other one was.

I have had with me loyal men, loyal Newfoundlanders who have caught the vision, who have caught this great dream of a possible vast industry in Come-by-Chance. Now, Sir, we have all but lost that battle. We lost it several times. We all but lost it, when two members of the Cabinet walked the the floor, crossed the floor. We all but lost it then. Newfoundland had a fatal blow struck at her then. We all but lost it, when the Minister of Finance of Canada, my friend, Ben Benson, the hon. E. J. Benson, Canada's Minister of Finance, a personal friend of mine. When the Minister of Finance announced that his budget speech that crown corporations were to lose their immunity from taxes that they had had all along.

Mr. Speaker, just think of it. When I became Premier of this Province, within less than a year, I discovered something that in the Tax Law of Canada, the Federal Tax Law, corporations were not subject to Canadian taxes, if they were owned by the crown. We in the Government, in the Newfoundland Government proceeded in a period of about eighteen years, no seventeen years; we proceeded to form one crown corporation after another. NALCO was the first. We owned ninety percent of NALCO and the other ten percent were owned by half a dozen other people that we wanted to bring in as partners. Why ninety percent? Because a crown corporation was defined in the law as one that was owned, not less than ninety percent by the crown. If it was owned one hundred percent, okay, but not less than ninety percent. So our first crown corporation we made into a ninety

percent crown owned, the Queen in right of Newfoundland was the owner of NALCO ninety percent of the shares of NALCO.

Then one after the other we built them. We created these crown corporations. We created one to build a feed mill out here at Manuels that is how that was built. We created a crown corporation wholly owned, one hundred percent crown, hundred percent Government and we built a feed mill out there and it cost less than \$2 million and the crown corporation made a contract with Robin Hood-Flour Mills of Canada to design it and superintend the building of it and then take it and manage it and pay up the debt and then own it.

We made another crown corporation to build that fish plant in Marystown. It cost about \$8 million, \$9 million, a crown corporation wholly owned by the crown, one hundred percent owned and that crown corporation made a contract with the great Sugar Company of Toronto, Atlantic Sugar who formed a company that they wholly owned called Atlantic Fish Processors and Atlantic Fish Processors a wholly, privately owned company made a contract with the crown corporation that owns the plant to move in, manage the plant, run it, pay up the debt and end up by owning it, after they had the debt paid off.

We created, I would think about twenty odd crown corporations. Now, Mr. Speaker, we happen to discover that that was the law of Canada that a crown corporation, at least ninety percent owned by the crown would not pay any corporation taxes to the Canadian Government. We were just a poor little Province. We had just come into Confederation. We had a lot of unemployment. We had a hundred years lost time to make up for. We had to seize on every device that we could find and we seized on this device of the crown corporation, and one corporation after the other we created. We took full advantage of that law of the Canadian Parliament.

It was not done secretly. Everyone of them was done in this House. Everyone of them, without exception. They were all brought in the House. They were debated. There was a bill. It got its first reading. It got its second reading. It went into committee of the whole. It was passed. It was given its third reading. It was given the royal assent and became the

law and then, Mr. Speaker, a copy of it was mailed to Ottawa as it had to be. His Honour the Governor is required, as in the old days before Confederation, His Excellency the Governor was required, every law that passed in Newfoundland, he had to send it to the Colonial office in England. Every law that was passed in Newfoundland, a copy of it had to go officially to England and under the Colonial Laws' Validity Act, they could veto it. Since Confederation every law has to go to Ottawa and the Governor sends it.

It goes to the Secretary-of-State. He sends it to the Minister of Justice so that they decide whether they would disallow it or not. Every province in Canada, the Governor, the Lieutenant-Governor must send a copy of every law passed to Ottawa to the Canadian Government so that these crown corporations that we formed, you see, Mr. Speaker, were not formed in secret. They were formed very publicly. They became public law made by the people's House in public. They were forwarded to Ottawa so what we did was legal, constitutional, proper and public, and for seventeen years no one raised a murmur. You could have a crown corporation with a feed mill. No one said anything. You could have a crown corporation with a fish plant. No one said anything. You could have a crown corporation with a ship yard. No one said anything. You could have a crown corporation building and owning hotels. No one said anything.

Our sin was making a crown corporation to go into oil. Now we were up against something. Now we were in the majors. Now we were on the great battle field. We had the unmitigated gall, this little backward Province, just barely inside the door of Confederation. We had the unmitigated gall seventeen years after Confederation to pass a law to make a deal through a crown corporation the same as with feed. The same as with everything else. The same thing, no difference. When the company we made the contract with to run the ship yard, get it paid off, they own it. When the company we made the deal with to run the big fish plant in Marystown get the debt paid off, they will own that great plant. When the people who are running the feed mill get it paid off, they will own it. When Holiday Inns get the debt paid off on the Holiday Inns, they will own the Holiday Inns. When Shaheen gets the debt paid off on the oil refinery,

he will own the oil refinery. No difference. Exactly the same as with all the other crown corporations. There is no difference. They are identical in every respect identical. No difference, but one. Oil that is the difference, Mr. Speaker. Oil, and in addition to that, this difference that we had the temerity, the brazen audacity, the unmitigated gall to set up a great oil refinery in Newfoundland, when a gun shot from us, a vast major industry was building exactly the same kind of a plant.

They could go to Ottawa. They get a great wharf built by the Government of Canada, a great wharf. Not on a loan, there has never been any suggestion of Ottawa lending money to Shaheen to build that great wharf in Come-by-Chance. No suggestion of a loan. No suggestion of a gift, anymore than there was in the great wharf that was built at Point Tupper. That was a case as you had it in Newfoundland, in Newfoundland, Mr. Speaker, the Canadian Government went into Tilt Cove where there was a mine, a copper lead mine, and they built a big public wharf there, not a public wharf, a big wharf. They went into Baie Verte where there is an asbestos mine, the Canadian Government went in there and they built a big wharf. At Long Harbour where the Phosphorous Plant is the Canadian Government went in and they built a big wharf. In these wharves the plan is: number one the Canadian Government builds it; number two the Canadian Government pays the cost of it; number three the Canadian Government owns it and they get their money back by charging the user - a user fee which in say thirty years pays off the wharf. No trouble to get them to build a great wharf in Tilt Cove, in Baie Verte for a mine, in Long Harbour for a phosphorous plant, no hesitation, no doubt, no difficulty about it.

But Come-by-Chance, what is the wharf for? In Come-by-Chance again, oil! The next great blow that was struck at this great project was that the Minister of Finance, my friend, the hon. E. J. Benson and I mean my personal friend, announced in his budget speech in Ottawa that the Government of Canada were going to present to Parliament an amendment to the Tax Law eliminating the immunity to taxation on crown corporations, if the crown corporations

were intended to be sold to private interests. That was a hard blow. I confess it. I confess it. I did not lose my nerve. I did not give up hope even then, because I am the kind of man, Mr. Speaker, who never gives up hope. Never. You can knock me down. You can knock me out. You can knock me ~~un~~conscious and the first thing I would do the minute I would regain consciousness is - I am up again fighting to the bitter end! You cannot kill me. Thanks be to God for that. We would never have had Confederation if I had not been like that. No, never, never, Sir, never, unless we had gone on without it, without it and without it and then had enough strength left in our poverty to crawl on our belly, on our guts to Ottawa, we might have pleaded for God's sake, take us in. May be we would get it that way. Because if we had not ^{gone} into Confederation twenty years ago, this would be one ~~an~~ inglorious poor house. That is what Newfoundland would be. But that was a bad blow. That was a blow to the heart, right under the heart that one was. Not just on the chin. That was a bad one, a hard one to take. It all but knocked us reeling, but it began again. All over again we began and now we get a change and the change is made after it is done in the budget, done in the House of Commons, passed by the Senate, signed by the Governor-General and it becomes the law of Canada. There is another clause in the Act, which allows the Minister of Finance at his own discretion to give that very immunity to that very company. Not all companies but those that he named those that he decides shall have it, get it in the form of immensely, accelerated depreciation, which means

PREMIER SMALLWOOD: That very purpose of our deal is accomplished. The purpose was that the corporation would not pay any taxes to the Canadian Government and they could therefore all the more rapidly pay off the debt. You see, if half your profits, 50 51% of your profits go each year to Ottawa it takes you twice as long to pay off the debt. Fifteen years is the term of the second mortgage. But the actual -

MR. CROSBIE: Would the Hon. the Premier permit a question? The fast right of depreciation, does not that mean that you still have to pay the tax at some time?

PREMIER SMALLWOOD: Yes, it is only a deferral.

MR. CROSBIE: That is right.

PREMIER SMALLWOOD: But it makes it that much easier to finance it. Remember this. If you have a \$100 million to raise, \$100 million. That was our whole national debt in Newfoundland the coming of Confederation, it is a bit more it is \$105 millions. You go up and now coolly and calmly and you float a \$100 million bond issue, and a first mortgage bond issue, and you float a second mortgage issue of \$30 millions. Obviously, you are going to get that money more readily, obviously you are going to get a better rate on it, obviously, the terms and conditions of that loan will be much better if there is a quick pay out. I wonder if I will cause any harm by saying what I am going to say now, I do not think so. I will take it easy, I will not say a word that I am considering if it can do any harm, because we are in a fierce war and walls have ears and half a million was not spent for nothing. I do not see how it can do any harm. The pay out of the hundred millions is 8 years, Mr. Speaker, if I were not so determined to be very respectful of Your Honour I would say put that in your pipe and smoke it.

Eight year pay out, you know what that means, That means in eight years of operation of the oil refinery, they will pay off \$100 million debt with interest. Now the \$30 million debt which we guarantee, we do not guarantee the \$100 million debt. We guarantee the second mortgage, the \$30 million. That has a term to it of fifteen years. But, Sir, from year one, of the operation of the oil refinery from year one, each year that passes, that it is operating, it is reducing, Well, all right to buy \$100 million with interest, with interest, buy eight, how much a year is that? How much? Twelve and a half principal, now put, say six per cent interest on that, what is six per cent? On the balance, each year, so that instead of \$12½ million it is what. an average of maybe \$14 millions a year, say, roughly, \$14 millions a year for eight years, Now when that eight years is up, and the \$100 million is paid off the company then has a debt of \$30 million, but they have been paying interest on the \$30 million in the same eight years. For the first 36

eight years they are doing two things, three things, (1) they are paying interest on the \$30 million. (2) they are paying interest on the \$100 million (3) they are paying off the \$100 million, so that in year nine you have a vast industry virtually out of debt, and Newfoundland is on her way then she is on her way. There is nothing to stop that 100,000 barrels a day refinery becoming a 200,000 barrels a day refinery, and a 300. Because if it makes sense to have an oil refinery of 100,000 barrels a day, , how many barrels a year is that? It is every day of the year, day and night, twenty-four hours a day , right around the calendar, a 100,000 barrels,365 days, how many barrels is that? How much? 36,000,000, no it is more than that. Thirty -six million barrels a year can become seventy odd million. You see if it makes sense, if Newfoundland is an island is situate in the right part of the Atlantic Ocean, tonight Mr. Speaker, as Your Honour sits there Your Honour is half way between London and Winnipeg. We are here now. We are here halfway between Warsaw on the other side of the Iron Curtain and Vancouver, we are halfway here in St. John's.

If you can picture the map of North America, on the West Coast it starts up by Alaska and it comes down practically straight, right down to Panama, to Central America, But you come on the East Coast of North America and you start in the Gulf of Mexico, and in coming north, all the time you are coming north east, and by the time you get to Newfoundland you are a 800 or 1000 miles out in the Atlantic Ocean. North America is like that and like this, and we are out at the peak. So if Newfoundland is in the right place in the Atlantic Ocean to reach the world by boat by water and we are, and if Placentia Bay is the largest bay we have and it is and if up at the head of that bay there is this great port of Come by Chance and there is, and you can, if it makes sense to put a great oil refinery there and it goes, and you can base a petro chemical industry on it, and you can, then I ask why do you stop at 100,000 barrels?

MR. CROSBIE: Why are we not in partners with them?

PREMIER SMALLWOOD: Because the same reason that we are not partners in Churchill Falls. Churchill Falls is our own resource that God gave us, God did not give it to Brinco, this House gave it to Brinco. God gave it to us. Churchill Falls is the one great heritage that God Almighty gave all of us Newfoundlanders. It is ours and we gave it to Brinco. Why did we give it to Brinco? We gave it to Brinco because we did not have the billion, the thousand million dollars needed to develop it, to develop just the Upper Churchill, and another billion for the Lower Churchill, we did not have it, so we have to say in God's Name take it get the money

where you can, develop it but employ Newfoundlanders will you please? And pay us royalties, we are going to get big royalties out of it. That is our own natural resource they are developing, and they will make big money out of it. Come-by-Chance, ~~we~~ we are giving them the land and in Newfoundland we are land hungry, the House knows what I mean by that, we talk of farmers as being land hungry. So much land that they are hungry, so much land that they are poor, land hungry Newfoundland is land hungry always was. Land in Newfoundland was not even a dime a dozen, you could not get people to take it, mostly. Alright in the towns, becomes gold dust.

We are giving the land to build the thing on, we are giving the use of the bay and we are guaranteeing some money for it.

SOME HONOURABLE MEMBER: Cheap power.

PREMIER SMALLWOOD: Cheap power that is right. The hon. gentleman will hear more about that cheap power at the right moment. The House will get it at the right moment and I have nothing to fear or be afraid of, or be ashamed of, on the contrary, to be very proud of, but that will come at the right moment. The hon. gentleman will have time to contemplate it for the rest of his idle life, because he is going to be very idle politically after a short while from now. This hon. gentleman knew what was going to happen in the Leadership Convention, he knew that, he did not have to wait for it to happen, he knew what was going to happen and he knows now what is going to happen when the next election is held next month or the month after, or.

Mr. Speaker we got over that body blow then we have another that comes up the wharf. The Canadian Government is building a big wharf for Gulf Oil at Port Tupper. The Canadian Government built a big wharf at Long Harbour and they built a big wharf at Tilt Cove and they built a big wharf at Baie Verte and not one at Come by Chance? Why? The hon. gentleman may well ask shortly it will be a very unnecessary and redundant question and he will not feel like asking. I will tell the hon. gentleman at the right moment. Does the hon. gentleman think he should decide it? The hon. gentleman always thinks he is right, and he has never been right yet. The big mistake the hon. gentleman made was trying to pass himself off as a Liberal.

MR. CROSBIE: Still one.

PREMIER SMALLWOOD: Quite a Liberal. Sounds just like it, quite a Liberal. Here is the Liberal Government, there is he, he is a Liberal. Mr. Speaker, the citizens who are our masters, whose servants we are, our masters are here visiting us tonight and some of them seem to think they should join in the debate.

MR. SPEAKER: This had been mentioned last night I was hoping it would be the last time it would have to be mentioned to the visitors in the gallery. I think that everybody should know, by this time it has been repeated often enough that visitors in the gallery must refrain from any sort of demonstration whatsoever. They must remain absolutely silent and they are here to observe and listen but for no other purpose and they therefore must not in anyway shape or form demonstrate their feelings one way or the other. I know it will be difficult at times but we have to, we have to say this because it is part of the rules of the House and it would be embarrassing to me as it would be to every member of the House if we had to ask that the galleries be cleared, which is a possibility when the visitors, let us say over demonstrative. I hope that message will get all the way through to all visitors; not only present at this time but who are visiting in the future. It will be as embarrassing for you I am sure as it would be for us here in the House to have to enforce the rule so we would ask you therefore no form of demonstration whatsoever. We are glad to see you here but we ask you to be quiet please.

