



**PROVINCE OF NEWFOUNDLAND AND LABRADOR**

**HOUSE OF ASSEMBLY**

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**Volume 1**

**Number 128**

**4th. Session**

**34th. General Assembly**

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# **VERBATIM REPORT**

**FRIDAY, JULY 24, 1970**

**SPEAKER: THE HONOURABLE GEORGE W. CLARKE**

July 24 1970 Tape 1359 page 1.

The House met at 10.30 a.m.

Mr. Speaker in the Chair.

Presenting Reports of Standing and Select Committees:

HON.W.J.CALLABAN(Min,Mines, Agr.& Resources): I have pleasure Mr. Speaker in tabling Mineral Resources Report No. 3. which is a consolidation and updating of available information on petroleum exploration in Newfoundland and Labrador by J.M.Fleming of the Department of Mines, Agriculture and Resources. The foreword Mr. Speaker, is by the Director of Mineral Resources Mr. McKillop, who says; briefly, "even though the history of petroleum exploration in Newfoundland dates back a little more than one hundred years, no one has ever before assembled all the available data on the subject and summarized it for publication." Not only is this mineral resources report a milestone, it also satisfies a long existing need when comes the time when Newfoundland and Labrador could be on the verge of significant happenings as far as its petroleum and natural gas potential, on-shore and off-shore, is concerned.

During the past century many data have no doubt been lost, and many were never recorded at all, but at least the record, as it exists, will be preserved in this publication, which should also be very useful to any one who is interested in current and future activity. I should say, Mr. Speaker, that this does not deal with off-shore exploration It deals with terrestrial petroleum exploration in Newfoundland and Labrador, over a period of about a hundred years. I have pleasure in tabling it and I believe, if reports or copies are not already in the Clerk's office they will be shortly.

ANSWERS TO QUESTIONS:

HON.E.JONES(Min. Of Finance): Mr. Speaker, a few days ago the hon. member for St. John's West asked if any special warrants had been issued since the closing of the House about a month ago? The answer is no.

ORDERS OF THE DAY:

MR.CROSBIE: Mr. Speaker, <sup>could</sup> the minister of Labour informed the House when the

Government intends to proclaim the Human Rights Code that was passed, the legislation was passed last year 1969, I believe.

HON.W.J.KEOUGH(Min. of Labour): Mr. Speaker, I am afraid I am not in a position to do so, as the Government has not yet arrived at a decision in that regard.

ORDERS OF THE DAY:

Second Reading of a Bill, No. 95:

MR.CROSBIE: Mr. Speaker, I adjourned the debate yesterday evening on this Bill. The effect of this Bill is to extend to a further year, December 31, 1972, time for Newfoundland Pulp and Chemical Company, Limited, to proceed to construct what is known as the third pulp and paper mill, at Come by Chance. Now in time it would be the fourth, it used to be known as the third mill. Since there is now one at Stephenville this is probably the fourth mill.

Now, Mr. Speaker, before I could vote in favour of any extension, I would certainly want to have more information than was given us in the Premier's speech yesterday. The original Act, which this amends, was passed in this House on July, was assented to on July 5, 1960. It was Act No. 72 of 1960. The Government Newfoundland/<sup>Pulp</sup>and Chemical Limited Authorization of Agreement Act 1960. And that Act had an agreement attached to it and in that agreement certain concessions are made to Newfoundland Pulp and Chemical Company to establish a pulp and paper mill in the province. Under Section 3 of that Act of 1960, the company was to proceed with all due diligence to carry out a programme of exploration and engineering in the Province, designed to enable the company to determine whether a newsprint or chemical pulp mill or both can be economically constructed and operated in the Province, "Such programme shall consist of all investigation and studies deemed necessary by the company for the purposes of such determination."

The next Clause of the Agreement, Clause 4, said that the company will, within the period of three years immediately following the date hereof, determine whether it desires to establish a newsprint or chemical pulp mill, having a minimum capacity of 200 tons a day. Under subclause 2, Section 4, - so the

company had three years to decide whether it wanted to go ahead with a mill. Then, under subclause 2, which we are now amending, if the company should notify the Government, in accordance with subclause 1 of this clause, that the company intends to proceed with the construction of the first stage of the mill, the company will, subject to Clause 22, construct and commence to operate the first stage of the mill within three years from the date of such notification.

So in 1960 this House gave Newfoundland Pulp and Chemical Company, Limited, three years to decide whether they wanted to proceed with a mill at Come by Chance and then, if within the three years they notified the Government that they did, then they had another three years to construct and commence to operate the first stage of the mill. So that would bring you to 1966. Say, if at the end of three years they had notified the government they wished to proceed and a further three years after they notified the government, to complete and construct the mill, it would have been done by 1966 at the latest.

An Act was passed in 1963, Act No. 67 of 1963, and in that amendment - that amendment is not relevant to the time limit - An Act was passed in 1967, Act No. 83 of 1967. In that Act this House of Assembly extended the time for Newfoundland Pulp and Chemical Limited to construct, to finish constructing the first stage of the mill, extended the time to July 1, 1969, So there was a further extension to July 1, 1969. Then, last/<sup>year</sup>an Act, No. 64 of 1969, there was a further extension of time, from July 1, 1969, so that the mill had to be completed or constructed by December 31, 1971. Now, Mr. Speaker, that was eleven years after the original Act was passed, and now the Government asks the House to approve another extension of a further year, December 31, 1972. Well, Mr. Speaker, I am for economic development and industrial development if it is economic. I am not for developments that are not economic, that are uneconomic for this province. I am not satisfied that this proposition is one that is economic for this Province, and there has been no information from the Government at all, given to us, to justify us in considering whether there should be another one year's extension or not. It is very important, I

think, to notice that in the amendment passed in 1966-67. in the amendment that was passed in Act Nos. 83 of 1966 -67, this House abdicated control in the following clause: Clause 2, subsection 2, of that Act said this; (the first section refers to the agreement and goes on in subsection 2) "such qualifications, modifications and additions to and deletions from the provisions of the draft Agreement set forth in the Schedule to this Act may be given effect to in an agreement executed and delivered pursuant to subsection (1), as the Lieutenant Governor in Council deems necessary or desirable to secure the establishment of a third mill in the province." In other words, this House in 1966-67, passed this section, which means that the Cabinet, the Government can qualify, modify or add to the agreement approved by the House, in any way it likes, if it deems it necessary or desirable, to secure the establishment of a third mill in the Province. Now, the question is, Mr. Speaker, what modification, qualification or additions has the Government made to the Agreement passed in 1960 on its own hook? The Government does not have to tell this House or the people what changes are being agreed to, and the Government -

MR. SMALLWOOD: Changes agreed to in what?

MR. CR OSBIE: In the whole proposal for the third mill, in the Agreement -

MR. SMALLWOOD: No changes approved.

MR. CROSBIE: Well, we will come to that. Now, Speaker, so it is very important to notice that the Government has the power to change this agreement in any way it likes, if the Government thinks it is necessary or desirable to secure the establishment of this third mill. In that same Act, Subsection 3 of section (2), it is stated that the Lieutenant Governor in Council, the Government, can agree to make such payments to Newfoundland Pulp and Chemical Co., Limited, as may be prescribed to compensate that company for the cost of wood from Labrador manufactured in pulp facilities on the island, in excess of the cost of wood obtained in the island of Newfoundland and so manufactured, and such covenant may be given upon such terms and conditions and for such term as the Lieutenant-Governor in Council prescribes. In other words, if the third mill, to be located at Come by Chance, cannot obtain sufficient pulpwood

for its purposes from the island of Newfoundland, the Government is being empowered to say to Newfoundland Pulp and Chemical, 'alright, you have to have a certain amount of wood from Labrador each year to operate your mill. We will pay you the difference between the cost of wood brought to the mill from the island of Newfoundland and the cost of wood brought to the mill from the mainland of Labrador.' And the Government has in fact, Mr, Speaker, agreed with the third mill promoters that they will do this. Now we are not told, we have not been told what the cost of that would be or how much wood is going to have to come from Labrador, to Newfoundland, to be used for the third mill. We have not been given that information.

MR.SMALLWOOD: It would be cheaper if it all came from Labrador, and none from the Island.

MR.CROSBIE: The Premier says it would be cheaper. I do not agree with the Premier that it would be cheaper. I would have to see it studied by reputable people, to show that it will be cheaper to bring wood from Labrador than it would be to get it in Newfoundland, because all experience is to the contrary from that. We are not told by the Government; is it 100,000 cords of wood a year from Labrador, 50,000, if so, what will the cost be to the people of Newfoundland?

In the same agreement, 66-67, the Royalties, that Newfoundland Pulp and Chemical are going to pay on timber, were reduced from one dollar to fifty cents for a cord of wood cut on the Island and from \$2 to \$1.50 per cord for wood cut and removed from the Province. There was another concession in 1966-67. Now the Government comes to the House, Mr. Speaker, and asks us to agree to a further year's extension, but no information whatsoever as to what the cost of the third mill is now going to be, as to what the cost of moving <sup>from</sup> Labrador will be, as to what other arrangements have been agreed by the Government with the third mill people.

Now, looking at the original agreement of 1960, several things to note. All of the timber on the Island of Newfoundland, Mr. Speaker, not already granted to Bowaters or Price or other people, is reserved for the Newfoundland

Pulp and Chemical Company. That timber has been locked up since 1960. Occasionally Newfoundland Pulp and Chemical is asked to agree to somebody cutting wood but basically the wood is locked up for Newfoundland Pulp and Chemical and has been so locked up since 1960. Now, is it reasonable, Mr. Speaker, for this House to agree to keep it locked up for another year from December 31, 1971. at the request of Newfoundland Pulp and Chemical who for ten years now have failed, have been unable to carry out their obligation of constructing this mill at Come by Chance? In addition to the wood that is on the Island, Newfoundland Pulp and Chemical has been given a tremendous concession of wood in Labrador, the Sandwich Bay area down in the southern end of Labrador, a huge concession of wood in Labrador which they have a concession on.

MR. SMALLWOOD: Only if they build the mill.

MR. CROSBIE: If they build the mill. But in the meantime the wood is frozen and cannot be used by anyone else and it has been that way for ten years now.

MR. SMALLWOOD: Because the mill has not been built.

MR. CROSBIE: Yes, but the wood has been locked up ten years, with the mill not being built. Year after year, after year, the mill not being built, this wood is still locked up. Another section that I want to point to in the original, I think it is a very weak section, is this; in the original agreement, section 18, subsection 4, it says this: In connection with the disposal of affluent from its mill or mills and other facilities, the company will conform to the general practises in the Province.

MR. SMALLWOOD: They will also conform to the law of Canada.

MR. CROSBIE: That is a section that should be changed, Mr. Speaker, because the general practises in this Province, with respect to disposal of affluent from pulp and paper mills, is that the affluent just goes into a harbour or to a river and that is it. So if they conform to the general practises in the Province, from the pollution point of view it would be a very serious problem.

MR. SMALLWOOD: The law of Canada will supercede that, The hon. gentleman knows that.

MR.CROSBIE: Well, the law of Canada may supercede it but I think that the

MR.SMALLWOOD: Not "may," "will."

MR.CROSBIE: Well I think that the law of Newfoundland, that when we are entering into this agreement we should supercede it and assure that a much better anti-pollution clause is put in. It is my understanding that it is planned for the affluent from the third mill, is planned to be discharged into Placentia Bay. Now we are already aware of what happened when the affluent from ERCO went into Placentia Bay, and it may be that engineers will say that you can put the affluent from this pulp and paper mill into Placentia Bay and it will make no difference.

MR.SMALLWOOD: The engineers may say it but the Government of Canada and the law of Canada does not say it.

MR.CROSBIE: I do not care about the Government of Canada, I am concerned with our responsibilities, the Government of Newfoundland. We are entering into an agreement and we should say there will be no affluent from this mill going into Placentia Bay. We have been caught once, with the discharge of affluent into Placentia Bay, we will not be caught a second time. That is by-the-way - so we are being asked, Mr. Speaker, to extend this another year. Now, it seems to be forgotten, Mr. Speaker, by a lot of people, that the Government have already advanced to Newfoundland Pulp and Chemical Company \$2½ million, which is being spent either at Come by Chance or in connection with this third mill. Two years or three years ago the Government advanced \$2½ million to the Newfoundland Pulp and Chemical Company to spend in connection with this project. We have not been told in this House, the people of Newfoundland have not been told, what the \$2½ million is spent on. We have received no report, no audited report, where that money went, what it went towards. Was it all on the building down at the site or was it used to meet Mr. Shaheen's overhead or travelling expenses and the rest? - Not a word. And when the Government comes before this House now, with another proposal to extend it for another year, you would think that the Government would say; "gentlemen we are very pleased with



what has happened so far. This \$2½ million was spent on thus and so." You would think the Government would explain the mill is going to cost such and such. The last estimate that I saw of the cost of the mill was \$74 million, seventy-four million that was in 1967. What is the estimated cost of this mill today, 1970?