PREMIER SMALLWOOD: Mr. Speaker, in the old days the House of Assembly used to meet five days a week and in the old days Wednesday in St. John's used to be a half holiday. And so on Wednesday a half holiday the galleries would be jammed to the doors. And the late respected Charles F. Lester, at Lester's stables employed 150 men. It was the biggest single industry in St. John's next to the dock, next to the railway, a 150 men driving horses, he did all the teamster work in St. John's, practically, and then had the half holiday on Wednesday. And one very astute

PREMIER SMALLWOOD: and very astute member of this House saw the value of a contingent of 150 enthusiastic supporters, and he made sure that they were enthusiastic by proper treatment, around lunch time and they would come down and they would fill the galleries, and when their hero would get on his feet which he did very often, up she would go, and you could not hear yourself. The cheers, the hurrahs, and the great roars of applause, and those who could not get room to do ~~that~~, would stamp with their feet, and the dust would go up, and the members of the House would sit there absolutely paralyzed. Of course, they were paralyzed too, but not in the same way. Now, I saw that again and again, and I swore by my Maker, that if ever the day came when I ever had a seat in the House, I would try to keep the House, no matter how angry we would get with each other as members, as they do in the Mother of Parliament in London, where Churchill one day took up a book and hurled it across the floor, at someone he did not like - where they were continually punching each other and getting into roughs - well, not continually but fairly frequently, but not the public. The public outside yes, but not inside the Chamber. Outside the public can do what they like, they are the bosses then, but in here we are. Rightly or wrongly we were elected, and sent here, so we have a right to be here. And to speak and make ourselves heard. And do we do that. Especially, the hon. member from Labrador West. If hon. members think, that I sometimes raise my voice, they ought to remember the hon. member that I called a liberator, and in using that title, I remember that it was born by one of the greatest figures of Modern European History the great Daniel O'Connell. I am not insulting anyone when I called him the liberator, but I maybe gently pulling his leg. But, I am not trying to insult him. You should hear him, and you should hear the hon. member from Humber East when he starts to roar and bawl. How I envy them their voices - how I wish I could make myself heard as they are able to do in this House. Now that is sound, that is volume. They have lots of volume. Lots of volume. Lots of volume.

Sir, the last blow struck at us was the war. And you ask yourself, what has this little Province done to merit this kind of treatment? What have we done? Do we deserve this treatment? Are we not allowed to get up a little bit in the world? Are we to be condemned? Thanks be to God, I think the battle is over and won. Thanks be to God.

One day - one day, the Newfoundland people, now I have made prophecies like this before and they have turned out wrong. And this one may turn out wrong. I am not God - I am not a prophet, I am not the son of a prophet. I am not a seer, I am not a prophet. But some day, the people of Newfoundland may look upon the

victory at Come-By-Chance, the Battle of Come-By-Chance. And they look upon that as one of the great victory's of a struggling people. A struggling people.

I said once in a speech that the merchantile: class, the old merchant class of Newfoundland ruled Newfoundland until Confederation came. Then we clipped their claws, but fast. The old ruling class, the merchantile-class, the merchant class, the fishocracy. I said of them one time, that all they wanted was to keep the fishermen in the boat. The fishermen's place was in the boat, like the woman's place was in the home. That was their version of it. The fishermen's place is in the boat, and I went on to say, and if some daring fisherman/tries to rise in the world, there is a merchant at the stage head waiting to kick him in the face back into the water. Get back into the boat, you skum.

Now, Newfoundland no longer is the cause of just poor fishermen. Now we are not going to be allowed, or we are not going to allow anyone to kick us in the face, just because we are trying to climb up onto the stage head. Just because we are trying to get a little place in the Canadian sun. Just because we are trying to raise ourselves, if only by our own very bootstraps. We are not going to be kicked in the face and put down because we are determined to get a little bigger share of this worlds goods, according to the North American and even the Canadian standards. We are not going to be put down, because we are a hard crowd to put down. No one has ever succeed yet in doing it, in five hundred years. They think over in Ireland they are fighters, they should come here and we will teach them how to-fight. We are the original fighters here in this Island, we had too, we could not be here now, if we had not had the guts and the stamina and the backbone to fight, we thought we were almost to weak to stand up, but we fought. And we never gave in, never, not in five hundred years. We never gave in, you cannot kill us. The only enemies we have that can lick us, are ourselves. No one else.

Now, I said, early today, and I said in this Speech before dinner tonight that we are going to vote again - I know the members of the Government will and I hope the supporters of Government who keep us in office, I hope they will join with us in voting again this motion which asks your Honour to appoint a Select Committee to have sort of a Court Hearing, a sort of a hearing, a sort of an inquisition, a sort of an investigation into this great project. I said, we are going to vote against it, because shortly the negotiations are, finally, the ultimate, the definitive negotiation that have been going on now for years will come to a successful conclusion.

And when they do, we then have to come whether we like it or not into the House for a slight amendment to the legislation, just a slight one.

SOME HON. MEMBER: No more money.

PREMIER SMALLWOOD: No more money. Just a slight amendment, which is necessary. The hon. the member for Burin knows what that slight amendment is - from fifteen years to two years, a temporary two years. There is a defect in the legislation, we want to remedy that. But in coming before the House, and asking for that amendment, we will be happy to, as far as it is possible to do it in the informality of Committee of the Whole, to lay all the tracts before the House, and if that is not sufficiently informal, we can appoint a special committee of the House or even a special committee of the whole House. A special committee of the whole, to lay all the data, all the documents, all the contracts, all the feasibility reports, all the audits - everything before the people's House. But, only at a point when we would not care, we could not care less, what oil companies knew it, or what lobbyist knew it, or who knew it, at that point we will be willing and eager and proud and happy to do it. We are certainly not going to do it now in the last days of our negotiation. Not delicate negotiation. I did not use the word "delicate" but, very, very, important negotiations, The final ones, when you struggle for three years to get a great project, and you are in the last days of your negotiation and you have got victory in your grasp, you are not going to listen to any nonsense about setting up an investigation at this stage. The investigation will not be needed because everything that anyone could conceivably want to know will be all laid open face up. First in the Cabinet, then in the caucus, then in this House. With pride and joy and unutterable happiness we will do that. But, we will not do it in response to this proposal.

So now we have dropped a couple of hours, let us hear some more, let us hear some magnificent oratory telling us why we should disregard everything I said, and go ahead and pass this Resolution anyhow. Let us hear the arguments, we did not hear any yet. The hon. gentleman who moved it, did not tell any particular reason why this particular thing should be done on the top of page 4, that a Select Committee should be appointed. He gave no reason for that, he just reviewed it, as I have done. I have at least given the reason why this Select Committee should not be appointed. I have given some good reasons. But he has not -

SOME HON. MEMBER: Inaudible.

PREMIER SMALLWOOD: Pardon. He cut me down to size. He is not going to let any

conceited or swell-headedness render Joey inefficient. He is going over there to see that I am going to be a very efficient Premier, now that is not going to allow any conceit or swell-headedness to disarm me, or to make me useless no, he so loves me. He so loves me, he wants me to be very successful, so he keeps cutting me down to size, like a nagging wife, you know. You know how sometimes a man's wife really cuts him down, and he thinks he is a hero and a slyde remark or a cutting remark from his wife and he is right down to a little boy. And the hon. gentleman is acting like my wife. Not my wife, but as though he were my wife. My wife is not like that. Thanks be to God. I have not got that kind of a wife. But the hon. gentleman is acting as though he were that kind of a wife to me, cutting me down to size. He has, No, he is not scared of me, is he/ He is not frightening me is he/ Oh! no, he is not a bit frightened of me. He is going to prove it every chance he gets. He is not scared of Joey. Or Joey might go and trim the posterity of him.

LAUGHTER.

Joey may give him the licking that he will never for get as long as he lives. But in the House he is going to show what a great independent he is.

MR. SPEAKER: Order, please.

MR. J. C. CROSBIE: You are a modest man.

PREMIER SMALLWOOD: No, I am going to vote against it for one.

MR. J. C. CROSBIE: I am surprised.

APPLAUSE.

MR. CLAUDE WELLS: Mr. Speaker, I will do my best Sir to try and bring members of this House back to reality. We have wander a fair distance from it, we have not really discussed the Resolution at all, the merits of it. We have heard a great plea from the lands of dreams and passion, from the Land of Wizzard of Awes.

We have not really

We have not really discussed the motion. The purpose of it, the value of it and why it is absolutely essential. Many of the reasons why it is essential came up and were brought before the House: namely \$130 million that came up, one of these really essential reasons. It was wiped out as though it were nothing, because the amount is so big, we should not even look at it. Just give it to John Shaheen. The issue has not been discussed at all. To really understand why there should be a select committee of this House at this time, I believe, Sir, we have to look as dispassionately as we can and I am the first to admit that I have had a rather direct involvement that might have some effect on my objectivities, but I try not to. I try sincerely and honestly not to let it have any effect.

I, too, want jobs. I want the 17,000 that the Premier promised this year, but I do not know where they are coming from - 15,000 to 17,000 jobs this year. They are not going to come out of Come-by-Chance. We can be certain of that. May be it is like the 1,800 at Stephenville that the Minister of Mines, Agriculture and Resources speaks about. A thousand of them are going to the up-grading school listed as jobs. No, Mr. Speaker, we have to go back and try to look dispassionately and objectively at the whole history of this and this inextricably involves the history of John Shaheen and his involvement with this problem. He had some involvement and played some role in the creation of the oil refinery at Holyrood but it was not solely John Shaheen. It was the Ultramar interest and John Ultramar was not John Shaheen alone. Perhaps if Lord Tingley were here, he might give us his views on it. Then we got to look, Mr. Speaker, at Newfoundland Pulp and Chemical Ltd, another John Shaheen Company. That has been kicking around for ten years and we are no nearer producing paper or pulp than we were ten years ago and it was to start eminently almost. We could expect jobs from it any time. There has been some work done on it. There has been a building built out there, nothing in it, no paper making equipment. Whose money? Our money, the people of this Province, not John Shaheen. He has not done a thing for it. He has just spent our money. I do not know if that building will ever be used. May be it will. We have no assurance at this moment that it will.

He spent \$2 million, \$3 million or perhaps more. I do not know the figure: the cent that we collect on chocolate bars from children, in our sales tax.

That is what he spent at Come-by-Chance. In considering this whether or not we should now have a select committee that is one of the facts that we must consider. The taxes that we have to collect. How has John Shaheen performed in the past? An empty building - no news lately, it is hardly ever mentioned these days. Newfoundland Pulp and Chemical might just as well have died and been buried years ago. We never hear anything of it now. It is my own suspicion from what I have seen that that man never personally intended to build a pulp and paper mill there. That he is basically a promoter and he gets an idea together. He gets a concession here and a concession there and then he comes to the people of Newfoundland and says give me \$2 million or \$3 million and he puts up a building and hopes that some day soon some pulp and paper interest might be interested in it and might pay him a lot of money for it.

He has neither the means nor the ability to put the thing together. That is the opinion that I have and let me say this, Mr. Speaker, in all honesty and sincerity I hope I am totally wrong. I hope sincerely that I am totally wrong, and I hope that there is a pulp mill at Come-by-Chance and an oil refinery and a petro-chemical complex. I hope that, but nothing I have yet seen leads me to believe that I am wrong to the contrary it leads me to believe that I am right.

PREMIER SMALLWOOD: Or Stephenville either.

MR. WELLS: I am not prepared to risk even that kind of money.

Stephenville is not started yet.

PREMIER SMALLWOOD: The hon. gentleman does not believe it is going to start.

MR. WELLS: No, I am not yet convinced of Stephenville although I will say this. I think it has a much better chance of going ahead than Come-by-Chance.

PREMIER SMALLWOOD: Careful, do not start conceding.

MR. WELLS: I will say this. I must say unbalanced I would much prefer to have Doyle any day. To be quite frank, I have more faith in John Doyle, as little as that may be, it is more than I have in John Shaheen, but I hope I am wrong. Sincerely I hope that I am wrong. That is what is now guiding me. Those are the thoughts that are now causing me to say what I say and I say them in honesty

and sincerity.

It is a great proposal, not just the oil refinery, the idea of the great petro-chemical complex. We have seen no signs of a petro-chemical complex. There are some signs of a possible oil refinery. There have been tanks built out there at Come-by-Chance or at least the Newfoundland Bulletin says there have been tanks built at Come-by-Chance at some great expense. I am assuming that that is correct. But who built them? Not John Shaheen. He did not do it. This House gave him \$5 million of our people's money that we by force of law took out of their pockets and ordered the little child to pay when he bought a candy bar to contribute one cent for John Shaheen. That is where it came from.

PREMIER SMALLWOOD: That is admirable. That is real statesmanship.

MR. WELLS: It is not admirable. It is pretty sickening. It is pretty sickening.

PREMIER SMALLWOOD: That is real statesmanship.

MR. WELLS: That is pretty sickening.

No wonder the Premier is a little bit ashamed, and more than a little bit distributed. No wonder he hates to hear it. It is the kind of truth that really hurts. All we hear are the great dreams of thousands of jobs. Thousands of jobs! Three hundred men can operate that oil refinery.

PREMIER SMALLWOOD: The kind of lie that hurts.

MR. WELLS: I am not a liar.

PREMIER SMALLWOOD: That is a lie.

MR. WELLS: Mr. Speaker, I demand the hon. member take that back. It is an unparliamentary statement.

PREMIER SMALLWOOD: The hon. gentleman does not take that back. That statement is a lie.

MR. WELLS: It is not a lie.

PREMIER SMALLWOOD: The chocolate bars are taxed to give it to John Shaheen. That is a lie.

MR. WELLS: All right, you do not say that in so many words...

PREMIER SMALLWOOD: No but the hon. gentleman said it.

MR. WELLS: That the little six year old..

PREMIER SMALLWOOD: That is what the hon. gentleman just said.

MR. SPEAKER (Mr. Noel): Order please.

PREMIER SMALLWOOD: That is what he said.

MR. WELLS: You do not say it to the little six year old who goes to buy a little candy bar but that is the net effect of it and the truth hurts. It hurts so much that it disturbs the Premier to the extent where he has to be unparliamentary.

MR. SPEAKER: Order! please.

MR. WELLS: Yes, Mr. Speaker.

MR. T. HICKEY: Point of Order, Mr. Speaker, I heard a statement an hon. gentleman referring to another hon. gentleman. He made a statement calling it a lie. Just two years ago, Mr. Speaker, I recall an hon. member of this House being expelled from this House for three days for that statement. I think the hon. the Premier should stand up, be a man and take that back. If not he should get the same treatment that I got.

SOME HON. MEMBER: Hear, hear.

MR. HICKEY: Out for three days.

MR. WELLS: Too much to expect. I thank the hon. member for his effort on my behalf. I do not really expect it. I am just going to set about to prove that it is not a lie.

There is no way of tracing that cent..

MR. SPEAKER: Order! please.

The debate is getting a little out-of-hand, I think. It seems to me that quite often those who raise the most points of order are those who are most out of order and we did get a little heat and I do not think that the hon. the Premier meant to infer that the hon. member for Humber East was literally lying or anything of that nature and I am sure the hon. the Premier would be glad to..