MR. SMALLWOOD: About \$80 million.

MR. CROSBIE: The Premier now says about \$80 million. The Premier, introducing this Bill yesterday said practically nothing except we are supposed to sign -

MR. SMALLWOOD: I said about \$80 million, of which we would guarantee \$15 million. That is what I said.

MR. CROSBIE: I am going to come to that. \$74 million was the last accurate estimate -

MR. SMALLWOOD: The last estimate was yesterday, about \$80 million.

MR. CROSBIE: The Premier now says \$80 million.

MR. SMALLWOOD: Yesterday, not today.

MR. CROSBIE: Well perhaps he said yesterday, I am delighted if he did.

MR. SMALLWOOD: Well I did.

MR. CROSBIE: Whose estimate is it?

MR. SMALLWOOD: Their estimate.

MR. CROSBIE: Exactly. \$80 million dollars, now we are going to guarantee \$15 million.

MR. SMALLWOOD: I was talking on the telephone, last night, to Rust Engineering - it is their estimate.

MR. CROSBIE: I am hoping that the Premier is going to answer some of these points when he replies Mr. Speaker. I prefer he wait until he replies. Then he will know what is involved. What questions have been asked? Fifteen million dollars is to be advanced by this Province and we are to get a second mortgage. A second mortgage not a first mortgage! Now naturally, Mr. Speaker, we would like to know, we are I suppose inquisitive, we would like to know what is the size of the first mortgage that is going to come ahead of our

\$15 million, and we would like to know what is Mr. Shaheen investing himself

in this third mill? That might be a question that the people might want to know. What is Mr. Shaheen going to have at risk in connection with this third mill? The last figure I saw was \$10 million, which was to be covered by subordinated debentures not going to go in as equity. It is going in as a loan, in subordinated debentures, which would mean that even if the project failed Mr. Shaheen would be a creditor of the project and would not lose his \$10 million it would not be equity, He would be a creditor. If we had to take over the mill and get someone else to run it, that \$10 million would be added to the first mortgage and the second mortgage, as an obligation that would have to be met by whoever took the mill over. So that point should be elaborated on. There is the question of take-or-pay contract. We are told, Mr. Speaker, that there is supposed to be take-or-pay contracts for the production of the mill. These are to be ten year or fifteen year contracts. Mr. Shaheen has been endeavouring to get publishers to agree to these take-or-pay contracts, on the basis that they will be come shareholders in the mill and will receive the paper at ten dollars a ton less than the paper would be sold ordinarily on the pulp and paper markets of the world, is that still the arrangement?

MR. CROSBIE:

is that still the arrangement and, if so, what effect is it going to have on the other Pulp and Paper Mills in this Province, how is it going to affect their marketing, this arrangement where certain publishers will get the pulp and paper production at \$10.00 a ton less? It was suggested in the House a week or two weeks ago by the member for Humber East, a week ago, that the contracts were being negotiated at ridiculously low prices so that Mr. Shaheen can say he has take-and-pay contracts, Is this so? Who is checking it out? What are the figures? These are some of the issues that need to be discussed.

Now what worries me about this development, Mr. Speaker, is that we have almost no information on it at all and there are some serious questions that need to be answered. Now this Government paid half the cost of a study to be carried out by Forestall International Engineering, I think that is their name, a subsidiary of the B.K. Sandwell Company of British Columbia, who are experts in this field. The Government agreed to pay half the cost of a study to be done by Forestall, to see whether or not we had sufficient timber resources, uncommitted in this Province, to permit the third mill to operate. In answer to a question that I tabled during this session of the House, the Government said that they had received an interim report from Forestall and, I think, that we have spent some \$30,000. as our share of the cost of that report. There were two reports to be done, one by the B.K. Sandwell Company for Newfoundland Pulp and Chemical, on the economic and technical feasibility of the whole project, technical and economic study, and another study by Forestall, for the Province and for the Company, on the wood situation.

Now that was an interim report that was received around the end of December or early January 1968. The report was never seen by the Cabinet while I was in the Government, until May of 1968, and I do not know whether the Cabinet has seen it since. The Premier has said that no final report has been received from the Forestall Company, which is most peculiar, Mr. Speaker, if an interim report was finished by the end of December 1967, it is most peculiar that a final report has not been received from the Forestall Company when this point was made, by May or June 1970. Now the interim report, Forestall report, had some amazing disclosures in it, and this House needs to be told

MR. CROSBIE:

whether the disclosures are right or wrong. For example; the interim report, (and Forestall must have gotten this information from Newfoundland Pulp and Chemical) stated throughout that the design, construction and maintenance of major woods roads -

MR. SMALLWOOD: To a point of order, please. Mr. Speaker, I submit this point of order. If we were now asking the House to consider a proposal for the establishment of the mill and we brought legislation before the House outlining the proposals and the terms and conditions of the proposed mill, then obviously it would be the right of the House and the duty as well to debate it. We have not done that. We have brought in an amendment to allow that the House adopt, and the amendment is to extend that Act for one year.

My point of order is, and I submit this to Your Honour's consideration, that except for an occasional reference to the main Act, the debate must be strictly relevant to the amendment, not the whole terms or any substantial part of the terms and conditions of the original Act, That is the law of the land now. There is no amendment in to repeal that. There is an amendment to extend its existence by one year, that is all. My point of order is that the debate must be strictly germane, strictly relevant to that one simple amendment, "should it be extended, should it not be extended;" but not go into a discussion of the original terms and conditions of the Act that is now on the statute book. I submit that for Your Honour's consideration.

MR. CROSBIE: Mr. Speaker, on that -

MR. SMALLWOOD: Now before I finish, may I say this that, if the House wants a complete debate, I am willing to do it, if it is in order, if it is lawful, if it is in accordance with the rules of Parliamentary practice and Parliamentary procedure and Parliamentary precedent. My point of order is that it is not and that therefore we cannot have that kind of a debate. We can argue that it should be extended, we can argue that it should not be extended but we cannot discuss the whole original project as set forth in the Act. The proposal to amend an Act does not give the right to debate the Act; it gives the right to debate the amendment.

Now it cannot be argued that you cannot discuss the rightness or

MR. SMALLWOOD:

wrongness of extending the Act without a complete discussion of the Act but that argument surely falls to the ground on all the precedents that have ever been establishing in Parliamentary procedure, otherwise the debate on an Act can never stop. Any simple amendment to an Act opens up the whole Act and, of course, that is completely contrary to Parliamentary practice and Parliamentary precedent.

My point of order is that the debate must be strictly relevant to the amendment, which is that it be extended for one year.

MR. CROSBIE: Mr. Speaker, on that point of order.

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

MR. MURPHY: Mr. Speaker, we have our own points on this amendment but I feel, in all fairness, Mr. Speaker, that we must be in possession of certain facts.

To discuss the thing intelligently, we would like to know the original Act and anything in that Act that would warrant an extension for another year or otherwise. I feel, in that way, Sir, that we just cannot say yes or no, I think we have to discuss matters that were relevant two year/ <sup>ago.</sup> Are they still relevant today in this amendment in permitting it to pass? So I see absolutely nothing wrong in discussing just what is contained in the Act. That is my point.

MR. CROSBIE: On that point of order, Mr. Speaker, what I am saying is quite relevant to the amendment before us. The amendment before us is to extend, all the concessions given in the original legislation and amendments, for a further year.

What I am discussing now is whether we should give this extension or not and, in order to decide whether or not we should give this extension, you have to decide whether or not this is a project that is for the benefit of this Province and you have to have certain information. Now I am addressing myself to the reasons why. As far as I am concerned, we should not give the extension and that is because this Province has entered into various commitments that financially means there are more costs than benefits to this Province, if it goes ahead on that basis. So we cannot discuss the principle of this amendment, whether or not time should be extended, unless we discuss these matters, and what I am saying is quite relevant to this amendment.

MR. CROSBIE:

As far as full debate is concerned, this is what we should be having, Mr. Speaker, a full debate on whether this present agreement should be extended and concessions extended for another year. What could be more important to this Province than an \$80. million dollar pulp and paper mill? We want a full debate, not a little chicken-feed introduction of the Bill, and we are going to sit here blindly and agree to another year, without debating the merits of it.

MR. SPEAKER: The hon. member is still speaking to the point of order?

MR. SMALLWOOD: Mr. Speaker, if the hon. gentleman has finished his comment on my point of order may I add this? What the hon. gentleman has been doing is debating the Bill, whether the Bill should have been passed in the first place and whether it is a good Bill or a bad Bill, That is what he has been debating. He has argued this, argued that and argued all the matter contained in the Act, not the Bill the Act, the law of the land that was passed. He has been debating the desirability of it, the wood, the pollution, the various aspects, the financial side of it, what is it costing, what is Mr. Shaheen putting into it, how much is the Government putting into it, all the elements and the aspects of the Act, and the only thing that is before the House is an amendment, one simple amendment to extend the term for one year, not a discussion of the Act itself and all the contents of the Act, but only that it be extended for one year.

Now the arguments could be the finances of the world, the financial state of the Province, the financial state of the Government, the financial state of Shaheen, for these or such reasons it should not be extended, but we are not privileged on this amendment, I submit, we are not privileged, we have no right to discuss the main Act, whether it ought to have been passed, whether it ought to be repealed, we have no right. It might be very desirable but under the rules we have no right, That is my submission, Sir.

MR. HICKMAN: Mr. Speaker, on that point of order. It has been my understanding that on a second reading debate (1) there is a great deal of latitude allowed by the Chair, indeed, it is most desirable. But as the hon. Premier says, the issue that we are now debating in this Bill is the extension of the time in

MR. HICKMAN:

which Mr. Shaheen and his group, or his company, will be granted to establish the mill. Now surely it is most relevant, in deciding whether or not this extension should be granted, to decide on the terms and conditions that will be laid down in order to grant this extension.

MR. SMALLWOOD: You are debating the Act, you are debating the Act all over again.

MR. HICKMAN: Forget, Mr. Speaker, all about what is in the Act and all the terms and conditions that were laid down in the original Act. This House is now being asked whether to grant the necessary extension and, if so, surely it is within the competence of this House and indeed an obligation on the part of members to give their views as to the terms and conditions and if these terms and conditions are in conflict with terms and conditions that were laid down three or four years ago under completely different circumstances, so be it!

Mr. Speaker, may I draw this House's attention to the fact that earlier in this session we were debating a Bill entitled, "An Act to change the name of the Department of Education from that to Education and Youth," that was the total Bill. We had a long, long dissertation by the hon. the Premier on drugs and youth generally and, when there was a point of order raised at that time, the hon. Premier said that on second reading you can debate anything at all that is at all germane to the Bill.

MR. SMALLWOOD: It has to be relevant. You must, not you "can", you "must", you have no choice, you have to.

MR. HICKMAN: It is a far more technical amendment, in that case, than the one we have now, and to say that we cannot debate this Bill and cannot debate terms and conditions or point out the fact that this extension is being granted without new terms and conditions, in the light of today's facts, I suspect, would be a restriction on the rules,

MR. SMALLWOOD: We do not debate the Bill, we debate the Act?

MR. HICKMAN: - a restriction on the rules, Mr. Speaker, that there is no precedent for.

MR. SPEAKER: If no other member wishes to comment on the point of order raised,

MR. SPEAKER:

I have to say this, that the rule of relevancy is possibly the most difficult question that comes before the Chair to decide at any particular time. I do agree completely that the debate must be relevant to the amending Bill which is before the House. That is a fact, I think, <sup>with</sup> which nobody will disagree. I also have to say that the main Bill itself should not be, there should not be a general debate on the principles of the main Bill, of the main Bill which the amending legislation seeks to amend. The Act which is now under discussion seeks to amend an Act which was passed some time ago.

MR. SMALLWOOD: Your Honour, the Bill now before the House seeks to amend an Act.

MR. SPEAKER: This is what I am saying. The Bill, before the House at the present time, is attempting to amend an Act which was passed some time ago. We cannot have a complete debate on that particular Act but we cannot avoid reference to it. If the reference is relevant, how can any hon. member debate whether the time is going to be extended without stating his reasons why? Therefore he must make reference to the Act but, at the same time, in referring to the Act and in making reference to the Act which was passed some time ago and which this Bill seeks to amend, he should not, as far forth as his debating skill will permit him, open up a general discussion on the principles of the Bill, the principles of the Act itself. But he has to make reference to it, obviously, and his references will be relevant. I would ask the hon. member who now has the floor, if he will, I think that possibly he was wandering a little far afield and getting into the principle of the Act but I would ask him now to continue his speech and to keep as far forth as is possible from discussing the principle of the Act itself. Reference to it, of course, is not denied him but to keep it within the laws of relevancy, without opening up a debate which was held on this same Act a year or two ago.