PREMIER SMALLWOOD: Mr. Speaker, I did not say it. I did not mean it. I said the statement is a lie. We are taxing chocolates and handing the money to

John Shaheen.

MR. WELLS: That you, Mr. Speaker.

MR. SPEAKER: Order please.

PREMIER SMALLWOOD: That is a lie.

MR. WELLS: I would like to have order so I could continue, Mr. Speaker.

The thing we must consider, Mr. Speaker, in considering this resolution is our ability to do what the Government desires to do with John Shaheen and that is financial. That is what we must consider, our financial ability and may be I will admit to a minor amount of exaggeration to make my point, when I say the cent comes from the little boy who buys the chocolate bar. All of the money that the Government has and uses, as your Honour knows come from taxes that we collect. One of the citizens that we collect taxes from is the little boy who gets a dime to buy a chocolate bar and can no longer do it because it is now eleven cents. We put a cent tax on it and that goes into the pot and out of the pot came John Shaheen's \$5 million. Now that is my sin of exaggeration, Mr. Speaker.

We go back and look at the history. It has not been good. As my colleague has outlined earlier today in this debate, there were four of us appointed; namely himself, the hon. member for Burin who was then Minister of Justice, the hon. the President of the Council and myself to negotiate these agreements with the Shaheen interest.

It was not simple. It was difficult and we worked night and day at it and we were concerned about it, very concerned about it, because we were aware of the significance to the future of this Province of that project. We were also very much aware of what we were undertaking to do in the name of the people of this Province, very much aware. We are only guaranteeing \$30 million of that. It does not seem like very much may be, but the net effect is to guarantee \$130 million, because it is an agency of the crown that is going to borrow the other \$100 million, not John Shaheen. He washed his hands on it completely. He said that he would not take any risks. I will be responsible for nothing, but I want everything in the end and all profits in the meantime. That is what he said. That is the simple net effect of

MR. CLYDE WELLS: That is the simple net effect of our negotiations. I take no risk, you take all the risks, you borrow a hundred million. You guarantee another hundred million that that company will borrow. I will not guarantee anything. I will not borrow anything, but I want all the profits that come from it and fifteen years later I want to be able to buy it for a dollar.

That is good if you can get it. That is nice if you can get it. He has not put that up yet, and he does not have to. He has got us on the hook now. He can say, "I cannot find the ten million". And what are we going to do? Throw away the five million we have already put there -

PREMIER SMALLWOOD: Throw him away

MR. WELLS: Oh sure we will, there is no mistake -

PREMIER SMALLWOOD: Try us - try us -

MR. WELLS: We should have thrown him away when he wanted the five million. That is when we should have done it, but we did not. We gave him the five million then, and if he comes now the Government will bring before this House a measure to give him five million more - if cannot find his ten million working capital. You are going to throw away the five million? You are not going to recover it out of that bunch of metal that is out at Come-by-Chance now.

We were concerned, they were hard negotiations. And even modesty allows me to say we worked hard on those agreements, and concerned ourselves very much with the rights of Newfoundland, the rights of her people. And the security, the financial security of the people of this Province.

We did not get everything we wanted. When you enter upon negotiations you do not expect to. Negotiations of necessity involve compromise, and we compromised, but we ended up with an agreement. As my colleague said earlier today, not one of which I am particularly proud, because we gave away too much.

But I am responsible for it as any member of the Cabinet, because I agreed to it in that form. We ended up with an agreement. I never did see a feasibility study. In the office of the hon. member for Burin, who was then Minister of Justice, in his office one day, a gentleman by the name I think of Roy Fermark. He had a book there that he kept close to him, and called a feasibility study. And every now and then he would slip a page out of it, take a quick look and slip it back in. Really I thought I was -

PREMIER SMALLWOOD: How right he was - how right he was -

MR. WELLS: He was asking me for five million dollars - he was asking me to approve on behalf of the people of Newfoundland, the giving to him of ten million dollars of our money. And there was not a thing at Come-by-Chance. Not a thing, and at that stage, no sign of it, and would not show us the feasibility study. Whatever trust I have in John Shaheen, I do not trust him that far, and I have no reason to I might add, none at all. That is the feasibility study. I do not know to this day really whether that is feasible.

So when we negotiated that agreement, we included a term in it - one of the terms that our obligations, the obligations of the Government under the agreement did not arrive. We did not have to guarantee anything or do anything, unless and until, prior to the commitment of the Government to issue the bonds referred to - we finally shall furnish to the Government an opinion of an independent person, approved by the Government confirming the feasibility of the project.

They would not let us see it - so we were not going to say yes, we will guarantee the money, as soon as you say give us \$5 million, we will go ahead until we knew it was feasibility, so that had to be done first. I still do not know that it is done. Maybe it is. We have not been able to get the information. We do not know. We are not told - not in the public interest. We still do not know whether or not it is feasible.

So we worked out what we thought was some measure of protection to the Province. My colleague here, the member for St. John's West, and the member for Burin (our separated brother). The hon. the President of the Council, although nominally on the Committee, was otherwise quite busy and occupied. We did most of the filling in for him. And basically it was the three men who now sit here who worked out those agreements. And we presented them to the Cabinet saying, we are prepared to recommend this - although we would have preferred to have a better deal for Newfoundland. Because it still meant - that we were taking all the risks. We were putting up all the money, every single solitary cent, all of it.

John Shaheen was required when the building was built to find \$10 million to cover day to day expenses while he got his oil in paid for it, refined it, and got it out and sold it and got his money back: operating capital \$10 million he was required to find under the original agreement. Everything else was ours - yet we handed it all to him on a silver platter after we had taken all the risks and got no returns. Now we were prepared to go along with

that in the end - and we did and we are responsible for it - we did do it. In the interest of jobs for this Province - and the dim prospects that somewhere beyond there might be a few thousand more jobs from a petro-chemical complex - but all we were talking about was a refinery at that stage. We were prepared to do it - we had to compromise - but we worked out what we thought was a reasonable amount of protection for this Province and it is spelled out here in the agreement that is attached to the act under section 5, of the agreement. Amongst other things all negotiations for the issue of bonds by Shaheen had to be approved by the Government - and that prior to the Government signing it's guarantee for the money - before the Government put it's name on the dotted line which would bind this Province to a possible liability of \$130 million - before that was done Shaheen were to prove that he had assets to the value of \$10 million which were capable of being converted into cash for working capital- he had to give us evidence of that.

Now all he needed to really satisfy that clause was a letter from a reputable bank saying - when the refinery is built we will loan you \$10 million. That was all he needed - he did not need to have the money himself. I think that would have been enough to ensure the Government's guarantee - that we insisted upon. We insisted on one other thing - it is no good turning out 100,000 barrels a day if we find oil in the form of gasoline, aviation gas or whatever, if you cannot sell it. You have to be able to sell it - it is fundamental - so we insisted that he have contracts for at least sixty percent of the output of the mill before we signed on the dotted line - that he have take or pay contracts for sixty percent of the output.

We felt that if we were going on the hook for \$130 million we should have at least that much.

And the third major thing, there were seven or eight in all, but the third major thing was the feasibility study. The take or pay contract and the feasibility study - the three major things that we insisted upon. We agreed in the end to go along with it on that basis, even though Shaheen got everything, we took all the risks and ended up in the end with nothing but jobs - do not becry jobs, jobs are good. It depends on the price you pay for them. But we had to compromise - some of the things rather serious and you can see why we are not too impressed with John Shaheen. There are several reasons. One of them

appears in Clause 4 (e). This is where he gets all the profits. Five point one percent on the gross sales. Imagine the sales of a hundred thousand barrels of oil a day, refined oil products a day. He gets five percent of that for managing the company. We got all the debt, we owe all the money (Interruption inaudible) I am getting to that, those are interesting too. As well as that in Clause 14, there is the management fees, twenty-seven point eight percent of the annual net profits, took that too after five percent off the top. Then deduct all the expenses and what is left over is the profit - he got twenty-seven percent of that too.

Clause 4(c) is a particularly interesting one, and is a tremendous example of good faith, tremendous, really impressive. Here is a man who is trying to promote a business for himself, even with us taking all the risks, and he ending up with everything in the end. Even in that circumstance, he says even though, I am getting it I am not going risk anything. If I fly from New York to Newfoundland, if I have a secretary I want to paid for all those expenses.

There is a man who is really prepared to put effort into it. Paid for all those expenses, reimbursed totally. That did not look too much like great good faith on the part of Mr. Shaheen. But that is nothing, he wanted all of that plus a hundred percent on top of it. If he spent \$10,000 on expenses, he got repaid the \$10,000 plus another \$10,000 profit on his expenses.

Now there is a tremendous example of good faith. That is enough to make anyone to get down on one's knees and say "thank God for John Shaheen". OSS not withstanding. That is in the agreement, it is there. And that is where I suspect most of our \$5.million is gone. And in the end under 4 (a) he gets it gets it all for a nominal sum. One dollar - Tremendous demonstrations of good faith.

Is that enough really to warrant us putting up a hundred million dollars, \$130.million - taking that kind of risk? Well, we agreed and we are responsible, and accept the responsibility for it and recommended the agreement, just as it was.

We asked, give us a demonstration of your good faith. If the thing goes sour, will you guarantee us the interest payments for the first two years on the bond, if it is in principle, for the first two years on the bond. If it is in principle both for the first two years on the bond. And you know we are lucky to have some feeling that you really mean what you say, that you

are really interested in this project, not just taking our money. That is what we asked him to do, and he said no, no Sir, he was not about to take any risk - agreed first when we pushed for it, and subsequently refused again.

So that is what we agreed to in the end. Shaheen took no risk, he just got everything, and the poor people of this Province, including the kid who goes to the store and buys a chocolate bar for ten cents and pays a cent tax, him included, took the risk, put up his money, poor little fellow - little that he has - he took the risk.

But that was not enough for Mr. Shaheen. He became in my opinion, incredibly, unbelievably greedy. Incredible greed.

MR. C. WELLS: incredible greed. Not only were we to take all the risk, put up all the money, turn everything over to him, but it did not go quite as quickly as he wanted it. He had some expenses, poor man. He had a few expenses, promoting the idea for himself, that he would end up with a \$130 million refinery for a dollar, and making all the profit in the meantime, a few years later, poor man he became even more greedy. Obsessed with it. Because he had a few expenses now, he wanted us to put up \$10 million of our childrens money, and your money, and the money belonging to every person in this Province, and repay him for what he had spent to date, his expenses. Flying over the war, and flying back and forth from here to New York, anything that was done at Come-by-Chance, repay him, his expenses that he claims he has spent plus a 100 percent, if he claimed a million dollar expenses, we repaid him his million, and gave him another million clear profit out of our tax money, out of our hard earned dollar that are so few in this Province. That is what he asked for. And that is where my colleague, the member for St. John's West and myself drew the line and said no. That is the end, we cannot be pushed any further. There cannot be good faith. Any man who asked that cannot have good faith, cannot have faith in what he is proposing. He is just trying to get what he can out of us now. Quite apart from that, see the effect and our security that we have worked out. We said, we will not have to put up any money, or sign any guarantee for a \$130 million unless and until you provide a feasibility study - sixty percent contract for the output - or say for sixty percent of the output, and assurance that you have the \$10 million operating capital. What would happen if we gave him the \$10 million, that he wanted at that stage? Three months later it is already to go ahead, and he comes back and says, boys, look that \$10 million that you said, I was suppose to put up, to show my good faith - too bad, I cannot get it, nowhere, I cannot find it. Suppose he walked in here tomorrow and says that - what am I? A member who opposed it in the first instance. What am I going to do now? Can I say, no do not give him his \$10 million. We have already got \$5 sunk in it. Do you just throw that away? Can we do that? Even though I opposed it bitterly, and resigned from the Cabinet and crossed the floor over it. Can I now turn down his request for \$10 million? Can I? Five million of our money gone and nothing there, a few tanks. I got to think pretty hard before I say "no", do I not? I got to accept whether or not giving him that \$10 million will make it go or whether I am just throwing more good money after bad. And if there is

any reasonable chance that giving him the \$10 million will make it go, despite my feelings, despite how I feel about it, and how wrong I think it is, because we gave him the \$5 million two years ago, I now do not have much choice, unless I am prepared to say throw it away, I do not care a fig for the people of Newfoundland, or the little boy who pays a cent tax on his chocolate bar - throw away the \$5 million. What is a million? What is \$5 million?

That is the position we took here in this House, on May 14th, 1968, I remember the date very well, until 3:30 in the morning. And said, just that. Once we do that, what happened then when he comes back and wants more concession? What kind of a position are we going to be in then? Suppose he says, I got contract for only thirty percent of it? What are we going to do then? Turn it down or go ahead. Just think, Mr. Speaker, how can we turn it down? We put the people's money into it. The money they gave to us under the Terms of a Trust, a Sacred Trust to spend in their best interest. So, we said, no. Suppose he says, he walked in here today now, and he says the feasibility study says, it is all off, they will not work any more - where is your \$5 million? Where is our \$5 million? It is gone, irrecoverable, and we got to hike the taxes again, maybe two cents a chocolate bar this time. That is why we opposed it. We are not against jobs. I want all the jobs I can get in this Province, just as much as the Premier wants them, even though he may have doubts about that. I want them just as badly, I am not prepared to pay quite so high a price or risk quite so much of what belongs to this Province - its future and its past, and its present.

So we advised the Premier of our position that we could not accept it, and we would have to resign. If he insisted on going ahead, that we would have to resign. I will not go into that, that was debated until 3:30 in the morning in this House, and has no real bearing on this except as a matter of background, for now understanding why we asked for an investigation? Why we asked for a Select Committee? We were told then, we would see in a matter of weeks, in a matter of days it would be going. And we have been told that a half a dozen times since, and there is still nothing there, except what came out of the pockets of the people of this Province. John Shaheen has put nothing there. Can anybody blame me for not doing hand-stands, and shouting John Shaheen's name all over the place? I am not so impressed with John Shaheen. Anything that is done, has been done and paid for by the people of this Province. We will see in another few days, another few weeks, we were told in 1968. There will be production by 1970 or before. Well,

now Mr. Speaker it is 1970, and there is still no oil at Come-by-Chance, and it will be by quite a stroke of chance, if there is any get there this year or the next, or the next.

SOME HON. MEMBER: Inaudible.

MR. C. WELLS: Nothing yet. Oh, we have had oil at Stephenville. They were poured on the boughs and burned during the Leadership Convention to make smoke. We had oil at Stephenville, I do not doubt that.

PREMIER SMALLWOOD: And it cost \$500,000 too.

MR. C. WELLS: Yes. It is pretty expensive.

PREMIER SMALLWOOD: That is a lot of bough burning too.

MR. C. WELLS: It sure is.

PREMIER SMALLWOOD: Yes.

MR. C. WELLS: No bog test done yet I understand.

PREMIER SMALLWOOD: No.

MR. C. WELLS: Nothing yet.

Then, Mr. Speaker, the Government of Canada considered it, just a little while ago. They have been considering it for some time. And the Premier would have us believe that the Government of Canada, Prime Minister Trudeau and all the members of the Cabinet - the Government of Canada is against Newfoundland, and does not want an oil development at Come-by-Chance. So it refused to build a wharf. He did not say why. But there was no doubt, no doubt whatsoever what impression was left that the Government of Canada along with Imperial Oil and Gulf Oil were all against Newfoundland, and all ganged up on poor little Newfoundland. Now that I cannot accept, that I do not believe. And if that is said, that Mr. Speaker is a lie.

Mr. Lang, the Minister of Public Works said why they were not going to build a wharf at Come-by-Chance. He pointed out that it would be a public wharf, like most wharfs in this country, maintained and operated by the Federal Department of Transport, for the public. But, the only member of the public who would find immediate use for it is Shaheen, the oil refinery, the proposed refinery at Come-by-Chance.

So it was incumbent upon them to look at that proposal, and see if it was reasonable. Or find out at least if they were likely to have a \$12 million wharf and no refinery. They would not want to spend \$12 million putting a wharf there, and end up with no refinery. That is what concerns Mr. Lang and the rest of the Government of Canada. They had nothing against Newfoundland. I still do not

think they do. I have seen nothing to establish it. I am prepared to accept Mr. Lang's statement carried in the Evening Telegram of February 23rd, 1970. He said, Shaheen's relatively small investment indicates the project does not satisfy either of the prerequisites that he set out. Namely; to qualify for Federal Assistance in any deal of this kind it must be proved that the operation is economically viable. That is what he said. And that there is a real earnestness on the part of the developer. Earnestness, good faith, honest of dealings, sincerity of process, and then he said, Shaheen's relatively small investment indicates the project does not satisfy either of these prerequisites. Vaguely familiar. As I said here the other night, perhaps this House will understand my lack of modesty, when I say, with a little bit of pride that I feel vindicated, it was no easy decision to say "no", I will not go along with it. We were two, out of the rest of the Cabinet, to say no, we are right and everybody else is wrong. That is not an easy thing for any reasonable man to do. And it has got to be given some thought. And it was given a great deal of thought and it is no easy thing to leave your party and walk across and sit on the other side of the House, more particularly, if you were a member of the Cabinet. That is what we had to think about. That decision was not taken lightly, I can assure all hon. members of that, Mr. Speaker.

So my lack of modesty, and perhaps, even a little bit of pride might be understandable in the light of what I say is a total and complete vindication of the position taken by the member for St. John's West and myself in May of 1968. Now that is the background, basically the background. We are here today trying to find out where the \$5 million was spent. By the way it was cut down to \$5 million after when we opposed it, arbitrarily cut to \$5 million, \$5 million will be enough, so he was given \$5 million.

And this resolution says that we would like to know where that \$5 million of public money went? The hon. the member for St. John's West had a question on today's Order Paper, and the Premier's answer was essentially this, it is not verbatim, but this is the jest of it, and ^{if} it is not correct, I am sure he will correct me. None of the information thought in that question was going to be tabled at the moment, until the termination of very important negotiations presently going on. It will be tabled when those are completed, and it was anticipated that it would be in a matter of days, weeks or so at the most. Now I think that is a fair statement.

PREMIER SMALLWOOD: If the hon. gentleman would allow me, the negotiations are going on tonight.

MR. C. WELLS: Inaudible.

PREMIER SMALLWOOD: No but I say, they are going on this night, and my colleague the Minister of Health, has just been on the phone twice, and reporting to me, and gone back - this very night it is going on.

MR. C. WELLS: I hope it does not -

This is what the hon. member said, because of these negotiations going on, he would not divulge this information. He went further and said, that it would be very much against the interest of the Province to do so right now. I think that is correct. Very much against the interest - he confirms that that is correct.

PREMIER SMALLWOOD: That is right.

MR. C. WELLS: Let me read the question: Has the Government of Canada agreed to make a development grant available under the Area Development Incentive Act, or in any other way in connection with the Oil Refinery in an amount of \$5 million, or in any amount at all?

Perhaps, it might help negotiations tremendously to say yes, or it certainly would be honest to say no. Perhaps that one could have some effect, conceivably, I doubt it, but maybe it could.

Has the Government appointed two directors on the Board of Directors of Provincial Holding Company Limited - the Crown Corporation?

Now how can telling this House whether or not two directors have been appointed to the Board, how could that conceivably harm negotiations? I cannot for the life of me understand it.

understand why. Perhaps if I had bothered to read the Newfoundland Bulletin, I might have found it out a couple months ago.

If the answer to Question No. 2, namely have the directors been appointed, is "yes", what are the names of the two directors? That is likely to reveal a lot and really seriously effect negotiations. That would be a tremendous disclosure.

Has the Government approved the appointment of an independent person to furnish a feasibility study? Look, that was required in the agreement before we did anything that we had a feasibility study. Now, the Premier stands here and says, "It will harm negotiations to say whether or not we have appointed a person to conduct a study". Does that really make sense? To me that is sheer, utter contempt for the members of this House which translates to only contempt for the rest of the people in the Province.

It is the only way it can be read by the public - read by the people of this Province - a sheer contempt for their interest.

If the answer is "Yes", has the Government then received an opinion, saying whether or not the project is feasible. We cannot tell you - delicate negotiations going on. Well, very important negotiations and it will really adversely effect the interests of this Province to say, whether or not that project is feasible.

Huh? Really something + great disclosure that would be.

If the Government has received an opinion of an independent person, in connection with feasibility studies, is it the intention of the Government to provide copies to members of the House. So, today we will know and can look at it, and see whether or not it is feasible and if it is feasible, why it is said to be feasible, and then decide whether or not they will approve it or disapprove of it. That is their right - how can members of this House make intelligent decisions if they are not given the information? Otherwise, they can only act as automatons and do as they are bid to do. Great disclosure that would be. Now, this is what would so seriously effect a negotiation that involves \$130 million of the credit of this Province, that this House cannot know.

Now, I do not, Mr. Speaker, accept that. I do not accept that. That is why another of the reasons why this motion calling for a select committee is absolutely essential in order to protect the interests of the people of this Province - its essential.

We, Mr. Speaker, on behalf of the people in this Province, have an obligation to discharge. We are not here just to make noise or shout as the Premier accuses me of (and perhaps I do if not for the sake of making noises, maybe its feeling). We are to discharge our duties to the people who elected us - to protect their interests. That is the function of every member of the House, but it is more particularly the function of the members who sit on this side to make sure that what the Government proposes is not wrong. That is the reason for Her Majesty's Loyal Opposition - the five of them.

We happen to sit opposite because we have no faith or confidence in the Government with complete justification, but we are loyal - not to the Government, not to any one man - but we are loyal to the people of this Province, and we, Mr. Speaker, in presenting this motion, are following on that loyalty and discharging our duty or attempting to discharge our duty to our people to protect their interests.

That is the purpose of it. It is not a silly, stupid motion or resolution. We think it is particularly necessary for the reasons that I have just given. To my knowledge, and I had as much involvement with it as any other member in this House - with one possible exception - maybe the Premier. But, as any other member sitting in this House, I had as much involvement with this proposal, and in my opinion, John Shaheen is not acting in good faith, and that is an honest, sincere opinion, and it is not in the best interest of this Province to go blindly into that proposal.

We need - we cannot get information any other way - we need a select committee with the powers as such a select committee would have to find out what has happened to the \$5 million. Where is it? What was it spent for? Who has it? Was it a proper purpose? Should it be - some of it be repaid by somebody who did not get it with justification. That is what we are asking for. That is our duty. Those are public funds, trust funds.-

not ours. We have no right to them. We have only a sacred duty to administer them and spend them in the best interests of the people of this Province. That is what we cannot ever forget - the truth has been taken rather lightly on many occasion in this House.

Can it work? We want to see that feasibility study. Will the thing make money? Should we cut off everything here and not put anything more into it? If it can work, why has it not worked so far? That is what we want to know.

Can we salvage it by putting more money into it, or are we just throwing good money after bad? Especially after the record of John Shaheen - this is absolutely essential. The Government is so contemptuous, Mr. Speaker, as not to care. But we care - we care about the duty and the obligation that is ours.

What do we do now? No wharf - the Federal Government is not going to build a wharf, so announced Mr. Lang. What do we do now? Do we have to put up the \$12 million? Who will build it?

We would be sadly lacking in our duty, Mr. Speaker, if we did not present this resolution to this House, even though, it is a foregone conclusion that before it is presented, that it will be voted against. We know this, We are not utter dummies. We do not - we are not given too much credit for intelligence by most members opposite, but we are not utterly stupid altogether.

We know them - we knew when it was put on the order paper that the motion had not a whip of a chance of success, that it would be defeated. Despite that, it was still our duty to the people of this Province to bring the matter to the attention of this House and ask that it be done, and if we did not do that, we would be sadly lacking in our duty.

We have done it. I have not doubt what the vote is going to be. You have only to look at both sides of the House, Mr. Speaker, to discover that.

The hon. member for St. John's West made it quite clear why this is necessary and then the Premier stands up and in an emotion charged speech, a tear jerking speech - there is nothing wrong with emotion and I suspect

it is sincerely held; nothing wrong with it, except to the extent that it is used to crowd the real issue and to cover it up. I know the feeling. I know the feeling the Premier has for this Province. I have seen it. I admit it and I admire it.

PREMIER SMALLWOOD: If that emotion is something like the hon. gentleman's tears streaming down his face at the leadership convention - that was emotion was it?

MR. WELLS: Maybe it was. Maybe it happened. I felt sorry for the Premier that day.

PREMIER SMALLWOOD: Oh no! He was sorry for his honor and his right. He did not cry for me.

MR. WELLS: I felt sorry for the Premier that day.

PREMIER SMALLWOOD: It was not me he was crying for.

SOME HON. MEMBER: For the day when Newfoundlanders sat and raised their hands in a Nazi salute?

SOME HON. MEMBER: That is right.

SOME HON. MEMBER: Perhaps more to be pitied than blamed.

MR. F. ROWE: Whose badges were they wearing when they did that?

MR. SPEAKER: Order, please.

PREMIER SMALLWOOD: They were certainly not my friends.

MR. WELLS: No, there is no doubt about that. They were not the Premier's friends. They felt very, very strongly.

The Premier comes out here with an emotion charged speech and plots out big business, spending tens and hundreds of thousands of dollars to fight Newfoundland. I have not seen any evidence of it. Maybe it is true. I do not know. I have not seen a single bit of evidence of it - not a bit.

John Shaheen certainly never presented any evidence of it to me - not a bit. He never presented any evidence of the viability of the project either or his good faith, either, and now the Premier would have us believe that the Government of Canada is fighting Newfoundland - fighting to keep this out of Newfoundland.

PREMIER SMALLWOOD: No, I am not trying to do any such thing. That is very contrary --

MR. WELLS: That is the necessary concomitant from what he said.

PREMIER SMALLWOOD: Very, very contrary. The very opposite.

MR. WELLS: And he whips a piece of paper out of his pocket and slaps it and here is the list - the list, a battered old piece of paper - would not say who, no; he would not say who, but here is the list. I was really impressed with that - from where I sat, it might well have been a Kleenex tissue. It might well have been. I will not say when, or where, or who.

PREMIER SMALLWOOD: Or a laundry receipt.

MR. WELLS: Could have been.

PREMIER SMALLWOOD: Yes, it could have been anything. It could be blank.

MR. WELLS: It certainly did not enhance my faith in John Shaheen. Not in the slightest.

PREMIER SMALLWOOD: It takes more than that to do that.

MR. WELLS: He gets in here and talks about jobs. Of course, we want jobs.

PREMIER SMALLWOOD: Yes, what kind of a job.

MR. WELLS: Mr. Speaker as well as every member of this House is concerned about jobs for the people in this Province. But, of what price?

PREMIER SMALLWOOD: Almost any price.

MR. WELLS: The price we paid for the jobs at ERCO?

PREMIER SMALLWOOD: Any price can be paid.

MR. WELLS: The price we paid for the jobs at ERCO?

PREMIER SMALLWOOD: Any price that must be paid, we should pay to get jobs or die. It is one or the other.

MR. WELLS: The price we are paying at ERCO, for twenty-five years, upwards of \$3 million a year, in power subsidy only? Apart from the guarantee, it is not too bad. We only guaranteed \$15 million to get the ERCO project at Long Harbour going, and we got, I believe, it is about 300 jobs.

PREMIER SMALLWOOD: 450.

SOME HON. MEMBER: 450.

MR. WELLS: Maybe that is correct. I will accept that - 450. But, what a price! \$3 million a year - \$7500.00 or over \$7000.00 for every job in that plant at ERCO - comes out of the treasury of this Province? Every year for

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twenty-five years?

PREMIER SMALLWOOD: The hon. gentleman is saying this, but that does not make it so.

MR. WELLS: It is so.

PREMIER SMALLWOOD: As a matter of fact - as a matter of fact --- It is not so !

MR. CROSBIE: Why was not the question answered? The question was not answered. You refused an answer.

MR. WELLS: The truth is this, Mr. Speaker: There is an agreement between the Government of this Province and Electrical Reduction of Canada Limited. An agreement.

MR. SPEAKER: I am not so sure that there has been any relationship between the Electrical Reduction Company of Canada and this present -- between ERCO has nothing to do with John Shaheen or anybody else.

MR. WELLS: Mr. Speaker, the purpose of this resolution is to appoint a select committee. I say to Your Honor, we would not be settled with the albatross of ERCO if we had had a select committee of the House before it was entered into and that, Your Honor, is irrelevant. I want to point this out as the stupidity of going into the ERCO agreement without a select committee examining it.

We would not be settled with ERCO. The hon. gentleman has had his chance and all hon. members have a chance ---

PREMIER SMALLWOOD: It is false - it is false evidence.

MR. SPEAKER: Order, order.

MR. WELLS: The truth is, Mr. Speaker, we are obligated for twenty-five years. I believe that is correct; twenty-five years -- to subsidize the power going to Electrical Reduction.

MR. SPEAKER: This position relating to ERCO is not relevant to this matter.

MR. WELLS: I thought, Mr. Speaker, with apologies that you had agreed after my suggestion that it was proper to discuss ERCO in the light of what was done there without a select committee.

In any event, I think the point is well made.

We do not want to be paying \$7000.00 a year for every job at
Come-by-Chance. We do not ---

We do not want to have to pay \$6,000 a year for a job at Come-by-Chance that pays the worker \$4,500. That makes sense does it not? We want to know before we say yes to that. That is the reason for the Select Committee. We do not want another Albatross like ERCO hung around our necks for twenty-five years, or fifteen years in this case.

If that is what it is going to be the Premier's emotion and passion notwithstanding, I say to John Shaheen, keep it, we do not want any part of it. That is the reason for the Select Committee Mr. Speaker. Passionate speeches in this House for a hundred years cannot justify some of those things. And we will never justify ERCO.

From what I have seen of the refinery at Come-by-Chance, there is nothing to justify my having faith in John Shaheen putting it there. And before I say yes to any matter that comes before this House, I want to know - I want all of the facts. And the best way to get them from our experience here asking the Government to provide them in questions, from our experience, and we have had a sad one. The best way to get them is a Select Committee Mr. Speaker, and that is the purpose of this Resolution.

We will sadly have neglected our duty, all of us, if we do not press for this. I do not doubt the Premier's sincerity when he stands up and says how hard he has worked for the job for people of this Province. It is not the sincerity that I doubted, that I doubt, I think that that is totally genuine. It is his judgement that I think is sadly lacking. It is his rationale - it is his mathematics that I doubt seriously. He has just indicated he has no faith in mine.