MR. CROSBIE: Yes, Mr. Speaker. I am now discussing, Mr. Speaker, my reasons for supporting or failing to support this extension. My present inclination, unless I get information from the Government, that persuades me to be opposite, is not to support the extension. One reason is that in the Forestall or Sandwell report it is stated that no allowance is made for cost for main



MR. CROSBIE:

arterial roads and bridges because these costs are based on the written assurance of the Government that substantially all arterial logging roads will be provided by the Province of Newfoundland, as part of its highway system. In other words, it is not in the Act, it is not in any amendment, but in 1966-67 the Cabinet was given the power to make whatever changes they wanted to; and I say the Government has given Newfoundland Pulp and Chemical written assurance that all their arterial logging roads are to be paid for, one hundred per cent, by the Government of Newfoundland. I understand that the Government has agreed that they will build arterial logging roads, so that all the wood to be cut is always within two miles of an arterial logging road built by the Government. This would mean road building, up to forty miles a year, by the Government at a cost to the Government of some \$125,000. to \$150,000. a mile, possibly, involving an annual cost to this Province, for this road building alone, of some \$5. to \$6. million dollars, That is my understanding. It is not in the legislation and it is one of the reasons I want to know whether this is so. Has written or verbal assurance been given Newfoundland Pulp and Chemical that all logging roads will be built at the expense of our Government so that their wood is always within two miles of those roads? Because if that is so, it is a tremendous cost to the people of this Province and on any. . .

MR. SMALLWOOD: The Government do not build logging roads, it never did and I do not think ever will.

MR. CROSBIE: Why did the Government give written assurance then?

MR. SMALLWOOD: The Government gave the exact contrary, the exact and precise contrary.

MR. CROSBIE: Well, why did the Forestall study report that the Government gave them written assurance?

MR. SMALLWOOD: The Government wrote Forestall and bawled them out for that stupid error.

MR. ROBERTS: That is only a draft report.

MR. CROSBIE: That is alright. Mr. Speaker, I am raising these questions, if the Government answers them satisfactorily, fine that will satisfy me. I am hoping against all hope that this is wrong but this is what was reported.

MR. SMALLWOOD: That is not a report.

MR. CROSBIE: That was one statement in that interim report of Forestall which, if it is correct, I certainly do not propose to agree to a one year extension or any extension for this project to go ahead. It was stated in this interim Forestall report, another point was made, the report concluded that there is not enough wood on the island for the mill, to be supplied from the Island of Newfoundland alone, Mr. Speaker, that there would be required, from year one, to be brought to this Island for the third mill, some seventy thousand cords or cunits of wood, from Labrador, and the reason for that is because of the age of the wood. If we cut all the wood for the third mill on the Island now, after twenty-nine years the supply of mature wood would be exhausted on the Island and there would then be a period when you would not have enough wood on the Island. So they recommended that right from the year one, when the mill starts production, that this plant will have to be supplied with 70,000 to 100,000 cords of wood a year from Labrador.

Now the question arises, Mr. Speaker, what is the cost? Our Government has agreed to underwrite the difference in cost between wood on the Island of Labrador to the mill and wood on the mainland of Labrador to the mill. Now common sense tells you that, unless there has been some miracle in the business of cutting and transporting wood from Labrador, there is going to be a substantial cost involved there. One estimate I have seen is that it would amount to \$12.00 to \$17.00 a cord more to bring wood from Labrador to the third mill than it would be to have the wood, the average cost of bringing it, on the Island.

MR. SMALLWOOD: That, of course, is obviously a crazy estimate.

MR. CROSBIE: That being the case, that subsidy would amount to around \$1 million a year right from year one. Now if these estimates are wrong and the Government has good reports from competent people that the cost are not going to be anything like that, fine that will look after our worries, but at least we should get some information on that. So that is another point that needs to be clarified.

In addition, I would like to know; if wood has to come from Labrador, from what port in Labrador it is going to be shipped, who is going to be

MR. CROSBIE:

responsible for the cost of building the shipping facilities in Labrador, where is the wood going to be landed in Newfoundland, on the Isthmus, who is going to be responsible for the cost of the shipping-receiving facilities on the Isthmus of Avalon? Who is to meet those costs because the Forestall report seems to indicate that those capital costs would be for our Government also, not for Newfoundland Pulp and Chemical but for our Government also?

The additional capital investment, which would be required to facilitate handling of Labrador wood in log form, if installed during the construction period is estimated to be \$2,020,000. This report, the Forestall Report, is based on the above cost being considered as a portion of a Labrador wood cost and, in accordance with Legislation, it would be borne by the Provincial Government. Is it correct that the \$2. million odd dollars, capital cost of shipping facilities at Labrador and Newfoundland, is to be met by the Newfoundland Government? Because that is also a factor, as far as I am concerned, in voting for or against an extension of a one year period in this Act. I do not want this Act extended. Mr. Speaker, if this project, under these conditions, is going to cost more to the people in the Province of Newfoundland than the benefits it will bring, I would sooner have us let the concessions run out, to Mr. Shaheen, and endeavour to get someone else to develop them, who will develop them and take over more of the cost themselves.

So that is another issue, What about this capital expenditure of \$2. million odd dollars for the Labrador wood? What about the annual cost of subsidizing wood from Labrador to Newfoundland? If the Premier is correct that it is now cheaper to bring wood from Labrador to Newfoundland than it is to cut it on the Island and bring it to the mill, this is a revolutionary development that has occurred in the last two years, because it was certainly not the case two years ago.

MR. CROSBIE: Then there is the water supply for the Third Mill down at Come-by-Chance. At one time it was estimated that the Mill would require 40 million gallons of water per day. That may be reduced now. There was a problem at Come-by-Chance in getting that quantity of water.

Now it is suggested in the Forefall Report,

MR. SMALLWOOD: Mr. Speaker to a point of order. My point of order is that the hon. gentleman is arguing now not as to whether there should be an extension but; there should not be a Mill. He is arguing that the decision that this House made is wrong. The House made the wrong decision. He has no right to argue that. He has the right only, and I have, and we all have the right only to argue that it should or should not be extended for a year. But, the principles that were adopted by this House in the Act - that is on the statute books, the House has decided there shall be a Mill. The arguments for and against the Mill were then stated in the debate, when the House considered that Bill and made it into an Act, made it into a Law. All the arguments for and against the Mill were stated and, having been heard, the vote was taken and the House decided to have a Mill.

Now we are entitled, I submit, to debate whether or not that decision shall be extended for a year. This does not raise up the right to debate the whole thing over again, as though it had never been debated. There could be an occasion for such a debate, but the occasion is not the present occasion where we are only amending it in one respect, not with regard to wood, not with regard to transportation, not with regard to wharves, not with regard to the amount of capital involved, not with regard to pollution, not with regard to anything, except one thing, shall we extend it for a year?

If, if I am wrong, Your Honour, it means that anytime in the House that any Bill is amended, the whole Act is amended, with an Amending Bill. Then in debating that Bill, the whole Act that was passed, is open to debate. There is nothing clearer in Parliamentary practice than this that only the Amendment, the proposed Amendment that is in a Bill, is debated. That is all. There can be references, allusions, to the Act. There can be allusions to it but there cannot be a debate on the Act. There can only be a debate

MR. SMALLWOOD: on the Bill.

MR. CROSBIE: Mr. Speaker, in connection with that point of order, it is the same as the one made earlier. What I am debating is not whether there should be a Third Mill at Come-by-Chance or not,

MR. SMALLWOOD: It is. It is.

MR. CROSBIE: It is not.

MR. SMALLWOOD: Exactly.

MR. CROSBIE: We are all for a Third Mill at Come-by-Chance. What I am debating is should this arrangement, with these conditions, should that be continued for another year or not? Well, that is what I am debating.

MR. SMALLWOOD: That is stated in the Act.

MR. CROSBIE: Are we just to accept a Government extension of one year without asking questions, as to whether or not it should be extended? This was passed, Mr. Speaker, in 1960.

MR. SMALLWOOD: No, you should not do that; that is the hon. gentleman's right.

MR. CROSBIE: Well I am giving my reasons now why we should not agree to this extension, unless these points are met.

MR. SMALLWOOD: But he cannot debate the Act.

MR. CROSBIE: The Premier is trying to stop it, for some reason. He cannot answer the questions.

MR. SMALLWOOD: Oh! Come off of it.

MR. CROSBIE: Mr. Speaker, I am carrying out what the Speaker directed a few minutes ago, and I am addressing myself to whether this arrangement should be extended a year further or not.

MR. SPEAKER: (NOEL): It seems to me that the House has to accept the position that the principle, of whether or not there should have been this agreement in the first place, has already been decided and that this present Bill is whether or not this arrangement would be extended for one year. Our attention should be directed, not to the merits of the arrangement because that has been decided already. The thing is whether or not there is any justification for the further year period. I do not think that it is in order for the hon. member to debate the principle, as to whether this Mill

MR. SPEAKER: (NOEL): should have been agreed to in the first place. It is changes that came up since then, things of that nature, I would think. But I think the hon. member is just about to get into the water supply system. Now, unless there is some change in that, I do not think that is relevant to whether it should be extended for a year.

MR. CROSBIE: Mr. Speaker, the Forestall Report; these conditions are not in the original Act. But, the 1966-67 Act permits the Government to agree to such conditions and changes as they wish. I understand the Government has agreed to these conditions outlined in the Forestall Report in 1968.

My point is that, if that is correct that this should not be.

MR. SMALLWOOD: It is not correct. I have said it is not correct.

MR. CROSBIE: Extended! I am not discussing the original Act. I am discussing whether or not this particular agreement should be extended for another year. I will restrict myself to that.

MR. SPEAKER (NOEL): I think the hon. member should continue, and I will stop the hon. member if he is not right and to the point; "whether or not the agreement should be extended for a year."

MR. CROSBIE: All right!

In considering, Mr. Speaker, whether or not this arrangement should be extended for another year, <sup>it</sup> is relevant to ask—have the Government agreed to pay half of the cost for providing water to this Mill at Come-by-Chance? Who is going to bear the capital cost of putting the water supply system there? Or has the Government agreed, as has been stated in this Forestall Report for which the people of Newfoundland paid but, which they have never seen, is the Government obligated to pay \$165,000 per annum for the water?

MR. SMALLWOOD: No, we are not.

MR. CROSBIE: Then, Mr. Speaker, it is equally relevant to ask this, when we are considering, should the extension be made? Is the Forestall Report of 1968, for which we paid, correct: when it says that the company has been promised hydro-electric power or electric power, to be delivered to the company at two and a-half mills per kilowatt hour? That provision is not in the 1960 agreement, Mr. Speaker. It is not in any amendment made since 1960.

MR. SMALLWOOD: And it is not so.

MR. CROSBIE: The Forestall Report says that, "the company has been assured of power at two and one-half mills and the estimated cost to the people of Newfoundland for that every year would be around \$1 million per year."

MR. SMALLWOOD: Is the hon. gentleman quoting from the Forestall Report?

MR. CROSBIE: I am quoting,

MR. SMALLWOOD: Or are you quoting from a draft?

MR. CROSBIE: I am quoting from the Interim Report.

MR. SMALLWOOD: A draft Interim Report?

MR. CROSBIE: Well, I am quoting from the only thing that I have in my possession,

MR. SMALLWOOD: Which is a draft, and I know who gave it to the hon. gentleman and it is not the Interim Report. It is a draft.

MR. CROSBIE: The hon. the Premier got after Forestall when he saw this draft.

MR. SMALLWOOD: You bet.

MR. CROSBIE: Got him to change the draft.

MR. SMALLWOOD: You bet I did. It was full of errors.

MR. CROSBIE: The Forestall Report says, "power would be supplied to the Mill by the Power Commission so on and so forth, at a Government subsidized rate of two point five mills per kilowatt hour."

MR. SMALLWOOD: Now, may I say right now, it will not.

MR. CROSBIE: I am glad to hear the Premier say that. But, Mr. Speaker, when we are considering this extension and whether it is to be made or not, we should be told at what price are the Government agreeing to provide power to this Mill?

MR. SMALLWOOD: A straight commercial. A straight commercial.

MR. CROSBIE: A straight commercial. Is a straight commercial, after one of the Premier's cost-benefit study to show the cost to be four mills or so, or is it the real straight commercial rate?

MR. SMALLWOOD: A straight commercial.

MR. CROSBIE: Of about six mills per kilowatt hour.

MR. SMALLWOOD: A commercial.

MR. CROSBIE: A commercial. That question needs to be cleared up.

MR. SMALLWOOD: I cleared it up.

MR. CROSBIE: It has not been cleared up yet.