I can look in a book and see \$12.000 million and the next book and see \$27.500 million - both of them presented to this House by the Government. I can read, and I know the \$27.million is one hundred and twenty-five percent more than \$12.million. I know that, and that is what I said. That is what happened to the interest on our public debt in two years. We cannot afford to be saddled with another ERCO - or there will be three cents taxed on chocolate bars. Unfortunately we cannot - it is a sad mistake. I can understand the Hon. Minister being ashamed of it and not wanting to discuss it, it is quite understandable, regretful though.

Thousands of jobs the Premier says, at the petrochemical complex -

he says if there is no core chemical complex there, there will be no petrochemical complex. What says there is going to be a petrochemical complex anyway - even if there is a refinery. Certainly John Shaheen does not. He has not taken a legal obligation to do so. He has said under the Terms of that Agreement that he has used his best endeavour. Well bully for John Shaheen, but that is not worth \$5.million. I would not pay him \$5.million for his statement that he will pay his best endeavours.

Now only that ladies and gentlemen - I am sorry Mr. Speaker.

PREMIER SMALLWOOD: He has been speaking to the galleries all night - so "ladies and gentlemen" that was right, quite right.

MR. WELLS: No question about it, I admit it freely your Honour with apologies to your Honour of course. We are very much aware of the total futility as saying anything to the heads on that side of the House. Total futility. We have had two years of it here now, and you wonder why I speak to the gallery and to the press - with apologies to your Honour.

Who says there is going to be a petrochemical complex at Come-by-Chance?

PREMIER SMALLWOOD: I do -

MR. WELLS: I do not accept it -

PREMIER SMALLWOOD: I know.

MR. WELLS: John Shaheen does not have enough faith in us to put his name on the line. We were negotiating not with John Shaheen - the truth is we were negotiating with Newfoundland Refining Company Limited. A paper company owning nothing. Not a cent. The company that had assets were Shaheen Natural Resources. We were not negotiating with them - Shaheen Natural Resources would put their name on nothing. They owned all the shares of Newfoundland Refining Company Limited, and that is all Newfoundland Refining Company has in shares - nothing else, and twenty dollars of paid-up capital.

Now that is the kind of good faith. He would not even bargain with man himself, he set up a dummy company, so he would have no responsibility. That is good faith. That really leads me to believe that we can rely on John Shaheen. And the Premier stands in this House and accuses me of vilifying John Shaheen, libelling him, slandering him. Does he deserve any better? They are putting his hands in the collective pockets of Newfoundlanders and taking out \$5.million with the consent of the Government - with the consent of the Government does he deserve any better? Not likely. Not likely. It is dreams Mr. Speaker,

not reality. And it takes a Select Committee of this House I suggest to your Honour to get us back to reality. Because we are all living in dreams, created by the passion of speeches that we just witnessed here today. He almost had me convinced. I was getting worried for awhile. I was getting to the stage where because of the obvious sincerity, I wanted to believe it -

MR. SMALLWOOD: Now I am getting worried - not as much as I will if the hon. gentleman to his right starts to agree with me - then I would be nervous.

MR. BURGESS: Not a chance - When you are right I will -

MR. WELLS: We want to get back to reality. I know the Premier's obvious concern - that was demonstrated, but it is not realistic - it is dreams -- it is not reality. Unfortunately taxes are very real. You cannot pay them with dream money. What we want Mr. Speaker are the facts, the truth of the matter. We are asking for nothing more than the truth of the matter. It is not much to ask for, and one can hardly imagine - it is hard to believe how truth can be so vehemently denied with such passion.

But it did not bear on the facts at all. The Premier made a marvellous speech about the desirability of having jobs. I have no dispute with that - none at all. But he never once touched on the real matter. Instead he tells us what oil does. The great history of oil. The battles between Israel and Egypt are oil he said. The battles between the U.S. and the Soviet Union over the Middle East. Oil causes it he said. Obviously I did not attend the history class given by the Hon. Minister of Education, or perhaps I would have known that too.

I always thought it was the partition of Palestine caused most of the difficulties between Egypt and Israel. A peculiar thing to think, but somehow I thought that was what caused most the difficulties. But perhaps I should have had the Minister of Education for a teacher and I might have - because of all the oil in Israel - all the oil that is in Israel - fat lot of oil in Israel!

MR. SMALLWOOD: That is right - there is none.

MR. WELLS: Yet it is dragged out in this House - the \$5 million taken out of the pocket of our people. That is right - the ice cream cone money -

MR. SMALLWOOD: Yes, all for Mr. Shaheen.

MR. WELLS: I can say this Mr. Speaker, by sheer coincidence the one percent increase in the sales tax that caused taxes on a dime chocolate bar amounts to

roughly \$5.million - just what we gave John Shaheen. If we had not given it to John Shaheen, we would not have had to raise our taxes. Now the people of this Province can read into that what they will. It makes sense to me.

MR. SMALLWOOD: Is the hon. gentleman kidding? Is he serious - that we collected taxes and gave to John Shaheen. We did not get accommodation at Franklin's Bank in New York -

MR. WELLS: But we have to pay it back, and it is ^{now} due and owing -

MR. SMALLWOOD: We will pay it back out of the new loan, the new bond issue -

MR. WELLS: Suppose we never get it? Oh it does not matter, what is \$5.million? That has been the attitude, that is what we are fighting against Mr. Speaker - that is what we say is wrong - that is why we say we need a Select Committee.

The Premier avoided the whole issue, the whole reason for the Select Committee, the whole reason to discover whether or not we should go on back of a note for \$130.million. Mr. Speaker, that is one whack of money. The Auditor General's report was tabled today - the public debt of this Province, direct and indirect - \$677.million for the year ending March 31, 1968 - I am sorry - 1969 Mr. Speaker. Between April 1 and now we incurred a few more million here and there. The Franklin Bank \$5.million we gave to John Shaheen. The Premier avoids the whole issue by going into a great passionate explanation about how the great discovery was made about the loophole in the tax law, and the use of the crown corporation. More power to the Government if properly used.

But how can anybody with any common sense accord good faith to a man to whom we give all of those benefits. Save him fifty percent of his income in taxes. We give him all of those benefits, and still he comes with his hand out and says, give me \$5.million, I got nothing done yet. I spent some money and I want it back in my pocket. That is some demonstration of good faith. We are giving them all of those benefits and turning it all over to him, and he comes with his hand out and asks for ten.

We at least had the good sense to cut it down to five. Not much sense mind you, but we did that. The crown corporations are not wrong in principle, and undoubtedly they contributed rather substantially to what developments there have been in this Province. But we are not talking about that. We have agreed to that. We agreed to that, we did not leave the Cabinet for that reason, resign

for that reason. We agreed with that, even though we wanted more - well maybe there is a little greed in us too - although we wanted more for this Province, we went along with that. We went along with us taking all the risks, and Shaheen getting everything. But when it came to putting \$5 million in his pocket on top of that, that was too much - and it should have been too much for any hon. member of this House, it should have been in my opinion. Too much for any hon. gentleman in this House.

If it is so certain to be good, as demonstrated here today in the Speech by the Premier - a \$100 million loan and the interest on it, and the interest on \$30 million - all going to be repaid in eight years. If it is that good why do we have to pay John Shaheen another \$5 million just to hang around and bother us. Why do we not get on with it, and make some money for this Province, not for John Shaheen. If he did so well for the OSS, the United States Forces during the last war that that Government reward him, there is no reason for the people of this Province to pay him any particular financial reward.

It is well deserved if it is, well justified. I have no reason to think otherwise. As a matter of fact I have more reason than I said to think it - I have not said it here tonight. I was almost tempted to, but I have not. I personally have much better reason than I have given in this House tonight, to think otherwise. And when I heard the Premier stand up and accuse me of slandering that man, my first reaction was to say it in detail. Maybe I am stupid not to. But I have good reason not to trust John Shaheen. I have given this House most of them tonight Mr. Speaker. I have more that I have not given.

I do not propose to right now, maybe another time will come when it would be proper to do so. But Mr. Speaker, I suggest to your Honour and to all hon. members of this House - if those members have any concern for this Province or where we are headed or our future or our abilities, they will support this motion. The only reasonable sensible thing to do. How can an intelligent decision be made without the information? How can we make an intelligent decision as to whether or not we should guarantee it if we do not even know if it feasible or not. We have not seen a feasibility study.

MR. CLYDE WELLS: Make an intelligent decision as to whether or not we should guarantee it if we do not even know whether it is feasible or not. We have not seen a feasibility report - look a kindergarten class would understand that.

We ask the Government for information by questions and we are told they cannot give us this information because it is going to upset discussion. We ask if there is a feasibility study done - cannot give you that information it is going to upset discussion. We ask whether there is any indication that it is feasible or not - cannot tell you it is going to upset the discussions - and they have the gall to ask us to support it and agree with it - incredible; contemptuous again.

Another example; an incredible example but there it is - we are getting used to contempt now Mr. Speaker, we have had a good many demonstrations of it. I think Mr. Speaker, the point has been well made - and the reason for it - the justification for a select committee has been well made out, and I know, I am convinced Mr. Speaker, that most hon. members in their own hearts and souls know this. We had a lecture yesterday by the Minister of Education on the principle of Cabinet solidarity and caucus solidarity and so on - there are times Mr. Speaker, when I submit that there is valuable as this may be on occasion - there are times when it is a real hazard and this is one of them - because every hon. member in this House is just as responsible as I am to the people of this Province - and not just to his own constituents - to all of the people of the Province - we are all collectively responsible for what we do with their money and we have a responsibility upon us to insure that it is properly and wisely spent - and the best way that we can do it in this case Mr. Speaker, is to appoint this select committee and I ask for the House approval.

APPLAUSE:

MR. T.A. HICKMAN: Mr. Speaker, I do not propose to keep the House too long in debating this resolution - I have to confess that I did not anticipate when the debate opened that it would develop into a holy war - or the evolution of communism versus the capitalistic system in the United States - but I do believe that the resolution that is before this hon. House has been somewhat obscured by the debate on the need - the desperate need for gainful employment for the people of this Province, and at the very beginning I would like to make it abundantly clear that to my knowledge there is no one on this side of the House I would hope there is no one within the four walls of this hon. House who is

any less anxious to provide gainful employment for Newfoundlanders than is the Premier. We are all just as anxious as he is - all just as determined as he is - but what we ask and what we would like to see is that when in our pursuit of happiness - or in our pursuit of employment that we use a bit of common sense and that at the same time when we come before this hon. House and ask for voting for massive sums of money - for massive aid to develop an industry within this Province that every hon. member and hopefully through him the people of this Province get some idea just what our commitment is. What I say to the Government tonight is this - give this House - give the hon. members the facts, let them know what the gamble is and what the chances are that they will be called upon to take and you will not find us wanting. But if we do not get all the facts - if for some good reason information is withheld then we can be hardly blamed if we look with some scepticism on the proposals and the developments that we have seen, particularly within the last couple of months at Come by Chance.

Mr. Speaker, there is no earth shattering precedent being established by calling for select committee here - if my memory serves me correctly - and I have to rely on what I read in the press a few years ago - when this hon. House was called on to guarantee a substantial sum of money - substantial for that time but minute compared to what is before the House now - when it was called upon to guarantee the bond issue for the building of the Javelin Railway - that because of the large amount that the people of Newfoundland might have been called upon (I do not think that they ever were) to find for the development of that part of Labrador that the Government of the day headed by the same Premier felt that in the interest of giving everyone in this Province an idea as to what was involved - as to what the prospects were - as to what the feasibility was - that the principal officers of that company came before this House and gave in great detail the information that enabled the hon. members to cast a sensible, sane vote.

This time we are not talking about \$30 million, I must confess that up until today I thought we were talking about \$110 million - but it now appears to be \$130 million - \$100 million to be borrowed by the Province through it's Crown Corporation and \$30 million to be guaranteed by the Province of Newfoundland under second mortgage bonds. Now this is a great deal of money - no one denies that if the prospects are good - that if the jobs will be provided - that if the chemical industry that will develop - an allied industry in Come by Chance; that this is not a good gamble and has to be taken; no one will deny that - but I

think we can be all pardoned if in the discharge of our responsibility we say we would like to know now - right now what progress has been made during the past three years in meeting the conditions precedent. I suppose it would be easy for me to stand here and confess and avoid and say I participated in the drafting of this agreement - I recommended it and I stand behind it - that is fine, but within this agreement that we have heard so much about there is a great deal of protection written in for the people of Newfoundland - a great deal of protection - and what we are asking now is proof positive that this protection is being availed of.

The oil industry is supposed to be a highly secretive, cut-throat competitive operation - and apparently the giants in that industry are terrified that one will find out what the other is doing, and maybe it can be argued that by making public the disclosures of all the details of all the contracts which must be entered into before Government can embark upon this proposal will prejudice the opportunity of developing Come by Chance.

I personally would be quite satisfied if the hon. the President of the Council as Minister of Justice would lay on the table of the House a verification that he has examined take or pay contracts covering sixty percent of the production of the Come by Chance Refinery - that he has examined them - that they are legal and binding without telling us the names of the purchasers. I would be more than happy, and more than satisfied if the hon. the Minister of Justice would lay on the table of this House proof positive that in his opinion there is a valid subsisting contract for sixty percent of the purchase of the crude oil to be used. I would be more than happy, and quite prepared to accept the hon. gentleman's opinion and verification that he has seen the charter parties covering the bulk carrier which must be concluded before any contract can be entered into. None of these things can upset any delicate negotiations that are going on - but what they can do is build up confidence in our people that this will become a reality - that it will build up confidence outside of this Province and in the lending institutions of North America - that this is a Government that sees to it that our people are protected and that we do not squander our money unnecessarily and we do not take unnecessary risks.

These are not unreasonable requests

MR. T. ALEX HICKMAN: not an unreasonable request. As far as the feasibility study is concerned, we know that an independent company or group must furnish a feasibility study to the Government before this proposal can be embarked on. Because, Mr. Speaker, if any of these conditions precedent are not met, Mr. Shaheen and the Government of Newfoundland can go out and raise all the money they wish. The protection supported under this agreement cannot be implemented nor will any agreement with lending institutions be worth the paper it was written on. But, we do have some protection. But this Mr. Speaker, is not the issue that is before hon. members tonight. The fact is, Mr. Speaker, that since this agreement was negotiated, and it was negotiated with a great deal of difficulty, and a great deal of patients, and many long hours, and the Premier has worked many, many long hours on Come-by-Chance, on the Refinery. He knows that he is not the only one who has worked. I would be willing to bet that for every hour he has worked, I worked too, because he was in the happy position where he could go and make the ball of principals of commitment, and then say to me, you tidy it up, you can do the rest of it, you go to it. And let me know when it is all finished. But, let me tell you, Mr. Speaker, that this has been one of the most difficult agreements I would say that has been negotiated in the long history of this Province, and in Government in Newfoundland. But, we do have some protection, but there has been some rather dramatic changes, and development on a worldwide scale since this agreement was signed.

We heard an announcement this Summer, that in the Province of Quebec Golden Eagle Refining Company of Canada is building a refinery of the same size as the one in Come-by-Chance. Whether it is the same kind or not is going to produce 100,000 barrels of petroleum products a day.

PREMIER SMALLWOOD: It is not the same kind.

MR. T. A. HICKMAN: And the cost of building that is \$75 million. We are faced with a plant in Come-by-Chance on land that is given for nothing, and I am sure you cannot get land for nothing in the Province of Quebec, at a \$130 million. Now, if it is not the same kind, if it so different from the refinery that is proposed for Come-by-Chance, that it can make a difference of \$50 million, then this House is entitled to hear about it. This House is entitled to be told - why is there that big difference? Is it Labour Costs? Is it cost of materials? Is it difference of design? Or is the consultant who designed the plant at Come-by-Chance over estimate the cost? Because when we talk about that kind of money and that difference, it seems to me

Mr. Speaker, that that is the sort of change that this Government is going to have to reassure the people of this Province, and reassure this House that it is not relevant to the present issue. But it is a change, it is a change that we could not have anticipated is a new fact. Then, again, Mr. Speaker, we have been told in this House on many occasions, and we have been told outside the House, that the whole viability and feasibility of the Come-by-Chance Development depends on the bulk carrier concept. And I believe, it does. I am sure it does.

But, Mr. Speaker, this House has to be conscious of the growing concern that it has been seen throughout the nation, the shipping nations of the world insofar as the bulk carriers is concerned. Just a few weeks ago, there was a 200,000 ton Super Tanker lost on her maiden voyage in the South Atlantic. Fortunately, she was empty. It is the opinion, of the scientist that if that bulk carrier had been loaded with petroleum products at the time of that loss, that the South Atlantic would have been polluted.

PREMIER SMALLWOOD: It was not the South Atlantic, it was out near the Indian Ocean on the west.

MR. T. A. HICKMAN: It was off the West Coast of Madagascar. This is beginning to arouse the concern of the shipping nations of the world. This is beginning to bring demand -

PREMIER SMALLWOOD: What has that got to do with a select committee?

MR. T. A. HICKMAN: It has this to do with a select committee, Mr. Speaker, it has all to do with a select committee - I would like to see a select committee get the principles of Shaheen Natural Resources and Newfoundland Refinery before them and say, how will this plan out if the Government of Canada and the Government of the United States, and the other shipping interest and shipping countries in the North Atlantic decide to limit the size of their bulk carriers for the protection of the Ocean? Is it still feasible, it is still viable, maybe the answer is yes. But if the answer is yes, then we have that much more reassurance.

And, Mr. Speaker, this legislation became law on May 23rd, 1968, unless all the conditions precedent, unless all the terms of conditions of this agreement are met, on or before May 23rd, 1970 - The Government of Newfoundland has a perfect right to terminate the agreement or to alter. And what I say to the Government tonight is this, that in the interest of reassuring the financial interest with whom we have to deal, and in the interest of reassuring the Government of Canada, that they are not dealing with a fly-by-night Province. That we have in Newfoundland a Government, a House of Assembly anxious for the industrial development of this Province, but who will move with some caution, who will move and take the risk when they know precisely

what these risks are. If we can reassure them, and if we can reassure our people, then Mr. Speaker, half the battle is won. Then we do not have to go to Ottawa and bulley and threaten and plead and give the impression that we are trying to hide something. Then we can go and say, Mr. Speaker, to our people with whom we must deal, these are the facts, here is the feasibility study, if you cannot see it, it is being varified by reputable people, if you cannot see the details this is a viable operation. I could not care less how much money Mr. Shaheen makes out of the development at Come-by-Chance, but what I do say to this House, that when we are putting our hand to a back of a note for \$30 million, and when we are allowing our Crown Corporation to borrow another \$100 million, there can be no mistake, there will be no second chance, because this will not be a Crown Corporation like Atlantic Fish in Marystown, this will not be a Crown Corporation like Rovin Hood Mills, this will not be a Crown Corporation like the Shipyard in Marystown. If any of these should get into financial difficulty that in itself is serious enough. But we can survive that. We can survive a loss of a few million dollars. We would hate to have to face it, but we can survive it. We could not survive a loss of a \$130 million. There would be no redemption, no

MR. T. A. RICKMAN: No redemption, no tomorrow, no second chance. I do not ask this Hon. House to support this resolution out of any vindictiveness for John M. Shaheen. I do not ask it for any ideas trying to trick the Government into getting information that they do not want to disclose. I am not asking for any of that at all. But what I do say, that be it John Shaheen or Joan of Arc or Jack the Ripper the people of this Province are entitled to have the information laid on the Table before we in this House, be it on the Government side can be asked to assume responsibility for it.

It is not an unreasonable request. It cannot possibly prejudice negotiations. There is no necessity to give the details of the take or pay contracts. There is no need to get into long bitter arguments about whether John Shaheen is going to make three per cent or four per cent or five per cent out of the operation of this plant. That is water under the bridge. That is in the agreement now. But what we must have and what people are demanding is a reassurance that those conditions precedent that we not put in just to be read because they look nice. But simply that these conditions precedent which were put in for the protection of this Government, for the protection of our people have been meant that we are not taking any real chances, and that the odds are with us. If the odds are with us you do not have to worry Mr. Speaker, as to what this House will do. But this Hon. House does not know. This Hon. House is becoming concerned. When a Minister of the Crown speaks in Ottawa he has to speak with authority. He has to be, it is not just his view when the minister speaks he does not simply give his personal view. He obviously has to give the view of his Government. The administration of which he is a part. This causes concern. This causes concern not only in Newfoundland. This causes great concern outside of Newfoundland. And Mr. Speaker, let it be made abundantly clear that as far as this side of the House is concerned we will work just as hard, just as long as anyone on the other side of the House to provide employment, and it would be the greatest crime that any leader of the Government or any member of the House of Assembly or the second greatest could commit if he failed in his duty to try and find gainful employment for Newfoundland, and Newfoundlanders.

The greatest crime the greatest single crime that any politician any member in public life could give could make would be to promise Newfoundlanders jobs that are not there. And Mr. Speaker, if Government wants assurance, if Government wants help, if Government wants enthusiastic support in the finding of jobs they will

find it from all 42 members of this House. But Government cannot expect the unqualified support of the hon. members of this House, if, a resolution such as this which cannot conceivably upset negotiations, and which can simply give hon. members the facts that they are entitled to. They cannot expect that kind of support if they are going to vote against this motion. That is why I ask my hon. friends on the other side and they know that there has been a great deal of work of the last three years go into this. And whatever you can accuse me of there is one thing you can not accuse me of is lack of time and effort in trying to promote this Come by Chance Refinery. And what I say to you now, what I say to the hon. members of this House is quite clear that this resolution it is not a resolution that even could be interpreted as a resolution of non-confidence in the Government. It is simply and purely a request that we be reassured, that something is going on in Come by Chance. That this is going to be a viable operation and that we can then turn to our people and say you will be working in Come by Chance, not just this year, not just next year but it will be there for the foreseeable future. To that reason Mr. Speaker, I find that I must support this resolution that is now before this house.

HON. E. ROBERTS: Mr. Speaker, the hour grows late and our time grows short so I will be brief. I think what I have to say to the House Sir, I can say very briefly and with some precision. Let me first of all, Sir, refer to one particular point just made by my friend and former colleague, the member for Burin District I think it is the only one to which reference need be made now and that is the question of the cost of the refinery which Golden Eagle of Canada intend to build I believe at a point quite near Quebec City in the Province of Quebec, just over the edge of the line. I do not know if the figure he quoted was exact or precise but it certainly I think there is a difference in the cost Mr. Speaker, between the published cost of the project in Quebec City or near Quebec City and the present cost as it exists in the legislation of the oil refinery which we built at Come by Chance. My hon. friend said that the House were entitled to know the reason why this was so, and of course we agree with that and I can assure you that the House will hear, the House will hear, Sir, in as much detail as the House wants,

Briefly in this outline the reason for the difference in cost is that the two refineries are completely different. The one at Quebec City, Sir, as I understand it will produce just gasoline simplest of the products produced when oil is cracked. and will produce Mr. Speaker, it will not effect the chemical plant I am told, it is to produce gasoline the simplest by-products, there will be by-products other

than gasoline, it will be roughly comparable Sir, to the refinery now existing in Holyrood, except it will considerably larger. And all that Holyrood produces I believe is the simplest types of products it does not produce the petro-chemical products or the products which can be made into the petro chemicals. The Premier has told me Sir, that they are making propane gas. Of course Mr. Speaker,

MR. HICKMAN: This is a question, not a statement of fact. Is it cheaper to refine kerosene than gasoline?

MR. ROBERTS: Cheaper to refine kerosene. Mr. Speaker, I am not sure I understood that kerosene was one or a product from your oil, oil can Mr. Speaker, as I understand it have an infinite variety of components in it,

MR. HICKMAN: Jet fuel is basically kerosene.

MR. ROBERTS: Mr. Speaker, jet fuel is one of the products produced when the oil is put in these catalytic towers and cracked. and jet fuel is one of the products, JP4 or JP1. Jet fuel is very much cheaper I -

MR. HICKMAN: Right but this is very much easier to refine. This is the point of my question. But the Come by Chance plant is going to be basically a jet fuel plant.

MR. ROBERTS: No, Sir, Mr. Speaker, the Come by Chance will produce jet fuel in large quantities which it will sell, and one of the conditions precedent as my hon friend has told us set forth in the legislation is that take or pay contracts were 60% of the product of the plant be produced and part of those contracts I can assure the House will be for jet fuel. A very lucrative market, a growing market a very profitable one.

Well, Mr. Speaker, the Premier says until the chemical plants are there to use it and that is correct but large quantities of jet fuel will always be produced - the terrific quantities of products which will come out of the plant at Come-by-Chance.

I do not want to go into detail now unless the House wants me to. I will do what I can, Mr. Speaker,

MR. WELLS: Is not that cheaper to produce than gas?

AN HON. MEMBER: Yes.

MR. ROBERTS: Mr. Speaker, I am not at this stage going into a detailed debate, as I said there will be an occasion, but I think the important point is that to compare the refinery at Quebec City with the refinery at Come-by-Chance is not quite correct. It is a little like apples and oranges. It is a little like saying a cadillac compares to a toyota or a volkswagen. They are different cars, Sir. As I have said:...

MR. SMALLWOOD: Why? Each is a car.

MR. ROBERTS: Each is a car, yes. I think that is correct. There is only one point in this debate. The gentleman who moved it, I suggest, strayed somewhat and perhaps the Premier in dealing with the hon. gentleman's point strayed somewhat. The member for Humber East district, I believe, Sir, came back to the point but the member for Burin spoke to the point. The purpose of this motion, Mr. Speaker, the only purpose of it is to appoint a select committee. The reasons for which the select committee are to be appointed are set forth and so forth.

Mr. Speaker, there is only one reason why a select committee need be appointed and that is to give the House information which it can get no other way. Accordingly, Sir, if the Government tonight took the position we would not supply this information, I think the motion should be carried, and I would support it. Sir, we do not take that position.

Similarly, Mr. Speaker, I submit that if the Government came to this House with legislation or request for legislation or a request for an appropriation again the case for information would be made out, but Sir we have not come. This resolution has arisen quite properly, quite in order, under private members' business. It is not risen as the result of any action of the

Government. It is risen because the hon. members wish to make such a motion. That is their right, Sir.

Mr. Speaker, they have not made any case. I repeat Sir they have not made any case why a select committee should be appointed now. Mr. Speaker, the Premier speaking in behalf of the Government said that we will in this session of the House bring legislation before the House to deal with this matter. He made reference to an item that presumably will be in that bill. That bill, Sir, will be debated at any length if the hon. members wish consistent with our rules.

MR. WELLS: Will information be given then?

MR. ROBERTS: Mr. Speaker, I am happy to assure the hon. gentleman that we will give all the information that we can. We will give all the information we have and all that we have not, we will try to get it Sir. We will undertake as the Premier told the House, whether it be in the form of a committee of the whole or a special committee of the whole, Mr. Speaker, would be for the House to decide. We will undertake to produce whatever information is needed: in particular, Sir, the matters referred to in the five or six conditions precedent that we found in clause (5), I believe, of the agreement appended to the bill listed by my hon. friend from Burin district. Of course, it will be dealt with. The information will be tabled and made public.

Mr. Speaker, we have undertaken to do that and we are going to do it, if the resolution were moved or not. It is the Government's plan to do this and we will do it, Sir. Since we say we will do it, we take the position that there has been no case made out, no case at all, Sir, for the appointment of this committee now. A case has been made out for information, but that case did not need to be made, Sir. That is self-evident. We will gladly do it. I submit, Sir, that when we bring in this information, there will be a lot of doubting Thomases who will be looking for stigmata. I submit, Sir, when we bring in this information and lay it before the House, we will have a deal of which..

AN HON. MEMBER: What is that by-product you referred to?

MR. ROBERTS: Mr. Speaker, stigmata or a by-product are a very painful process which I would not recommend to the hon. gentleman.

Mr. Speaker, when we bring in this information, I think all Newfoundland will be proud. My hon. friend the member for Burin has said quite eloquently and after all, Sir, it was but a day or so ago that he was one of us here.

AN HON. MEMBER: He has seen the light.

MR. ROBERTS: No, Mr. Speaker, he has not seen the light.

AN HON. MEMBER: Oh! yes.

MR. ROBERTS: So Paul has become Saul, Mr. Speaker and not Saul become Paul.

MR. HICKMAN: We are back to the Holy War again.

MR. ROBERTS: No, Mr. Speaker, this is not a Holy War. The gentleman has gone from preaching to tent making. That is a bit of a change on the original script.

Mr. Speaker, very briefly we submit that there is a case for information and with or without this resolution, we intend to produce all the information necessary, all the information requested, all the information sought for.

MR. WELLS: Will the hon. minister permit a question?

MR. ROBERTS: Of course.

MR. WELLS: Can he confirm for the House that the project is feasible? Can he do that? Can he now confirm that it is feasible?

MR. ROBERTS: Mr. Speaker, I am not an independent person. Mr. Speaker, I let the hon. gentleman ask his question. Perhaps he will let me answer it. I am not able to confirm nor able to deny when we come to the House, Sir, we will have this information and before we ask this House for any action, Sir, we will have this information and the hon. gentleman can content himself, if ever he will be content, Sir. He can content himself to the standard of any reasonable man or beyond, to use the term with which he and I are quite familiar as allegedly learned and we are learned in that sense anyway. The standard of any reasonable man or beyond, Mr. Speaker. We will produce the material

and let the hon. gentleman examine it, ask questions and so forth to his heart's content, Sir, including the feasibility report by the independent persons laid down in the Legislature.

MR. WELLS: There has been one.

MR. ROBERTS: Of course there has, Mr. Speaker.

MR. HICKMAN: It will be tabled.

MR. ROBERTS: Mr. Speaker, we will undertake..

MR. SMALLWOOD: It will be made available to the House on the condition that the rival oil companies will not see it.

MR. HICKMAN: You do not have many of them anyway so you will not have to worry.

MR. WELLS: Is that fair and reasonable?

MR. SMALLWOOD: Of course it is.

MR. ROBERTS: Mr. Speakers, members of the House will stay up at any length they wish to go through it as they wish. Briefly, Sir, we are getting close to the magic hour, when we all get in our pumpkins and go on, Sir,

MR. WELLS: Not tonight.

AN HON. MEMBER: Not tonight.

MR. ROBERTS: Then I gladly stay here, Sir. I gladly stay.