So, Mr. Speaker, if the Lieutenant-Governor in Council, if the Cabinet have agreed to concessions with respects to roads that will cost us \$5 million to \$6 million a year,

MR. SMALLWOOD: They have not.

MR. CROSBIE: Concessions with respect to Labrador wood that will cost us \$1 million a year or so.

MR. SMALLWOOD: It will cost us nothing.

MR. CROSBIE: Concessions with respect to water that will cost us \$160,000 or so,

MR. SMALLWOOD: It will cost us nothing.

MR. CROSBIE: Concessions with respect to power that will cost us around \$1 million a year.

MR. SMALLWOOD: It will cost us nothing.

MR. CROSBIE: All of which totals up to about \$7 million a year.

MR. SMALLWOOD: It costs us nothing.

MR. CROSBIE: Then I say, I would not agree to this extension because, on any cost-benefit analysis, this Province cannot afford to pay out \$7 million a year from the Treasury: guarantee \$15 million of bonds.

MR. SMALLWOOD: I agree with that.

MR. CROSBIE: Build houses.

MR. SMALLWOOD: I agree with that.

MR. CROSBIE: So on and so forth.

MR. SMALLWOOD: I agree completely with every word of that.

MR. CROSBIE: Because the cost would out-weigh the benefits.



MR. SMALLWOOD: Right.

MR. CROSBIE: Now, if the Premier, when he replies, clears all that up; that will set my mind at rest and will be extremely helpful.

In view of the fact, Mr. Speaker, in view of the fact that the 1966-67 Amendment to this legislation gave the Government the power to change the Agreement that this House passed in 1960, in anyway the Government liked, surely, when the Government asked us for an extension, the House, the Government should tell us, have there been any qualifications, modifications or additions to or deletions from the agreement that is attached with the Schedule to the Act? Because the Government have absolute carte blanche, they can make any changes they deem necessary or desirable, to secure the establishment of the Third Mill in the Province. It is not good enough. It is not good enough, Mr. Speaker, for the Government just to come to the House and say; "gentlemen, we want another extension for a year with respect to the Third Mill at Come-by-Chance." It has now being going from 1960 to the end of 1971. The Government says now, we want another year, to 1972. It does not give the House any information. It does not tell us what the new editions are. It does not tell us what the new costs are and how they are going to be met. We know our second mortgage is \$15 million. How is the rest to be met? It does not tell us how much equity, Mr. Shaheen is putting in the project, or what the changes have been since. It does not tell us whether or not wood must come from Labrador and what that will cost us?

MR. SMALLWOOD: In other words we do not argue for the Mill. We do not give the arguments for the Mill. We only argue for an extension.

MR. CROSBIE: No one is arguing whether there should or should not be a Mill. But..

MR. SMALLWOOD: That is what the hon. gentleman is arguing.

MR. CROSBIE: The conditions under which there should be or should not be a Mill. We have had enough of that heifer dust in Newfoundland, in the last twenty years, that anybody who questions what the Government is doing is

MR. CROSBIE: against the Mill or against this or that. That is nonsense. The people of Newfoundland understand we are not questioning that. We are questioning what the terms and conditions are.

MR. SMALLWOOD: What the hon. gentleman is questioning is whether there should be a paper mill, according to the terms and conditions adopted by this House in the Act. He is questioning that. And that is what is out of order.

MR. CROSBIE: And adopted by the Government since.

MR. SMALLWOOD: And that is what is out of order.

MR. CROSBIE: Two and a-half mill power is not in the Act. Labrador wood is in the last amendment, but how much wood has got to come from Labrador and the cost? That is not in the Act. The water system is not in the Act. These things are not in the Act. There are things the Government has had come up since, because this started in 1960, and it is not completed now and \$2.5 million of our money, the people of Newfoundland's money is spent down there. We do not know if there is any money of Mr. Shaheen's spent down there. Now we are asked to keep locked up all the timber supplies of Newfoundland limit, for another year, to the end of December 1972, for Mr. Shaheen. Well, why? Why not invite other people to come in now? Why extend this? Why not invite other people to come in? The Shaheen people have not met their obligation. Mr. Shaheen got interested in the Refinery in 1967 and spent his time on that since because there is a pile more money in the Refinery than the Third Mill, which will be much more to the benefit of Newfoundland. Far more employment for Newfoundlanders, based on our natural resources has been allowed to rusticate, by Mr. Shaheen, because there is more money for him in the Oil Refinery. That is not to the benefit of Newfoundland. The Government should have had said to him; "forget that refinery, until you get that mill there." That is where the benefits are for Newfoundland, in the mill. Perhaps, 600 or 800 jobs and there are another 1000 loggers in the rest of it. That is where the jobs for Newfoundlanders are. Put, Mr. Shaheen is being allowed to put that in

MR. CROSBIE: a secondary place, for the last three years, while this Oil Refinery far more specious, far less advantageous to Newfoundland went ahead because that is where the money is. Well, I would say, that is not good enough. Mr. Shaheen has had eleven years, ten years, to get up the mill. Let us try someone else now. Let us free up our force. Let us try the two paper companies again or let us look around the world to see if anybody else,

MR. SMALLWOOD: They will take all the timber, we will not have to try. We will just have to beat them off with cricket bats to keep them from grabbing the timber. We do not have to try to get them to take the timber. Price and Bowaters. We would not have to beg and plead with them. They will take it. Every cord of it.

MR. CROSBIE: I do not want to get into an argument with the hon. the Premier, Mr. Speaker, we have gotten along so well this week. I refuse to be baited by him. What was the point I was just going to make?

MR. SMALLWOOD: Ah! does it matter.

MR. CROSBIE: The Premier is getting me confused.

MR. SMALLWOOD: Does it really matter?

MR. CROSBIE: I think it matters.

MR. SMALLWOOD: Is this trip necessary?

MR. CROSBIE: I think it matters. Well, anyway I do not want to wait too much longer, but, I think there is something germane, I was going to say. Oh! Yes, yes, Mr. Speaker, what I suggest is this, something that has already been suggested by the hon. member for Humber East, outside the House. He cannot be here today because of certain family reasons. It is this; Mr. Shaheen has asked for an extension of time. Is it unreasonable for the Newfoundland people and the Newfoundland Government to ask Mr. Shaheen now to put up a performance bond in an amount of say \$1 million that, if he gets this extension of time to the end of December 1972, he bonds himself to perform to have that mill under construction before the end of 1972?

MR. CROSBIE: Why should not Mr. Shaheen, when he asks us for another concession like this, be prepared to take some risk? Put up at least \$1 million bond but, on condition of the Government granting them this extension again, he bonds himself to perform, to carry out his obligation by the end of December 1972. Then we will see, then we will see how much faith Mr. Shaheen has in this. Then we will know; is it an election dodge or not? When, Mr. Shaheen demonstrates his faith, by putting something at risk, \$1 million bond, for example, and he is a man of lots of assets, the Premier has told us, when he does that, then we can with confidence say; "all right, another year's extension, we can take a chance on that." Mr. Shaheen must be pretty confident, He is taking a chance now he has got \$1 million at risk." But some condition like that surely should be given. Here is something that was started in 1960, suppose to be completed at the latest 1966, and ten or eleven years later is not completed.

There is another point to I would like for the Premier to expand on, and it is this; as I understand, all the logging for the Third Mill, Mr. Speaker, is going to be done by logging contractors. It is not going to be done by the company. That means, most likely, that logging cannot be mechanized. It is not going to be modern methods of logging, if you are going to use a lot of small logging contractors to do the work. If that is the case, they will not be able to use much mechanization. What is the advantage to the company? The advantage is that they have pulp contractors who got to deliver pulp at a certain price. But it appears to me that there is a very serious possibility that the low wages of non-unionized labour is really going to be subsidizing the cost of that wood to the plant. Some small logging contractor, he wants to get business, he wants to be in business, so he agrees to cut certain number of cords for the mill, at a certain price, and, to follow through, he has got to employ labour at certain rates of wages, which are not all that high. If there are going to be a whole series of logging contractors, it will be most difficult for them to be unionized. Is there a possibility of low wages, of non-unionized

MR. CROSBIE: labour subsidizing that situation? And, if there is that possibility, what does the Government propose to do about it?

MR. SMALLWOOD: Are there any non-unionized loggers in Newfoundland today?

MR. CROSBIE: Yes, there are many of them.

MR. SMALLWOOD: Are there?

MR. CROSBIE: Working for a small logging contractor.

MR. SMALLWOOD: Working for small sawmills.

MR. CROSBIE: Yes.

MR. SMALLWOOD: But, are there any pulp wood loggers in Newfoundland today not unionized?

MR. CROSBIE: The hon. the Premier would know better than I would.

MR. SMALLWOOD: Well, I do know there is not one. NOT ONE. Not one man, not one person in the entire Province,

MR. CROSBIE: Well, I hope,

MR. SMALLWOOD: - cutting pulp wood, who is not a union man.

MR. CROSBIE: We hope the Government will see then, that that continues to be the case.

MR. SMALLWOOD: It is not up to us to see that, that is the case, it is up to the men in the unions.

MR. CROSBIE: It is easy enough to say that it is up to the men in the unions.

MR. SMALLWOOD: So it is.

MR. CROSBIE: But, if you got many small employers, employing people all over the place, it is very difficult for unions to -

MR. SMALLWOOD: You had that before with Bowaters and Price, small camps and operators and subcontractors all over the Province. Did that stop unionization of the men?

MR. CROSBIE: Now another thing we should be told, Mr. Speaker, in considering this extension, what are the arrangements for housing and all the rest of it in that area? Is it at our Government's expense entirely that housing and water and sewerage and the rest of it have to be provided or does the company

MR. CROSBIE: make any contribution? In fact, what contribution does the company make? Is the town site going to be Clareville or is it going to be a new town in the area?

MR. SMALLWOOD: I have already answered that.

MR. CROSBIE: The answer was yes, was it not?

MR. SMALLWOOD: I answered that.

MR. CROSBIE: It would be.

MR. SMALLWOOD: The answer I thought was, "no."

MR. CROSBIE: No, it is not going to be Clareville.

MR. SMALLWOOD: Well, I did not say it was not going to be Clareville. I said, I thought there would not be a new town, necessarily. That is what I said.

MR. CROSBIE: There is suppose to be a take-or-pay contracts, Mr. Speaker, who have we got acting for us to assure us that the prices in these take-or pay contracts are prices that will make the mill economically feasible? Somebody at this stage has to look at the whole thing, revise all the costs, Say the capital cost is \$80 million, the wood is from here, there and the other place, it will cost so much to produce, and Mr. Shaheen's take-or-pay contracts are therefore economic or they are not economic. Who is doing that? What effect will it have on the pulp and paper market, if this pulp and paper production is sold at \$10. a ton or some other figure less than the market rates to these people? We are asked to extend this. In 1960, when this was passed, Mr. Speaker, our \$15 million second mortgage and, I think, a \$30 million or a \$35 million first mortgage was a total cost, just about. Now the total cost is \$80 million. Well, surely, if we are asked to extend this, someone will explain, the Government will explain to us how the \$80 million is now going to be put up. And surely they will explain, to us, how much Mr. Shaheen is putting in, whether it is going in as a loan, or whether it is going in as equity.

MR. CROSBIE: Seventy-four million was the last figure that I have got here, now it is \$80 million. Newfoundland Government \$15 million, first mortgage bonds \$38 million. Is there going to be a Canadian Government grant for the construction now of this Third Mill? In these figures here, \$3 million was shown as a grant from the Canadian Government. Is that still the case or what is the grant going to be?

These are all questions, Mr. Speaker, that are relevant when we are considering whether we should extend this for another year or not. Before this House decides to approve or disapprove this, these points should be answered. The answers should be given. Will the mill affluent be discharged into Placentia Bay? And the other question that I have read. What about this suggestion, on the surface I cannot see how the Government can refuse to accept the suggestion, that Mr. Shaheen be asked to put up a performance bond now, after this ten years have gone, that he will, if granted by this House, perform or at the end of 1972 we would get the \$1 million bond that he has put up. That is the minimum, if he would do that and demonstrate his faith in the project like that, we would be protected and I for one would vote for it. But, before deciding, Mr. Speaker, to vote for or against this extension, I want some of these questions answered and I want to know whether Mr. Shaheen will demonstrate his faith by having something at risk himself?

See, Mr. Speaker, it is not a question, when a matter like this comes before this House, it is not a question whether you are for or against the development of Newfoundland, and so often in the past, <sup>it</sup> has been manoeuvred to appear like that. It is a question, what kind of a development do you want for Newfoundland? Do you want economic development that pays for itself, or do you want development that is non-economic that the people of this Province will have to pay for, that does not give them the benefit that they should get, that is too costly? Those are the issues involved. It is not whether you are for or against, Mr. Shaheen, it is whether Mr. Shaheen is properly doing what he should do, taking the obligations he should take, investing the money he should invest in these projects.