Mr. Speaker, we submit there is no case made for the appointment of this committee now. This motion, Sir, if I may be allowed a personal note in closing strikes me as being the same in quality and kind as the persistent - despite my mother's hopes, incorrect reports of my engagement to marry or my marriage. This resolution is quite immature. So I will vote against it, Sir. I have no hesitation in asking my colleagues and my hon. friends on this side of the House to join with me in voting against this resolution.

MR. NOEL: Mr. Speaker, in spite of the lateness of the hour, there is something that I would like to say. As I understand it...

MR. CROSBIE: Mr. Speaker, on a Point of Order, could you clarify for us - I understood that tonight, we do not have to stop at 11:00 p.m. We can go on until the debate is over. Is not that the decision?

MR. WELLS: On a Point of Order, Mr. Speaker, I understood from your Honour's ruling this afternoon and from the motion presented by the hon. the President of the Council that the hour in relation to Wednesday is now changed. There was no terminal point put on it. It is just wiped out and the President of the Council made a further statement that we would go on as long as we wanted to, if we wanted to finish at 6:00 p.m., fine. We would just close of the debate, as long as we wanted to go on and conclude the matter, there is no end to tonight. That is what I understood from the motion.

MR. SPEAKER: Just in case, there is some misunderstanding in regard to this. Personally I understood that Wednesday's closing would be the same as any other evening from Monday, Tuesday, Thursday or Friday, that the Speaker at 11:00 p.m. could call it 11:00 p.m. and proceed, but just in case there is any doubt about this and there has been a misunderstanding, we can always a motion to adjourn is always in order. It is not debatable and we can put it to the test of the House.

MR. WELLS: Point of Order, Mr. Speaker.

MR. SMALLWOOD: If it is the wish of the hon. members to continue the debate, why not? Until 1:00 a.m., 2:00 a.m., any hour.

Mr. Speaker, the House is the master of its own rules and if it is the sentiment of the members of the House, let us go on until further notice. If it drags on too long, a simple motion for an adjournment can be put and voted on.

MR. SPEAKER: Is it unanimously agreed that we continue?

SOME HON. MEMBERS: Agreed.

MR. NOEL: Mr. Speaker, there are one or two remarks that I would like to make before this resolution is voted on. I regret that I am not the orator for the previous speakers. However, the point I wish to make is this: that when we consider the cost to the Province of the Come-by-Chance and the Melville operations, on the figures that have been quoted here as being approximate the Province is about to embark upon a risk of approximately \$ 250 million

and that is a lot of money for any Province particularly to the Province of Newfoundland.

Now what concerns me is not so much the motion before the floor because my mind is settled on that. We have a statute that was passed by the House. We have an agreement that was made under that statute. We have some refinements to that agreement which have been mentioned and we have the undertaking of the Premier that all this will be laid before the House within a matter of a few days. If at that time...

MR. SMALLWOOD: If I may, I do not want the hon. gentleman to be misunderstanding. It may be a week, ten days but not one, two or three days.

MR. NOEL: Well before this session closes.

MR. SMALLWOOD: Well within this session.

MR. NOEL: If any hon. member then has any question arising out of the material that is laid before the House, an opportunity would arise for a further resolution, a further motion. Therefore, I feel that a select committee at this time would not accomplish any useful purpose because the information may very well be provided and the reason for the select committee would not be apparent after the information is provided. As I was saying, we are about to embark upon the expenditure or the risk of \$250 million. Now the like of that amount of money we have never expended before. I just want to draw an analogy for you. There is really only two ways in which the Government can provide money to an industry. The Government can either lend that money itself or it can guarantee the raising of that money by others. There is a significant difference in the way this is done, because if the Government is providing the money itself, then the accounting for the projects is done by the Government. In other words the Government can pass that money out under any conditions that it wishes to put down in its own agreement.

Whether the money is raised by Government guarantee, there is a very important difference and this is that instead of the money coming into the caucus of the Government to be paid up, the money is paid out directly to the company or the owners or the managers of the project and there has been no wa

MR. ROELE: there has been no way in which the Government has direct control over the money, because the money is paid into the pocket of the promoters.

Now we have to realize that in the present case, we are dealing with promoters. In my opinion, it is highly unlikely that either Canadian Javelin or Newfoundland Refining will actually end up in operating these plants themselves. Neither one of the gentlemen concerned have any great experience in the field in which they are getting into, but they do have great experience in the field of promotion. Now that is no objection, that is no objection. This is the way I would imagine that most large industries are started. Somebody does the promoting, and then somebody who wants to carry on that kind of an industry takes it over and carries it on. But from our point of view, when Central Mortgage and Housing advances money on a mortgage, Central Mortgage and Housing carries out certain inspections, at certain stages, as the money is advanced. And you do not get the balance of your money until you show that you performed. Now under these agreements we have presumably there are certain terms and conditions in these for the protection of the Government.

And what I would like for the Premier to do, if he would when he tables this material in the House, will he be able to give the House an assurance that the machinery has been set up within Government to carry out the proper supervision of the expenditure of this money? So that we can be assured that we will end up with \$250 million worth of property for the money that is spent, because it is quite easy for a person, I am not speaking of Doyle or Shaheen, because I suppose they are not going to build this themselves, there are going to be contractors and suppliers and sub-contractors and sub-suppliers. How are we going to be guaranteed that the value is going to be there for the obligation that we are taking on? Unless Government sets up an organization some organ of Government to supervise as if these projects and to be responsible to Government to see that the value goes into the ground. Now, what I would like as I said before, I would like for the Premier to consider whether or not at the time the material is tabled in the House, whether at that time he will be able to give the House an assurance that the proper machinery has been set up within the Government to supervise these projects to ensure that the Province gets full value for the money that is being spent.

Now if that is done, I think we are okay.

MR. SEALEWOOD: Before the hon. gentleman concludes may I say to him that the full team, the full Shaheen team, Shaheen himself, Roy Furmark, he is a finance man, his

various lawyers, Homer White the President of the Company, Oscar Blake the whole team of Shaheen people, and Wilson his top oil man, the whole team will be coming to St. John's, coming into the Cabinet, because the Cabinet are not going to put this thing through, we are not going to implement the legislation, we are not going to put it through, until the Shaheen team come to St. John's, into the Cabinet for a day or two or three or four or five, whatever time maybe needed with everything imaginable, face up, and then having done that, we will bring it to caucus, and then we will come in the House, and I see no reason why in the House perhaps in two kinds of meetings, a public meeting and a private meeting. A private meeting to reveal stuff that should not be revealed to competitors. And a public meeting where press or anybody could be present. I see no reason why the Shaheen people should not appear before the House with this information, because we will not be bringing the legislation before the House to amend the legislation, we will not be bringing that before the House, until the Cabinet, we had to bring it before the House, we will not do it, until we, that is the Cabinet, absolutely assured that every last condition has been met properly. Now, secondly, with regard to our having people who can see that the plants at Come-by-Chance and Stephenville are properly build and to specifications, and you know without any fooling, we had been endeavouring to get people like that, I have been in correspondence with a great Newfoundlander Gerald Penny, of Carbonear who was mill manager of the Great Corner Brook Papermill, Gerald Penny to come with the Government as its man to supervise, not to supervise but to inspect, to check to scrutinize the construction of the two paper mills. We have been negotiating with Gerry Penny. We are looking for a man to do the same thing for the oil refinery, he has got to be a top, top, top, top kind of man. Yes, I can give the hon. gentleman the assurance not that we got them, but that we are trying to get them. Are these the two points the hon. gentleman?

MR. NOEL: Yes, Mr. Speaker, I feel that the House should be assured by the Premier that the proper machinery has been setup within Government to ensure and safe guard the Province that we will get \$250 million worth of plants for \$250 million. In other words, that we will not buy a bail of hay for a bail of straw or vice versa. That we will get what we are bargaining for and that everything is done according to hoile. Now I do not see that being done ^{an} by/ordinary single individual, or by a select committee of the House. What I want to see, is that I want to see something setup within the

Department of Economic Development, properly staffed where this thing is supervised and kept under control from start to finish. Somebody responsible to the minister and the minister in turn responsible to this House. But, I do know this much, if I do not know anything else, that the spending of \$250 million is quite an undertaking. An awful lot of people think you could spend \$250 million yourself, but it takes people and it takes control to spend \$250 million. And if you went to any corporation in this land today, that was spending \$250 million, you would see quite an organization in control of the spending of that money. Now I do not say that we -

MR. SMALLWOOD: that of building one enterprise - this is three.

MR. NOEL: So that in this case here where you have these contracts, which put certain obligations on these people, where you have them dealing with contractors, and cost plus, and over runs and all the rest of it into it, and all kinds of conditions written into these contracts for control by government - what is the use of having them, if we do not have somebody in the Government whose job it is to see that all this is carried out. That man is going to need the staff, and this is the undertaking that I would like the Premier to be able to give, when this stuff comes before the House.

THANK YOU.

MR. ANTHONY J. MURPHY: Mr. Speaker, there is just going to be a few short words from me, because I have been a rather interested listener to the debate all day. We in the Opposition, as everybody is aware I think, as always been trying to get some information, and it has been a great pleasure to hear a gentleman who have been very close to this subject to tell us something just what was happening, we debate this thing at some length, when the Bill was brought up, and we tried to find out some information for ourselves. We just had to go on by guess and began I suppose, just to figure out what was in the Bill. But its being a revelation I say to hear some of these gentleman who were so close to the Bill, who put so much time on it. To express their grave doubts, and we the oppositon in recent years have questioned some of these things, we were branded traitors, and people who did not want people to work, who did not want people to get jobs, so I say it is a little bit refreshing this evening to sort of be vindicated in that regard, as far as this committee is concerned I do not see anything wrong with it. I think it is one way that we can get information. There are some other things I think in the Bill that tenders must be called for construction, I think that is a very good item there, if it is followed through.

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MR. NOEL: It has got to be followed through.

MR. MURPHY: It has got to be followed through, well, if it is in the Bill, it has got to be followed through. I think in the last five minutes some eight hours and fifteen minutes after this question was asked this afternoon, I believe, we have had more information in the past five minutes, after many thousands of words and heated argument - with reference to Charlie Lester and a few other people that we hear pretty well every debate. That now discover that there is a feasibility study, and I think today nobody knew there was one. It must have been prepared since 3:00 P.M.

AN HON. MEMBER: Inaudible.

MR. MURPHY: So these are some of the things perhaps that a little debate and with people who have been closed to negotiations, I think, they are going to be a great help. Again, I will separate the brethren perhaps, if they would come a little closer, we could perhaps frame a real good - But, Mr. Speaker, quite honestly I do not see anything wrong with a Select Committee, I think it is one way to get information. This side of the House has always been asking for a committee of some sort to discuss these matters, rather than just try to read from a Bill, and these are very important matters, and this particular case a \$130 million, it is an awful lot of money and I know the people listening in this House tonight, and we had a real good attendance again tonight, and I am sure that they will be back again tomorrow night for a rerun -

AN HON. MEMBER: Inaudible.

MR. MURPHY: The Premier did us a great honour today, we had a matinee performance, and I think he repeated it for the people who could not get here this afternoon. I think we want through pretty well the same debate. But, I think it is good, I think it is wonderful to see people here, it is a pity we cannot provide some extra accommodations, they have been standing in the halls, and not being able to get out of elevators - so perhaps

MR. SMALLWOOD: Inaudible.

MR. MURPHY: There might be a bill for overtime. But, Mr. Speaker, quite honestly I do not see any problem in this House acceding to this request for a select committee, I think we would be in possession of the fact. We have been told now that in a few days - one, two, three, four, five, perhaps a week, perhaps ten days, we are not thinning the Premier down, that we will have all this information. But basically, I think, this is what this motion has been calling for, for information on it. And I would say quite honestly and in my own opinion, that only for this motion was brought forward, we would not have had the concessions that have been made tonight in this House. It is absolutely my opinion.

AN HON. MEMBER: Inaudible.

MR. MURPHY: The hon. rminister has been on the phone, he has been dashing in and out to the telephone -

AN HON. MEMBER: Inaudible.

MR. MURPHY: It is my opinion, that we would not perhaps have had the facts. So, well Mr. Speaker, I do not know how many more want to get into the debate, it is a long night, and we do not have to come here until 3:00 P.m. tomorrow afternoon. So I will say that I will support the motion, and will vote for it.

MR. THOMAS BURGESS: Mr. Speaker, having listened to this debate all day - a debate

MR. T. BURGESS: Having listened to this debate all day - the debate I might add that was mainly carried by people who instrumentally involved in the negotiations for this Come by Chance operation - and particularly having to listen to the Premier this afternoon and tonight, in one of the most convincing speeches that I have heard in a long time I am in complete agreement with the hon. member from Humber East in that I sat here and I felt myself being swayed in no uncertain fashion - it was a masterly performance - and all I have to say on this matter - I do not think, I do not think that whenever the Premier runs - whenever he calls an election I do not think he can be defeated - because if he gets his voters and uses the same persuasiveness on them, I do not think he will be defeated - but maybe some other people on that side of the House will, and I hope to see sometime - I hope to see the Premier sitting in Opposition as forlorn and neglected as - whistler's father-

Now if I may recap for my own information what I understood the hon. member from St. John's West to state today in the opening statements in this debate - in the winter of 1967, Shaheen approached the Government with a proposal of establishing the Come by Chance operation - and naturally the Government was very interested. And they appointed a committee composed of Cabinet Ministers - the then hon. member from St. John's West; the hon. member from Humber East; and the hon. member from Burin; and the chairman of the Council. Now this committee met with Mr. Shaheen and his associates and they negotiated certain conditions - conditions that have been outlined fully by the hon. member from St. John's West, in that commitments were made by Mr. Shaheen to the effect that he would put up \$10 million of his own money primarily no.1, and to put this \$10 million in equity into the operation. He also agreed to invest another \$5 million (am I correct)

MR. CROSBIE: Well no.

MR. BURGESS: If there were no AIDA grant

AN HON. MEMBER: Yes

MR. BURGESS: They also got additional security from Mr. Shaheen that the parent company - the Shaheen Natural Resources would meet the principal and interest for two years

MR. HICKMAN: No, if any default

MR. BURGESS: If any default - yes. In the event of any default

HON. J.R. SMALLWOOD: (Premier): He did not get that

MR. CROSBIE: Originally in 1967

MR. BURGESS: Well this is what I understood today Mr. Speaker, that it had been

agreed that they would meet the principal and interest for two years in the case of any default.

They parted company, and in November 1967 the committee received a draft agreement from Mr. Shaheen and his associates, and this draft in no way resembled what had been agreed to between Shaheen and his associates and this committee - it in no way resembled the agreement. I think the implication was that Mr. Shaheen had met with the Leader of the Government and a separate agreement had been reached - at least this is what I felt was implied this afternoon. Now the question that bothers me is why if a committee was appointed in the first place - when this committee was appointed and naturally appointed by the Government - when this committee was appointed why did Mr. Shaheen feel if indeed he did, why did he feel that he had to go over the heads of this committee and make a separate agreement outside of this committee? Because I think we are all aware of the fact that this is the reason that these two gentlemen - the hon. member from St. John's West and the hon. member from Humber East are on this side of the House today.

This is one thing that bothers me, and I am sure it bothers a lot of people in this House and the people of Newfoundland - why when this committee was formed to negotiate particular commitments with Mr. Shaheen why they were changed and on what basis the Government agreed to these changes?

MR. SMALLWOOD (Premier): The hon. gentleman is now really talking through his hat.

MR. BURGESS: This is exactly - what I am saying now Mr. Speaker, is what I understood the hon. member from St. John's West to say today. Now if the hon. the Premier - if the hon. the Premier wanted to remove this impression - the impression that was given to this House - he had ample opportunity this afternoon to stand up and refute this - and to say that this was not a fact - but he did not deal with the resolution as it appears on the paper at all. As a matter of fact a lot of the things that were said in the Premier's speech today were not relevant to the motion period.

Now with all due respect to the hon. the Premier if he had wanted to remove this impression he could very easily have removed it by stating the circumstances as he understood them but he did not do that.

MR. SMALLWOOD (Premier): I did not understand that the hon. gentleman or any hon. gentleman had got that impression from what was said by the hon. member for St. John's West. The hon. gentleman surprises me now to say that he understood what he says he understood from what was said. The hon. member from

St. John's West did not say that at all.

MR. BURGESS: Well if the hon. gentleman from St. John's West did not say that - the hon. gentleman from St. John's West would be standing up there now telling me he did not say it.

MR. SMALLWOOD: No he would not - not necessarily

MR. CROSBIE: Mr. Speaker, I did not say exactly what you have said, I said that in November

MR. SMALLWOOD: That Shaheen was always coming to me and going over your head

MR. CROSBIE: Right

MR. SMALLWOOD: Does not everybody?

MR. CROSBIE: Yes

MR. SMALLWOOD: Yes, everybody comes to the Premier

MR. CROSBIE: In November 1967 we had received the draft agreement that was changed - that was changed substantially from the principles that had been agreed upon during the session of 1967 and tabled in this House - but I did not say that this was because the hon. the Premier had agreed to it - I mean I do not know who agreed to it - they just gave us an agreement that was changed. I would say that the hon. the Premier had some knowledge of it, but I do not know.

MR. BURGESS: Mr. Speaker, when the hon. gentleman from St. John's West - and I am sure it must have slipped his mind - but when he was making this statement today I wrote it down - I understood you to say that he had gone to the head of the Government and these are the words that I have written down.

AN HON. MEMBER: He said that alright

MR. CROSBIE: I said Mr. Speaker, that when we were negotiating Mr. Shaheen or his people would go in behind our backs to the hon. the Premier

MR. SMALLWOOD: Not behind their backs - over their heads

MR. CROSBIE: Yes and behind our backs

MR. SMALLWOOD: Not behind your backs

MR. CROSBIE: Yes behind our backs

MR. SMALLWOOD: Nonsense

MR. HICKEY: The words came down from on high

MR. BURGESS: Well this is essentially the question that bothers me - why when commitments and agreements had been made - why they were changed and who agreed to these changes?

MR. SMALLWOOD: It was a matter of negotiation - they were - the committee of the Cabinet were just a committee that I appointed. A committee of the Cabinet.

REMAINED YOUR - you gentlemen be in committee now, you deal with Shaheen and his millions - they do and they draft an agreement but from time to time the Shaheen people would change it and they would negotiate all over again - often the Shaheen people would come to me - everybody comes to me. I am the Premier.

MR. BURGESS: But why was the committee appointed in the first place

MR. SMALLWOOD: To negotiate

MR. BURGESS: To negotiate exactly - and they negotiated certain conditions and those conditions were changed in the later draft - in the final draft that was submitted that was submitted to this committee

MR. SMALLWOOD: Sure, sure, twenty times at least they were changed

MR. BURGESS: But they were changed radically in the sense that the commitments that he had made to put in his own money was to be put in - in the form of a loan - so that if anything went wrong that money reverted back to Shaheen. And this was a radical change - and I would - as I have said before, what occurs to me is that why these changes - why these radical changes were accepted and this is instrumental - and this is the reason these hon. gentlemen are across the House today.

MR. SMALLWOOD: Nonsense, sheer nonsense that is not why they crossed

MR. BURGESS: And then the final - the complete - the other thing that worries me is that or I say this also with due respect to the Government in that it is pretty obvious that the credibility gap that exists right now between the Government and the people is getting larger and if the Government had wanted to narrow that gap they could. There is nothing wrong with the resolution as presented on the Order Paper of today that a committee be appointed to investigate or asking all the conditions that are in this resolution. There is nothing wrong and if the Government were to agree - were to agree to this resolution well then I think that they would be doing themselves a service and a great service - in that they are not afraid to devulge tonight - granted there is a matter of principle but possibly it is because that this resolution came from this side of the House - but because they are superior in numbers does not automatically mean that they are right every time. And with that in mind I say that there is nothing wrong with this resolution - nothing at all - there is nothing to be afraid of if the Government tells us that in a few days they will devulge all the facts relevant to this agreement and if they can do it in a few days - they could also do it by agreeing to this resolution by appointing a committee to investigate and to look into the conditions that

are requested in this resolution - and with that in mind I say that I support this resolution

SOME HON. MEMBERS: Hear, hear

MR. -CROSBIE: Mr. Speaker, it is getting a bit late so I will not rebutt as much as I was going to because the Speech from the Throne is still to come up if we ever get back to it.

What the last hon. member just said Mr. Speaker, is so sensible - it is so sensible that I am dumbfounded in admiration of his intuitive powers. The hon. the Minister of Health and the hon. the Premier in the last half hour in this House - have just told the House that they are prepared to present all the information to the House, there is going to be an amendment come before the House or legislation - and they are going to have all the information - and they are going to have all the details and the feasibility report and everything else. They are going to come before the House sometime this session and present it all to the House; first to the Cabinet - it sounds wonderful; first to the Cabinet and then to the caucus, where there will be a raucous debate; then to the caucus, and then to this House. All the information - the feasibility study, where the \$5 million is gone - what the position is with respect to the wharf facilities - what the position of the Government of Canada is - where the money is to be borrowed from - what it is being spent on - everything that we are asking is going to be present to the House.

How the conditions present were met - how the take or pay contracts all of these thing are going to come before the House

MR. SMALLWOOD: When the present negotiations are complete

MR. CROSBIE: Fine - when the present negotiations in this session

MR. SMALLWOOD: It is a matter of days

MR. CROSBIE: In this session is the promise - now that is fine - it sounds wonderful. But Mr. Speaker, what I say is this - that when all those documents and reports and everything else are presented how are they going to be presented - how much time are we going to have to go through them - and read them and study them - and examine them before they are debated and passed through the House.

HON. E.M.ROBERTS (Minister of Health): The hon. member can have all the time he wants

MR. CROSBIE: What time are we being given now to do any study? We are here now afternoons and nights - and the Government has told us we are going to be here five afternoons and four evenings a week - Mr. Speaker, when are we going

to be given the time to examine these documents? It sounds fine how the Minister of Health is going to come and he is going to present the House with all this information. Grand, I say the proper place for him to present that information all of it is to a select committee of the members.....

I say the proper place for him to present that information, all of it, is to select a committee of the members of this House and give them a chance, give them a chance - a week or two to study it and then give them a chance to examine when they are familiar with it, have the information at their fingertips, give them a chance then to examine -

SOME HON. MEMBER: Is that the whole House?

MR. CROSSIE: The whole House, the whole House, Mr. Speaker, is not going to have the time to put in on this. There has got to be a division of effort on it. Then - Mr. Speaker, we do not care---

Does the Minister of Health want to make another speech?

MR. ROBERTS: No, Mr. Speaker --

MR. CROSSIE: Fine, Now, Mr. Speaker, we do not -- we are not asking for this information before the Government is willing to give it, if they are in negotiations for a few days, as long as it is during this session, but the right vehicle for examining all that information, if it is to serve any purpose in this House, is a select committee given time to do the job properly. Not the usual rush jobs, pile all that stuff on your desk, one afternoon and the next day have it all debated and want to whistle all through the House and everything is wonderful.

No. We do not except that. We ask questions -- I have questions tabled in this House today that were treated with contempt again - questions on this very project and after it, the hon. the Leader of the Opposition has mentioned, after we have been here eight or ten hours a day, we do find out that there has been an independent expert appointed to do a feasibility study. This is the kind of treatment we are objecting to. That is why we cannot just accept the hon. the minister's assurances that all this information is going to be given the House.

All that information given the House is not sufficient, Mr. Speaker. We need a select committee of members of this House, given it in time, given time to study it, given the power to call the people who have done the studies, to call the Shaheen Principles Board, and ask them questions and go into it. That is what we need. Not just this material that we hope is going to be piled into the House one day, while we are being pushed afternoon and evening, and in a few weeks, Mr. Speaker, they will start to push morning, afternoon, and evening. So, what is the point then of bringing that material before the House. It is not good enough.

The hon. the Premier spoke this afternoon. He did not speak on this resolution. He did not speak or answer any of the points that were mentioned - an emotional speech about the need for jobs in Newfoundland which we all realise.

Mr. Speaker, the point is not that we need jobs in Newfoundland. The point is, the issue is; is this Government effectively creating those jobs. That is where the issue is. In my opinion it is not. Is it doing an effective job of creating them?

It is not an emotional - just an emotional approach. We must have jobs no matter how they are created or at what cost. If a job at this oil refinery at Come-by-Chance is costing us \$330,000.00 of our credit, then we have to ask, "Could \$330,000.00 of our credit perhaps create 100 jobs or twenty jobs in some other kind of industry. That is the kind of study and examination that is needed.

A sensible approach. Nobody is advocating we throw in the sponge. The alternative for Newfoundland are not the alternatives that the Premier presents so starkly. The alternatives are not as he puts them, that you must lead the way to get jobs, that is his way, his way is the only way to get jobs. We must take that way or, he says, the alternative is an "exodus" from Newfoundland. Either leave Newfoundland to create jobs the way that he is going about creating them or the only alternative is to lead an "exodus" from Newfoundland.

Those are not the alternative because the hon. the Premier's way of trying to create jobs for Newfoundland is not the only way it can be done and it is not the most effective way and that is what we are arguing about here today when we discussed this oil refinery or the ERCO project, as examples.

The Federal Government, the Premier mentioned, would grant up to \$30,000.00 - its a one time grant to create jobs. That is not an annual grant. They would never go into the kind of situation we are into with ERCO, where there is an annual cost per job of at least \$7000.00 for

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twenty-five years.

MR. SMALLWOOD: That is not correct.

SOME HON. MEMBER: Yes, it is right.

MR. CROSBIE: Mr. Speaker, there is a question tabled in this House, asking for the facts about ERCO - about the cost of power, the amount of subsidization, and we were not given the answer.

MR. SMALLWOOD: Negotiations were going on.

MR. CROSBIE: But we hope they are.

MR. SMALLWOOD: I said they were.

MR. CROSBIE: And I say I am glad to hear that negotiations are going on, and I hope it is to the effect of reducing that cost. The Premier has not told us what the negotiations are about.

MR. SMALLWOOD: No, I have not.

MR. CROSBIE: The Premier, Mr. Speaker, is not the only man in Newfoundland who thinks that Newfoundland needs jobs and the emotional kind of approach, the emotional kind of speech he made tonight - today - is harmful to any serious discussion of where Newfoundland is and where we are going, because it obscures the real issue. Is this Government effectively creating jobs with the methods that this Government is using? And we do not think that the Government is.

There is no comparison between this project and Churchill Falls. We have not involved our credit at Churchill Falls. We are not involved and financially, they are two entirely different projects.

Some of the points I will skip because of the lateness of the hour.

There are a couple of statements that are ridiculous but I will not go into them tonight.

The refinery was almost lost when my hon. friend and I crossed the House. What tripe! Tripe. A wharf - somebody has a wharf, oh the \$500,000.00 to fight against the Oil Refinery. Nonsense! No proof given of it at all.

Crown Corporations, the hon. the Premier mentioned the previous Crown Corporations this Government has had. The difference between this particular situation, these particular Crown Corporation of Come-by-Chance

and the others was that the amounts of money involved in this project were so massive that the Federal Government may have lost hundreds of millions of dollars in taxes through that device used at Come-by-Chance. That was the difference that caused them to change the act.

Now, we were warned, we were warned, Mr. Speaker, that that might happen, that the Crown Corporation device was used to access.

Our experience of the last few days in this House, Mr. Speaker, does not conduce us to accepting assurances from the Government that in due course in this session the information will be coming.

It is as hard to get information out of the Government as it can possibly can be. The information is as scarce as hens teeth. We have gone into that adequately in the last few days and today is another proof of it.

Wharves. There is one mistake of facts that the hon. the Premier made in his speech when he discussed wharves. He was amazed that the Government of Canada was questioning this wharf at Come-by-Chance and he gave us one example, I think at Baie Verte, he said the Government of Canada built. That wharf was not built and paid for by the Government of Canada. It was built and paid for by the company there. There is another smaller public wharf but the main one for the use of the industrial enterprise at Baie Verte was built and paid for by that company, and if wharves were built at Tilt Cove and Baie Verte and other places by the Government of Canada then they must have met the test of economic feasibility that Mr. Arthur Lang mentioned in his remarks which he says, this project does not meet.

The hon. the member for St. John's North, Mr. Speaker, reinforced the point that I had made myself, earlier about the fact that all these agreements are useless if there is not proper provision for enforcing them. A proper unit in the Government for enforcing them with a good man to head it up and a lot of competence and people to do the necessary detailed work for him. Without that it does not matter what is in these agreements.

He asked the hon. the Premier for an assurance on that and we certainly ask for it also when this matter comes before the House.

Mr. Speaker, I say that this motion is a legitimate one, that this select committee can be appointed and can wait until the Government completes this negotiation and can then go through all this documentation, examine all these people. It is not going to impress us to have Mr. Shaheen and Mr. Blake and all their top officials come in here and sit in the House while our desks are piled up with documents that we have not had time to study. That will not impress us. That is not the kind of information we want and the way we want it. We think it is due the people of Newfoundland to have it done in a much more suitable way than that.

So, Mr. Speaker, despite what has been said by the hon. the Premier and the hon. the Minister of Health we have to remain skeptical. We submit that this motion is one that should be passed. If it is not passed, the Government should consider the desirability of doing this when they are ready to proceed further with this matter in the House.

MR. SPEAKER: Will all those in favour of the resolution please say, "Aye".
Contrary: "Nay"

Y. in my opinion the "Nays" have it.

Division:

MR. SPEAKER: Will all those in favour of the Resolution please stand:

The hon. Leader of the Opposition, Mr. Collins, Mr. Hickman, Mr. Wells, Mr. Crosbie, Mr. Myrden, Mr. Burgess.

MR. SPEAKER: All those against the Resolution please stand:

Hon. the Premier, Hon. President of the Council, Hon. Minister of Labour, Hon. Mr. Lewis, Hon. Minister of Highways, Hon. Minister of Municipal Affairs and Housing, Mr. Noel, Mr. Hodder, Mr. Strickland, Hon. the Minister of Finance, Hon. Minister of Mines, Agriculture and Resources, Hon. Minister of Community and Social Development, Hon. Minister of Provincial Affairs, Hon. Minister of Public Welfare, Mr. Canning, Mr. Barbour, the Hon. the Minister of Health, the Hon. Minister of Fisheries, Mr. Mahoney, Mr. Saunders.

MR. SPEAKER: I declare the Resolution lost.

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