MR. CROSBIE: Now there is nothing, so far in the ten year, demonstrates why we should give this extension of another year. We know that Mr. Shaheen put this aside, of far more value to Newfoundland, but he put it aside when he got the idea of the Oil Refinery, of far less benefit to us. Now he comes to this House, after doing that, comes to this House and asked us for another year's extension, without any information.

MR. SMALLWOOD: Come on give us another hour. God, he is getting to be a wiz at it!

MR. CROSBIE: Since, we want to be relevant, Mr. Speaker, and the Premier now thinks I am beginning to get a wind-bag, I am so discouraged, I think I will cease by saying this: I have not got my mind finally made up. We have not got our minds finally made up,

MR. SMALLWOOD: I am glad to hear that. That is manly.

MR. CROSBIE: As to whether we will vote for or against the extension, will depend on the information we receive from the Government,

MR. SMALLWOOD: All right that is fair enough. Fair!

MR. CROSBIE: -and as to our suggestion about this performance bond or something like it.

MR. SMALLWOOD: That is fair enough! It is fair enough!

MR. EARLE: Mr. Speaker, it is not my intention to delay the House for any length on this particular amendment. But, I think there are a few comments necessary. Actually, in making any comment on a Bill of this nature, there is a strong danger, which the Opposition always seem to run into, of being labelled immediately as being against everything, as we have been in the case of the Oil Refinery, that is the most dastardly falsehood that has been ever spread among the people of Newfoundland. We are not, again we are against in this case, as in the case of the Oil Refinery, of having Newfoundland bled white by promoters who themselves may become extremely wealthy, and I am not even against that Promoters of these projects can become unheard of wealthy, if they wish to providing the benefits to Newfoundland, compensate the people for what they put into it. This is the point



MR. EARLE: Which I think the press should drive home, that we on this side of the House are not against an oil refinery, we are not against the extension of this mill, even more so than the oil refinery, because of the potential employment in a paper mill, we are all for it. We would like to see nothing better than the fourth mill.

MR. SMALLWOOD (J.R.): Fair enough, fair enough.

MR. EARLE: Absolutely.

MR. SMALLWOOD: It is a fair statement.

MR. EARLE: The only point which I would like to make Mr. Speaker, is, as the Premier said; if there are any questions in this matter of a change in the situation in a ten year period over which this particular project has been in negotiation, the House should be informed. We do know that two and a half million dollars of the people's money have been invested there somehow. We know that in the case of the oil refinery there was \$5 million bridge financing. What we have not got in either case, and I suspect that we will not get it in this case, is the auditable report as to how that money has been spent.

I would think that if the Shaheen people were sincere in coming to this House and asking for another year or two extension, they would be prepared to place before this House full audited details of how the two and a half million dollars have been spent, what the present financial condition of the Newfoundland Pulp and Chemical Company is. What are their assets? Are they able to live up to any commitments which they may make? Are they worthy of this Government giving them the concessions which they seek? Can they carry out? Now with the lack of information, we can be forgiven if we feel that in this case and in the case of the refinery also that Newfoundland has been able to build up quite an organization for some people, to the extent of supplying seven and a half million dollars on these two projects. Any member of this House, himself, if he has that kind of money to play around with could keep a very, very good organization going. Again I repeat, we do not mind keeping the organization going providing we can be shown conclusively, without question, that the ultimate benefits from these particular programs are going to be for the people of Newfoundland and not solely for the promoters involved.

In order to give us some sensible comparisons and some sensible reasons why we should extend this particular agreement, this House should be shown the present financial standing of this company, how the money has been spent and what their plans are for the immediate future, not one year's time, not two year's time or six year's time but now. Starting as of now, if we extend the agreement, what <sup>are</sup> the steps which they are going to take, as from the extension of the agreement forward? I think, if we had these facts to base our judgement on, then we would feel that we could or could not extend the agreement.

Incidentally Mr. Speaker, I do not intend to enlarge on this any more because there is nothing more to be said on the extension of an agreement other than to say, "I am not going to vote against it because I feel that before this can be implemented, there will be a new Government and we will see to it that it is handled properly.

MR. HICKMAN: It might be much better to give it to Bay Street, in Toronto than Wall Street, in New York. Be that as it may, Mr. Speaker, the issue in this Bill is a very simple one, to extend it for one year. It must be obvious to every hon. member that this mill cannot be built in time to meet the deadline that is placed in the present legislation.

MR. SMALLWOOD: Fair enough.

MR. HICKMAN: Hopefully, it will be done in time to meet the new deadline. I would think that the representatives of the Shaheen organization, who are presently in the Speaker's Gallery at this time, have gotten some pretty clear messages. May I point out to this hon. House, Mr. Speaker, that if there is no progress made in the meantime and if by this time next year it becomes obvious to this House that no progress has been made beyond the position we are now in, this would be a clear case to repeal the Act forthwith, so that these facts should be conveyed to the Shaheen organization.

Out of this debate today comes two or three very enlightening facts and two or three firm commitments made by the Premier, as Leader of the Government, and this House is entitled to accept and rely on them.

Number (1) there will be no subsidy for power. The power will be

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sold at the commercial rate.

MR. SMALLWOOD: Will the hon. gentleman allow me to confirm his interpretation of what I said? I now confirm it.

MR. HICKMAN: The hon. Premier confirms it. So that is out, the Shaheen people can take back now. Whatever your feasibility studies are in the future.....

MR. SMALLWOOD: No, no, this is not new to them.

MR. HICKMAN: Whatever the feasibility studies are in the future, no subsidy of power.

Number (2) the Government of Newfoundland in no way will be responsible for the construction of shipping facilities either at Come by Chance, Sunnyside or in Labrador. That is out of the way.

Number (3) the Government of this Province will not in any way directly or indirectly be financially involved in the providing of adequate water supply for the mill or housing for the people who will be employed in the mill. These things are now all out of the way. Whether the feasibility studies that have been subsequent to this draft report of the Forristall Engineering, have already had this information, I do not know.

The last one, which is of equal importance, is that Government in no way will be responsible for the provision of woods roads to enable the company to operate. These are all out of the way now, cleaned up, definitively stated for the first time, publicly.....

MR. CROSBIE: Not yet.

MR. HICKMAN: Yes definitively stated. If the Leader of the Government says that this is, and he has said it in reply to statements put by the hon. member for St. John's West, this House is entitled to accept it as being fact, and now we know.....

MR. SMALLWOOD: Not only entitled, must. Under Parliamentary rules the House must accept.

MR. HICKMAN: Must, all right.

MR. SMALLWOOD: Official statements made by a minister in his capacity.

MR. HICKMAN: Right, and we now know that never will there come before this

House (because legislation is necessary to promote this) never will there be brought before the House a Bill to amend this Bill nor another Bill to confer on Government the right to subsidize power, pay for the water supply, pay for the housing, building the wharves. This will not happen, nor to build the woods roads. It will not happen. This is cleared out of the way and our worries have been allayed.

Mr. Speaker, under these terms and conditions the Government have the right to lay down (and this is why these terms and conditions are relevant to this Bill) if there are any terms or condition that have been laid down or agreed to, even tentatively, since the debate on the last amending Bill, then the Government, I am sure, will discharge its obligations and tell the hon. members whether any such conditions have been made.

One of the disturbing features of this proposal and one of the things that create an uncertainty as to whether or not this will ever come to fruition is the public suggestion and the public statement that has emanated certainly from the Shaheen Group and I believe, but this may be subject to correction, from Government, that the concept of the Come By Chance Mill differs from other mills that have been established in Canada, in that the price of the product is going to be ten dollars a ton less and that the publishers, who are really the only customers for paper mills in North America, the publishers in the United States will be given shares in return or in consideration for their agreeing to buy paper at a lower cost.

Why there is cause for concern, Mr. Speaker, is that that type of deal is not unprecedented in the history of selling paper and creating paper mills in North America. Indeed, I am told (and here, obviously I cannot confirm it because I was not around when it happened) that in the twenties this was the way that you started a paper mill. You went to the publishers, you got take-or-pay contracts at prices that were more than competitive and you gave the publishing companies in the United States and the newspapers an opportunity to acquire

ownership in these paper mill. This went on until suddenly - and bear in mind. all we have heard, publicly, is that the market for the product from the Shaheen Mill, at Come By Chance, the bulk of it will go to the United States of America and so, consequently, the laws of the United States are exceptionally relevant in this instance -

As the hon. the Premier is fully aware and I am sure hon. members of this House are fully aware, the F.E.C. Regulations or whatever their combine (their counterpart is the Combines Investigation Act of Canada ) absolutely prohibits newspapers from becoming shareholders in the mill which supplies the product to them, if this means that the product is going to be supplied at something less than competitive prices.

Now I realize that if you put this to Mr. Shaheen, he will say: "No, no. That is going to be changed" or "That will be quite all right, Washington will agree." But you cannot build a paper mill on what a promoter tells you; that Washington is going to agree. You have to build a paper mill based on what present day legislation provides in the United States of America. I suggest, Mr. Speaker, and submit that, when we are looking at the feasibility of granting this extension and deciding whether or not this is a meaningful piece of legislation, because if it is not meaningful, what difference does it make how you vote? If it means that in two years time this plant is still not going to be started, then what difference does it make? The only handicap is, and it is not when you take it in the overall picture of what could come out of this, it is rather minimal, that some loggers, some small sawmill operators will still, for the next two years, be barred from entering on unused land in this Province and even then, if Government sees that nothing is going to happen, it has an absolute right and indeed an obligation to repeal the existing legislation. But let us not forget, from 1959, at least from 1959, the year before the original Act was passed, right up until today, the carrot of this new paper mill has been dangled under the nose of the people, particularly in the Trinity South - Placentia East and Trinity North Area. Some people still are waiting and genuinely

waiting in anticipation of this coming to pass. Well, Mr. Speaker, you cannot go on year after year after year coming up with excuses that Mr. Shaheen has been too busy on something else, that some other problem has arisen but that it is still going on, that we switched from Finland to the United States or we switched from U.K. financing to American financing, and still expect these people to wait and wait in hopeful anticipation. It is a rather cruel way to develop industry in this Province. The sod has been turned and grown over now. It was turned in 1966, for sure, maybe before. I know it was turned in 1966. I am equally certain that you cannot find the place where it was turned now. Be that as it may, if this labour-intensive industry has a chance to get started within the next two years it would be silly not to give them this last chance, but it would be equally (and out of this debate has come the public revelation that the commitments that, for instance, worry the hon. member for St John's West have not been made and will not be made and will not be made). This in itself certainly delays my fears and makes the proposed amendment, for what it is worth, a rather innocuous one.

Mr. Speaker, let us not get the impression that this sort of extension can go on indefinitely, that next year some one can come back again, because where it really puts this Province in a rather unfortunate light is to have promoters beating around North America, with a piece of paper in their pockets, saying that the Government of Newfoundland have given me so many thousand square miles of timber land in Labrador and on the Island of Newfoundland, and all I need from you, with this in my pocket, is an indication that you are going to buy paper from me. Then I will go to the financiers and again show them this legislation, (they now have since 1960) and on the strength of this legislation try and raise the necessary funds. This does not, I repeat, does not give the impression of responsible, sensible economic development in this Province, not by a long shot. Anyone knows that if we can get labour intensive industries in Newfoundland, based on our natural resources,

that we should have them. To anyone it is not arguable that this Province, as is the case with the Atlantic Provinces and certain parts of Manitoba, that these under-developed provinces have to make concessions which the Province of Ontario or the State of New York or of Tennessee will not have to give to a paper mill.

MR. SMALLWOOD: They too. Look up what New York does to attract industry, the concessions they make, look it up.

MR. HICKMAN: I know. We will not have to give the generous concessions that these States of the Union have to give or the more heavily populated areas of Canada have to give, for the very simple reason that in deciding there are many factors to be taken into account, Mr. Speaker, on the establishment of a new industry. One is the natural resource. Maybe that is the most important one but certainly following very, very close behind is the accessibility, the cheap accessibility to the market. It depends on the industry. If it is a chemical industry it is a distinct advantage having that chemical industry down in the centre of heavily populated areas. If it is a newsprint industry, not to the same degree, but still the closer you can get to your markets the better it is - and the availability of all the infrastructure that is now being bandied around as to the townsite for this development, these are all considerations. Anyone would be a fool to argue that Newfoundland is not at a disadvantage when it has to compete with Ontario or when it has to compete with Tennessee. To suggest, for instance, that Bowaters are not in a more enviable position in the Southern United States than they are in Newfoundland would be quite unrealistic. Fortunately they are here. These concessions have to be given.

MR. SMALLWOOD: They are here now but would they come here if they were not here now?

MR. HICKMAN: I have some grave doubts whether they would.

MR. SMALLWOOD: So have I. I have the gravest doubts.

MR. HICKMAN: But, Mr. Speaker, how far can we go? How far can we go in giving these concessions, and for how long must we continue to tie up what is obviously the pretest attraction and the greatest asset we have in so far as the newsprint industry is concerned, our natural resource, the wood?

As I understand it, that an even greater attraction, as far as wood is concerned, is Labrador wood. The fibre in the Labrador wood is of a much higher quality than that which can be found on the Island of Newfoundland. Newsprint companies, paper companies have been trying now for a long, long time, at least twenty years, to solve the vexatious problem of economically harvesting and bringing to the site Labrador wood. Everyone in Newfoundland recalls that Crown Zellerbach were most anxious indeed to get their hands on the Labrador timber stands and to use that in the manufacture of paper in this Province. But that great organization, by a very slim majority, I am told, the board of directors came to the conclusion that Labrador wood could not be economically harvested. Bowater's experience in Labrador has not been anything to scream about and has not attracted them to that area with any great involvement. The same applies to Price. Maybe Mr. Doyle has solved the problem for his liner-board mill but whether Mr. Shaheen, who has had no experience with the newsprint industry, can unravel this problem that has perplexed Bowaters, which is the greatest paper-making organization in the world, remains to be seen.

Let us not in passing this Bill convey the impression to the people of Newfoundland; beyond any shadow of doubt, work is now going to start on a paper mill in Come By Chance. Let us, on the other hand, be sufficiently frank and open to the people of Newfoundland, that we point out to them the very serious problems that face any promoter and particularly any promoter who is trying to start a newsprint industry at this particular time in the history of the development of the newsprint industry in Canada. If we tell them that. If we say that the odds are not good, that for ten years, off and on, sometimes with enthusiasm but quite often with lack of enthusiasm, avenues have been explored all the way from Helsinki to New York and so far all of them have been abysmal failures, but we are going to give it one more try. The obstacles are still there. We are still looking for a way to get around these obstacles.



We are still trying to satisfy ourselves, or the promotors are, that beyond any doubt Labrador wood can be harvested and harvested economically. The hon. the Premier has indicated that the cost of harvesting, transporting to the site, of Labrador wood, will not cost this Province anything in the way of subsidy, so presumably now a method of harvesting has been discovered, whereby Labrador wood can be harvested in Labrador, can be transported to the Island of Newfoundland at a price similar, because it has to be equal to the cost of harvesting Newfoundland wood.

Again, Mr. Speaker, and I am sure the Government is alert to this, that in deciding whether or not there will be any subsidy paid on the cost of harvesting wood, one has to look very carefully that the promoter does not, in assessing the cost, charge back against Government the rentals that would be payable on any loading facilities, docking facilities that are paid by the Government of Canada, under its formula that the operator-users pay for it over a period of years. If, therefore, the Labrador wood can be harvested, obviously the labour rate in Labrador is going to be lower than in Newfoundland.

MR. SMALLWOOD: Why?

MR. HICKMAN: Because the cost of transporting, obviously the cost of transporting the wood from the Shaheen Holdings in Labrador to Sunnyside and then to Come By Chance is going to be higher than transporting it from some of the holdings in the Bonavista Peninsula.

MR. SMALLWOOD: Bonavista is not the only source on the Island. It can cost more to bring it from some parts of the Island to Come By Chance than it will cost to bring it from Labrador to Come By Chance.

MR. HICKMAN: That, Mr. Speaker, with deference to the hon. the Premier, is not the experience that has now been found in Nova Scotia. In Nova Scotia now the Bowater -Mersey Mill and the new mill at Point Tupper are going more and more to the cheapest method of transportation of wood

MR. SMALLWOOD: Bowater, in Corner Brook, can bring wood into this Province, from outside this Province, and land it at the mill in Corner Brook cheaper, at lower cost than it is now costing them getting it within this Province.

MR HICKMAN: The hon. the Premier is overlooking one basic fact, Mr. Speaker, and that is this: The cost of transporting pulp wood, over land, is diminishing each year, and much more so in the Province of Newfoundland than in other provinces where you had modern lines of communications ten years ago.

The fact now is that the cheapest way to transport pulp wood from the Glenwood area to Corner Brook is by these large trucks, simply because we now have the Trans Canada Highway, which was not around ten years ago. As our communication systems improve and continue to extend toward the Great Northern Peninsula, the Baie Vert Peninsula, the Bonavista North Peninsula, then obviously there is a diminishing cost. This is relevant in this sense. As the cost of transporting and harvesting island wood goes down, the likelihood of a subsidy being payable by the Province increases, unless the Shaheen Group have now satisfied themselves that you can harvest in Labrador cheaper, bring it to the Labrador Coast, load it on to a barge or ship, transport it to Sunnyside and then the short transportation over the neck of the Isthmus into the papermill which is on the Bay of Placentia.

if you can do all that and keep it down at least equal to the Newfoundland production cost then there will be no subsidy. But I think that any hon. member will agree that that has been a problem that has perplexed two paper mills on the island of Newfoundland for a long long time, perplexed Crown Zellerbach, and that our enthusiasm has to be somewhat restrained when we hear that the man, who has had no involvement in the pulp and paper industry now, has solved a problem that the giants could not solve themselves. But so far as the Bill is concerned, particularly in view of the firm commitments that have been given by Government to eliminate any possibility of cost on the part of government. it seems to me the only sensible thing, any Opposition member or indeed any hon. member of this House can do<sup>is</sup> to give them a year's extension and to expect the hon. Premier to be man enough to come out and tell the people of Newfoundland, and particularly the people of the Come By Chance area, that no way is this a firm, irrevocable commitment that the mill is going to be built and that they can forget sod-turning, the next time they see any official function out there it will be the actual opening of the mill.

MR. MARSHALL: Mr. Speaker, if I may, I will not take too much time but I do want to point out, with respect to this amendment this request for an extension to the mill, that it would appear to be that this project, this mill project has gone on for too long with too little information being given. The reason for this extension, the request of this extension, is that we are told that Mr. Shaheen has been occupied with the refinery and in effect has not been able to turn his attention to the pulp and paper mill. Now this particular reasoning is unacceptable. It would appear that Mr. Shaheen is setting the priorities not only in Come by Chance but in all of this Province. The pulp and paper mill is a much more labour-intensive industry and any sane rational government operating properly would have demanded of the promoter that he use his best endeavour to bring about the industry which is going to cause the most employment and bring about the most jobs first.

There are a few questions that must need be answered and I would trust that the Government will give the answers in due course. Questions arise when you ask for an extension - what pressures have been brought upon the Shaheen interest to bring about the pulp and paper mill at this particular time? What pressures will be brought upon them in the future? What qualifications if any, has the Government made to the Agreement, as they were allowed to under the amending Act of 1966-67? With respect to the additional cost we are now told that it is going to be \$80 millions, This goes up from \$57 million, and one wonders whether the White Welding Company is still agreeable to put up its \$27 million.

MR. SMALLWOOD: No, they went out of the picture years ago.

MR. MARSHALL: Well if they went out of the picture this is a clipping in 1966

MR. SMALLWOOD: The companies now is going to be British not American.

MR. MARSHALL: Well the details that we would like the Government to supply to the House is where exactly the money is coming from?

MR. SMALLWOOD: The hon. member wants us now to justify the Act passed.

MR. MARSHALL: No not to justify the Act but assure that there had been negotiations going about, to make this extension realistic when the time comes. There is just one or two other points that I want to make.

In view of the fact that this has been going on for ten years, I would trust that even though the extension, we may vote for the extension of the Agreement, that the Government will be making efforts to have another concern take over the projects if Mr. Shaheen drops it, so that we may not be caught in a year and a half's time with no paper mill and no prospects in sight. Finally, I would ask, I would request, observe, with respect to this extension, to come out and tell the whole facts about the pulp and paper mill, loud and clear to the people. Let us not be cruel, Let us not be cruel like we were before the 1966 election when the paper mill was announced, when the sod-turning ceremonies were performed, when people from Sunnyside and Trinity Bay came up looking for jobs, and there is still no paper mill in existence.

MR.STRICKLAND: The people of Sunnyside got a lot of jobs on that project

MR.MARSHALL: There were a lot of people supposed to get -

MR.STRICKLAND: They got a lot of jobs.

MR.MURPHY: All selling newspapers in Sunnyside.

MR.MARSHALL: Who were supposed to get jobs that have not got jobs.

AN.HON.MEMBER: How many working there now?

MR.STRICKLAND: I am not saying about now, I said they got jobs there. Do not distort it all.

MR.MARSHALL: Let us not play politics with the aspirations and the hopes of the numbers of Newfoundlanders who are unemployed and who are overladen with the lack of effective industrial and economic development in this country. Let us come out with all the facts, let us tell the people the situation as it is. Okay! Maybe we will go along with this particular extension because it is all we can do in the circumstances, but let not it be forgotten an obligation and an announcement was made by this Government that a third mill was going to come into existence sometime ago and let us tell the people, loud and clear, what the present situation is, before we consider this particular amendment.

MR.MURPHY: Mr. Speaker, I would just like to take a few moments and perhaps in the same vein as the hon. member for Burin and St. John's East I would like to compliment very sincerely the hon. member for Burin -

MR.SMALLWOOD: And the member for Fortune Bay -

MR.MURPHY: And the member for Fortune also and the member for St. John's West and also the hon. Premier and also anybody else who has spoken, I do not want to make anybody feel that - But I think the hon. member for Burin Mr. Speaker, really summed up what the fears were in our minds, although in the 1966-67 Act great latitude is given to this famous body that is running the Province and running everything in this country at the present time, the Cabinet, who have all powers to make any agreements they wish, but with this matter I certainly hope and I think the hon. member for Fortune Bay pointed out that 1972 is the date set for the erection of this mill, but within one year's time it is mandatory

that there must be an election called. And I am sure that whatever happens in that election and on whatever side this party is sitting, and it looks now like we will be on the other side, that we can take the necessary action to guarantee to our people, Mr. Speaker, the benefits that should come to them and possibly, not like what has happened the past few days here where I can hear John Shaheen and his associates say: "Well done thou good and faithful servants."

We have seen happen in this House, Mr. Speaker, when responsible people, elected members, representing many numbers, many thousands of Newfoundlanders (I am not getting into another debate) have been refused absolutely the right to put their ideas in a part of a Bill because Mr. Shaheen may not agree. Now Mr. Speaker, on this matter and I am looking now at a statement made by a former predecessor here, former leader of the Opposition here, in September 1966, where he quoted much of what we all feel is very vital today, where this third mill has been mooted for some years, it has been held as a carrot. The people of this Province, in pretty well every election since that time, where the sod was turned, where \$15 millions of our money is being guaranteed -

MR. SMALLWOOD: It has not been guaranteed, not \$15 million, nothing like it. There is no guarantee yet.

MR. MURPHY: No guarantee yet. How much money has been raised and spent by the proposed owners and operators or are we going to have the same deal that we had with the other, where we have just a group -

MR. SMALLWOOD: Authority is there to guarantee it, if we give the extension, but we have not guaranteed it.

MR. MURPHY: What, just what progress has been made? We accept at face value the Premier's statement that Mr. Shaheen has been so busy with the oil refinery that he has not had time to give his great promoting talents to this third mill. We have an oil refinery, we will have one, that will be not nearly as important to our Province Mr. Speaker, as the third mill will be, where we use our own products, our own natural resources, more labour-intensive. So Mr. Speaker,

we will, I am sure, we have agreed to support this amendment for the year's extension, because we feel that within the next year history will be made in the Province, it can be made next week or twenty-one days time, if any of the members want to sneer over there, we will ask them to put their great talents and great development ideas on the line, This is wide open, we cannot do it Mr. Speaker,. It was said in this House before that our great Liberal Government has always accepted any challenge, at the drop of a hat to go to the people; the love of this Government is still in the hearts of the people -

MR. SMALLWOOD: We do not want the Opposition to decide, we always decide.

MR. MURPHY: We know that. Do not even let the people decide. You will not even let the people decide, not talk about the Opposition. I say now again that the people of this Province are looking for their right to speak.

MR. SMALLWOOD: We will see.

MR. MURPHY: Oh, the Premier can say that we will see we will decide, we have done this and we have done that, That is absolute baloney.

MR. SMALLWOOD: We always saw. We always saw.

MR. MURPHY: Absolute baloney. And there is only one way to prove it, let the people decide not the members on this side or the members on that side, let the people decide.

MR. SMALLWOOD: They will decide. They will decide. They will.

MR. MURPHY: They will decide, I would like to see them decide twenty-one days time.

MR. SMALLWOOD: They always did decide.

MR. MURPHY: They always did, is right. But things change

MR. NEARY: The millionaire leader does not seem to care, He is still in Ottawa.

MR. MURPHY: Mr. Minister, do not be so darn stupid talking about millionaires. We are creating millionaires here in this House every day of the week. Millionaires - now we will get back to Come by Chance

MR. SPEAKER: I presume that every hon. member is of the opinion that he is now in order.

MR.MURPHY: That is my right Mr. Speaker, and I ask that right, to be heard in silence. I think that is one of the Standing Orders. Wind it up so the great Premier can get up again. The only one in the House that the Premier likes to listen to is himself, knows it all, divinely inspired. He will tell us all about this great development. God Help Us, if anything should happen to this Premier, how will we manage to survive? How will we manage?

MR.SMALLWOOD: I thank the hon. gentleman - the unexpected compliment, I am deeply grateful.

MR.MURPHY: You should - because, in the opinion of the Premier, he is the only one in this Province that knows anything, that can decide anything, every one else is a nitwit or a halfwit or semi-retarded. It has been requested that I cease, for that reason I carry on.

MR.SMALLWOOD: Nobody wishes the hon. gentleman to cease just wishes him to wind it up.

MR.MURPHY: Yes, Mr. Speaker, this is a very serious piece of legislation, but as I say, and I repeat it again, that the Government now, who are the Government, will not, Thank God, have the final word to decide on the terms of this third mill. I say that now, I can be laughed at, I can be abused for it but the answer lies with that again before December 31, 1971. This can be decided. We have issued, the Leader of our Party has issued the invitation to challenge, but for the first time since 1949 this great all-powerful government has declined to accept the invitation. Mr. Speaker, as I said earlier, we will support this. Now I could go on, Mr. Speaker, for ten minutes with quotes for the hon. minister for Social Services, that are not quite so complimentary to the great gentleman that he reveres, adores.

MR.SMALLWOOD: I did not think he revered and adored me. I did not think that.

MR.MURPHY: That he now adores and reveres. He is waiting for the few words to drop from his lips.

MR.SMALLWOOD: I have not been canonized yet, not yet. I am not canonized. Not yet.



MR.MURPHY: Not yet, we certainly hope,when the time comes,to canonize or immortalize,whatever will be done with our hon. Premier, criticized or ostracized or whatever else. You know, it is a great feeling to be able to stand here and sort of make the other side feel;"look will you kindly sit down because we want to listen to our Premier. We want to listen to him,He is the only one we want in this House we would sit forty-eight hours straight off without a break and listen to the Premier tell the world how great it is. " It is wonderful to sit here now and see the hon. member for Bonavista South, I could listen to him for weeks, tremendous man,He is one of my constituents. It is nice Mr. Speaker to be able just to stand here for a few moments,and the word is gone out,the Premier is about to speak again. Mr. Speaker,when the vote is put we will vote for it,we will not vote against it. Mr. Speaker, we certainly hope that,not because this amendment carries today,that anybody concerned can sit back and fold their arms and say;"well, we must take it easy now we have so much of our Province tied up.I do not think there has been any great demands for paper mills,We have some sawmills ,of course ,that are perhaps anxious to get at some of this wood and within the next five, six, seven, eight months,I hope within the next twenty-one days,the opportunity will be given for all our people of the Province to decide,in their wisdom, just what kind of a deal this will be for the province.We certainly hope it will go through. God Knows we need jobs, jobs for our own people, to provide them with the necessary to look after their families. If this Summer is any indication of what the Fall and Winter is going to be,we are going to need something. The hon. minister of Social Services,I guess,has got more employees on his, or recipients on his -

MR.NEARY: The biggest payroll in the Province.

MR.MURPHY: Yes, and quite proud of it, this is the tragic part of it, This is a great tragedy Mr. Speaker, So,as I say,we will not vote against this amendment but will reserve the right at any time that this House is open to bring in amendments that we feel are necessary to safeguard the interest of our people and not to make another great giveaway programme,for people outside

the Province who have received all the benefits and none of the liabilities.

MR. SMALLWOOD: Mr. Speaker, I heard a question asked by some hon. member, I think the hon. member for Burin. The question asked, is this an election dodge, this paper mill, this extension, this Bill here today, is all this just an election dodge? Well all of them over there on that side of the House. Mr. Speaker, seem to be quite convinced that there will be a general election this Fall. Early Fall or late Fall, they seem to be convinced of this and this I think has coloured every word that they have delivered in this House of Assembly thus far in the year 1970. I believe that all their talk and argument and debate and tactics and strategy have all been or vitrually all been coloured by their belief that there is to be a general election this year. And I believe they probably look upon the answer to the question asked, is this an election dodge, as yes. They think this is an election dodge because they think there is going to be an election this year.

Mr. Speaker, I have, I think, detected a strong anti-Shaheen attitude in this Chamber, from the Opposition, I believe I am right, I believe that the Opposition have expressed, on countless occasions and in a large variety of ways, strong biased against John M. Shaheen, the anti-Shaheens and they have coined a new word which I think will become a proud word in our Newfoundland history, the word Shaheenery. All this is Shaheenery. That will become a proud word, in my opinion, but you know, Mr. Speaker, nothing that they have said against John Shaheen is in a class not even to be mentioned in the same breath with what they have said about John C. Doyle. Not what they are saying now but what they used to say about John C. Doyle. There was virtually nothing too rotten to say about John C. Doyle "...and none so poor as to do him reverence." No one, but no one, had a decent word to say for John C. Doyle. Now that is the past. But you know history does repeat itself. There was a time when the hated name in Newfoundland was the name Alfred Harmsworth. Alfred Harmsworth was a successful young Englishman who came up from poverty and became a great and famous man, ending up as the great Lord Northcliffe,

and Alfred Harmsworth, before he was Lord Northcliffe, came to Newfoundland and engaged in negotiations with the Government of that day to establish something new in Newfoundland, something that did not exist, that had, well it had existed in a very primitive and rudimentary form up at Piper's Hole, in Placentia Bay, where Harvey & Co. had established a crude little plant, just before Harmsworth came to Newfoundland to establish a great paper mill at Grand Falls. The name Harmsworth was despised, it was spat on, he was condemned, he was calumniated he was slandered even more than John Doyle was slandered and even more than John Shaheen has been slandered and continues to be slandered. You see, Mr. Speaker, John Doyle and John Shaheen both have had the misfortune to be associated with me, just as Alfred Harmsworth had the misfortune to be associated with Sir Robert Bond, just as

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as others had the misfortune.

MR. CROSBIE: The Premier interrupted me twice today on a Point of Order, that I was not discussing the extension of one year and that I was trying to discuss the original Bill. Now I submit that the Premier, in talking about John Shaheen and John C. Doyle this has nothing to do at all with what the House is supposed to be discussing. I submit to your Honour that you should keep the Premier relevant, if that is at all possible, to the subject under debate.

MR. SMALLWOOD: Mr. Speaker, to that Point of Order, I have only to reply that I am replying to what has been said on the other side here today. I think in doing that I ought to be very well within order.

Now having said that, I want to reply specifically and particularly to a number of points that have been made by speakers on the other side. One, is the question of locking up, locking up the timber, locking it up on the Island of Newfoundland and the territory of Labrador.

Mr. Speaker, some of it is locked up. Some of it is not, because one permit after the other has been given, with the consent of the Shaheen people. One permit after the other has been given to local contractors, to local businessmen, to go in upon the timber land reserved for this third mill and to cut and sell and export it. So, really, the timber is not locked up. Some of it is and so far as the Island of Newfoundland is concerned that is the case and so far as Labrador is concerned. There is so much wood in Labrador that in God's mercy it ought

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to be cut, if someone would cut it. You cannot get anyone to cut it. You cannot seize a man by the throat and kick the stuffings out of him and make him go in and cut wood in Labrador, and any human being, in human form, who wishes to cut wood in Labrador, we do not let them escape. We do not let them out of our clutches. We do not let him out of our sight for fear he might change his mind. The picture is not a picture of a lot of good God-fearing, decent people who want to cut wood in Labrador and a heartless Government protecting a heartless concessionaire and preventing them from doing it. That is not the picture.

Now another point that was made is with regard to the cost of the wood, the cost of Labrador wood, the cost of a subsidy that the Newfoundland Government would have to pay to bring 70,000 cords of Labrador wood to Come-by-Chance, because the Island of Newfoundland will not sustain wood cut to support that mill. Therefore, 70,000 cords would have to be brought in and that the Government would have to pay the difference between the average cost of the Labrador wood, landed in Come-by-Chance, compared with the average cost of Newfoundland Island wood landed in the same place.

Mr. Speaker, let me give this House this assurance that if all of the wood for the mill in Come-by-Chance were to be harvested in Labrador and brought to Come-by-Chance, they would almost, surely, save money in the cost of the wood. What has been demonstrated recently is the fact that the most economical wood is Labrador wood but this is a very late and recent fact to emerge and it is a most encouraging fact. It is a fact that makes the Province of Newfoundland worth hundreds of millions of dollars more - worth more. Our value as a Province has gone up, because of the

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practicality of harvesting wood in Labrador. The untold millions of cords of timber growing in Labrador have all of a sudden come to be worth incomparably more than we use to think, because of the emergence of this fact that you can harvest the wood in Labrador; You can harvest it. You can ship it. You can deliver it to a market. You can deliver it to a consumer at a price, at a cost much below what used to be believed to be the case. So, do not worry.

The hon. gentleman from St. John's West can cease worrying now, as of this moment, about the possible subsidy on the cost of Labrador wood coming to Come-by-Chance. You forget it.

MR. CROSBIE: What study showed that? How does the Premier know? How does the Premier know this?

MR. SMALLWOOD: Not studies have shown it. Practical operation has shown it.

MR. CROSBIE: Where.

MR. SMALLWOOD: In Lake Melville.

MR. HICKMAN: That is pulp wood for export.

MR. SMALLWOOD: That is pulp wood for export and, whether you export it to France or export to Come-by-Chance, it is the same wood, aboard the same boats and handled in the same way.

MR. HICKMAN: The hon. Premier is overlooking..

MR. SMALLWOOD: I know what I am talking about. It is always proper for a man to know what he is talking about. "Thrice armed is he who hath his quarrel just." In other words, "who knows what he is talking about, when he has the facts, when he knows the truth." He is

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then in a pretty good position to state a case. Now the third point..

MR. CROSBIE:      What about the shipping facilities? Who pays for them?

MR. SMALLWOOD: I am coming to that. I have all these points noted here. I listen with rapt attention, fascinated and rapt attention to the oratory and wisdom of the hon. gentleman. I made notes, insofar as I could tear myself away from listening. I forced myself to make these notes, with a pen on a piece of paper, and it so happens I am fortunate that I have the piece of paper.

MR. CROSBIE:      No one could ask for more.

MR. SMALLWOOD:      Now with regard to the surveys. I do not know very many industrial projects in this Province or before we were a Province to be more thoroughly surveyed and engineered than the paper mill in Come-by-Chance. If there is one that has been more engineered, it must surely be the oil refinery. We have had General Kennedy, who was Canada's greatest authority in forestry. General Kennedy was Chairman of a Royal Commission. He investigated the forest resources of this Island home of ours, employed by the Newfoundland Government to do so. I, personally, engaged General Kennedy. I was very proud to get him to be Chairman. He is the one who said -

MR. COLLINS:      What about Goodyear?

MR. SMALLWOOD:      Well Roland Goodyear was one of that commission. There were three, and General Kennedy was the head of it. I selected Roland Goodyear, too, a great personal friend of mine, for whom I have always had immense respect and considerable regard as well, as I have for the whole Goodyear family. They are staunch supporters of mine, loyal

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Liberals, staunch and unshaken, and unshakeable loyal Liberals, which is another thing I rather like about the Goodyear family.

However, General Kennedy, as head of that Royal Commission, surveyed the matter. Sandwell surveyed the matter. Forestell surveyed the matter. Rust Engineering surveyed the matter. Now they did not all, the four of them, survey identically the same things and make identically the same surveys. One surveyed the wood. The other surveyed the engineering, the other surveyed the economics and the other surveyed the shipping and so on and so on.

MR. HICKMAN:    Would the hon. Premier permit a question?

Is it still the intention that Rust Engineering Company will have a turnkey contract?

MR. SMALLWOOD:    It is still the intention of Rust Engineering to do precisely - I was talking to them last night, a long chat on the phone between here and New York, and Rust Engineering are the outfit that did the big job at Grand Falls, for Price. They have done big jobs for Bowaters. They have done big jobs for paper mills all over this continent. I had a long and delightful chat with them last night. They are rearing to go. They are eager to get the thing going and happy to hear that this legislation is before the House, happy to hear my prophecy and that is all I could do, make a prophecy that it would probably become the law of the land this very day. I told them that. They were happy to know. The arrangement that has been made will stand with Rust Engineering.

Now let me go on to another point and this is the point of pollution. I am taking them as they were uttered. The hon. gentleman from St. John's West, who is one of the brainiest men we have in the House here, I would not say the brainiest, probably the second brainiest. The brainiest member is over on this side of the House. He is sitting now, from me now about eighteen feet. But the hon. gentleman



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But the hon. gentleman who is sitting about twenty-two feet is the second brainiest . The hon. and brainy gentleman from St. John's West must be aware of the fact that the Parliament of Canada, at the instigation of the Government of Canada, had done something quite extraordinary on this question of pollution. They have overridden possible provincial objections and they have made the control and prevention of pollution a Federal matter. So that if a province works with them, that is just fine and, if they do not, well, it is too bad for the province. But the Parliament of Canada has said that pollution has become a matter of nation-wide concern. "We are going to control pollution" - good for them. In addition to that, the company itself, the paper mill people themselves are starting a brand new paper mill. Remember, if you are starting a new paper mill, it becomes a lot easier and cheaper to prevent pollution than it does in a paper mill that is already built.

We heard a statement from the head of Price, who use to be the manager..

MR. CROSBIE: Moore.

MR. SMALLWOOD: Mr Ross Moore. We heard Mr. Ross Moore make a statement in Grand Falls the other day, to the effect that to install the necessary equipment now, to stop putting the affluent down into the Exploits, to do that now would cost over a period (what did he say?) of \$40 million. But a paper mill starting from scratch can prevent it, incomparably cheaper and incomparably easier than to stop it after it has started.

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Then finally, I think, I told the House here the other day that in connection with the oil refinery -if I did not, I certainly intended to do it. If I did not, I will do it now. The Government have invited Professor Laird of the University to investigate for us and recommend and report to us on the question of pollution in the paper mill at Stephenville, in the oil refinery at Come-by-Chance and in this proposed paper mill in Come-by-Chance.

Now Professor Laird has won a world-wide reputation. He is one of the world's great authorities now on pollution. I am proud that he has accepted the Government's invitation to look into this matter for us. Logging roads - let me say categorically, that there is not a chance. I must say; the word I am going to use, Mr. Speaker, I use with regret because, frankly, I was shocked when I read that the Prime Minister of Canada, a man for whom I have absolutely, boundless respect, he shocked me when he said; "well, who the hell" or "what the hell" or something in the House of Commons.

Now, perhaps that is so commonly used in ordinary private conversation that it is a little bit mid-Victorian of me to be shocked by hearing a man use it in the House. But I am going to say this much that there is not a chance in hell that the Newfoundland Government will build logging roads for Bowaters, for Price, for Melville Pulp and Paper at Stephenville or in Labrador or Newfoundland Pulp and Chemical Paper Mill in Come-by-Chance or any other paper mill. We are not crazy in the head. We have never built logging roads for any paper mill, and we have no intention of doing it. What we are doing and will continue to do is what every government have done in

our history, we build roads, public roads. We allow paper mills to use the public roads over which to haul pulp wood. Why not? Every province does it.

Now in other provinces, they, in New Brunswick, i.e., the government of that province builds logging roads for the paper mills and the pulp mills of that province. But, sir, the difference between New Brunswick and Newfoundland in that respect is this: in New Brunswick they collect large volumes of taxation and large rates of taxation from the pulp and paper mills; whereas in Newfoundland we do not. So, in New Brunswick they give back to the paper mills something of what they collect from them. They give it back in the form of logging roads. We do not do any such thing. We do not propose to do it.

The sixth item I find here is<sup>a</sup> reference to wharves. There will have to be two wharves. There will have to be three. (1): In Sandwich Bay, where the pulp wood will be harvested and shipped from Labrador. (2). One at Sunnyside which will receive the wood from Labrador and from other points on the Island of Newfoundland as well and (3), a wharf in Come-by-Chance from which they will ship their finished products - 600 tons of paper a day rising, I have no doubt, after a very few years, and rising to 900 or 1,000 tons a day. Because a paper mill grows or it dies. An oil refinery grows or it dies. Anything grows or it dies. Nothing can stagnate. They have to have a wharf in Come-by-Chance by means of which they will ship their paper abroad. The wharf in Come-by-Chance will have a section attached to it, the one of which we spoke here in an earlier debate yesterday. That wharf will have a section attached to it, built on to it to take ordinary shipping, such as, pulp and paper, such as, petro-chemicals, such as anything

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else that may be manufactured. That takes care of that wharf. The wharf in Labrador and the wharf in Sunnyside are not the care of the Newfoundland Government, not financially speaking. It is our care. We are concerned. We want to see them built. We are going to do our best to see that they are built, but they are not our concern, so far as the cost of them is involved.

Then, someone said, I think, it was the hon. member for Burin. He said that, or somebody said, it was put hypothetically or maybe it was the brainy hon. gentleman from St. John's West. Maybe it was he who said it; that if Shaheen cannot do it, let someone else have it! Who was it said that? Somebody said that.

MR. CROSBIE: I did.

MR. SMALLWOOD: Yes, if Shaheen cannot do it, let someone else have it. Right! Right! So right! But who is someone else? Please tell me. Naturally, with this - this is the last extension that I would ask the House to give to this agreement, not out of any pique not out of any feeling against Shaheen, but with the feeling that with another year's extension, that we propose now to give him, he will have had enough time to produce. If he fails, then let somebody else try. But who is the someone else? We gave the same concessions exactly to Crown Zellerbach and Crown Zellerbach are the world's second largest pulp and paper company on the earth - Crown Zellerbach. We all had great hope, you remember, and long before their option expired, long before the date arrived for the expiration of the option, they came to us and said, "look, we do not want it. Thanks, take it back! We do not want it." That is Crown Zellerbach.

Mr. Smallwood.

We offered it. God knows how many companies we approached and to whom we offered these same concessions and these same timber limits. Now when the option expires this year, an additional year expires, and there is no paper mill, believe me, we will have to make a choice. Whoever is Premier then will have to make a choice of what advice he will tender his colleagues in his Cabinet. He will have to say to himself; "what will I do? Will I just terminate this and go out not knowing where to turn? The other government, the Smallwood administration, they, approached twelve different concerns and negotiated with them for this paper mill. One finally said, okay, I will tackle it; namely, John M. Shaheen. He failed. Now it is expired. What will I do now? What will I go to my colleagues in the Cabinet with? Will I go to them and say, 'well, just let it expire and let us lie low. Let us stay numb. Let us do nothing. Let us say nothing in the hope that somebody else will come in.' "

MR. HICKMAN:    There is one attraction now that was not present, when the Premier spoke to the other twelve.

MR. SMALLWOOD:    First of all the big thing that is present now is the practicability of logging in Labrador.

MR. HICKMAN:    Right.

MR. SMALLWOOD:    John Doyle has proved that.

MR. HICKMAN:    It was not known. In fact , it was quite the reverse with Crown Zellerback..

MR. SMALLWOOD:    That is right.    Now number eight..

MR. HICKMAN:    Maybe Crown Zellerback are prepared to come back.

MR. SMALLWOOD:    Ah! hah! I would hope so. I would have much more doubt than I would hope.

Mr. Smallwood,

(8) - Power costs: let me give the hon. member for St. John's West and all hon. members of this House the absolute assurance that the Government had no intention of subsidizing the price of power on the paper mill. Not only that but there is a clear understanding on that, a clear understanding on that. In any case, I want the House to know that there is no subsidy on the power for that paper mill.

MR. HICKMAN: Commercial rates.

MR. SMALLWOOD: Commercial rates. Now number (9).

MR. HICKMAN: Same as the other paper mills.

MR. SMALLWOOD: Yes, almost identically the same price as Bowaters and Price in Grand Falls. We know exactly what they are being charged. The hon. gentleman may know. As Minister of Justice he might have vetted the contracts made between the Power Commission on the one hand and these paper companies on the other. I do not know whether he knows or not, but I know. Number (9) - the question of a town site.

I have doubts that there will be a big new town grow up in Come-by-Chance. I think you will see a huge industrial complex there in the next number of years. I think that you will see Sunnyside grow to be much larger than it is and Clarendville and other places within practical commuting distance. After all, today, when you have a Trans-Canada Highway, it will be nothing, if you can get this new paved road from the Trans Canada down into Argentia, it will be nothing at all for people in Argentia, Placentia, Dunville, Freshwater, Fox Harbour to go to work daily; back and forth to work over a paved road, from Bay Roberts, from Brigus, from Harbour Grace, from all of Trinity South, not all of it maybe but say - well that road is going to be paved as well. There is nothing to stop men, living in Old Perlican, going daily to work in Come-by-Chance.

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I only got so far as Trinity South. Now the same thing applies to Trinity North. The same thing applies to all the places on the east side of Placentia Bay, between Argentia and Placentia on the one hand and Come-by-Chance itself. Then the other side of Come-by-Chance, right up to the west side of Placentia Bay. There is nothing in the world to stop men today, in this modern age, going twenty, thirty, forty miles, daily. I come to work every morning, forty-five miles. I go back every night, forty-five miles. I live along side. There are men who drive, twenty, thirty miles to get as close to St. John's as where I live. They tack on forty, fifty, seventy miles a day, on top of my ninety miles. We are living in another kind of a world. You do not have to build a town there. There will be some homes built. Of course, there will be a little town there, but not a great residential centre. The residential parts will be in many, many places.

Housing: well how is housing provided now? Either a man with his own money, with his own resources, he writes his own cheques and he builds himself a house or gets someone to do it or he does it through central mortgage. It will be the same. There will be no difference. It is not going to be any additional burden on the Newfoundland Government or its Treasury to provide housing. What about water? No, there will be no subsidy from the Newfoundland Government on water for the oil refinery, on water for the paper mill, on water for any other industrial plant that may come to Sunnyside. A subsidy from the Newfoundland Government on water - yes! yes! yes! but for domestic use. We are not going to subsidize these industries for their supply of water, but we will, in Come-by-Chance and in Sunnyside, do

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what we have done in dozen of places. What? Sixty or seven places around Newfoundland. We will help them with a water supply for domestic purposes.

Then somebody said; "we know that Shaheen put the paper mill aside." No! the answer is no. He did not. Look, what Shaheen has done. Shaheen has sold, virtually the whole, not all, but a very high proportion of the production of the mill. He has sold it; take-or-pay contracts, cash take-or-pay contracts. A take-or-pay contract, Mr. Speaker, means that the man who agrees with you to buy a product from you is going to pay you, whether he takes it or not. It is a take-or-pay. You will take it and pay for it or, if you do not take it, you will pay for it anyhow, and he has take or pay contracts for the bulk of the output of this paper mill. As the hon. member for Burin so rightly said, about the only thing he said today that is right,

"this is a common-place way of financing factories." You go and you get orders in advance, before you build your plant at all. You get orders in advance, take-or-pay contracts, and you pay a premium for that and the premium that is being paid so it is alleged in this case, is the buyers of the paper will get shares in the company. What is wrong with that? What better assurance could this Province have of the success of that paper mill in Come-by-Chance? What better assurance than the fact that the very consumers of it are the owners of it? The mill then has a captive market. It is like Wabush Mines. Does the House not know that in Wabush, not Labrador City, in Wabush every ton of ore that is produced, that is concentrated and pelletized, every ton of ore goes to the owners of that enterprise and none goes outside.

MR. SPEAKER: Is it the wish of the House to adjourn at 1 p.m.?

MR. SMALLWOOD: Maybe, Mr. Speaker. I do not want to make a big, long speech.

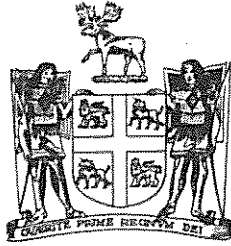


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Mr. Smallwood.

I was hurrying to try and get through, but let us adjourn. Let us call it 1 p.m.

MR. SPEAKER: I now call it 1:00 P.M. and I do leave the Chair until 3:00 P.M.



PROVINCE OF NEWFOUNDLAND AND LABRADOR

HOUSE OF ASSEMBLY

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Volume 1

Number 129

4th. Session

34th. General Assembly

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VERBATIM REPORT

FRIDAY, JULY 24, 1970

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House resumed at 3:00 P.M.

Mr. Speaker in the Chair.

HON. J.R. SMALLWOOD(PREMIER): Mr. Speaker, before the House recessed I was endeavouring to reply to the points that had been made by hon. members opposite and to give the information for which they had made requests. I had dealt with, I think, it was nine separate points in their respective addresses to the House this morning. I think, on (10) there was an observation made by an hon. member, to the effect that Shaheen had put the paper mill aside - to that I say, positively; no. That is not so. Mr. Shaheen did not put the paper mill aside.

Now I have to say to the House that the organization that Mr. Shaheen or his company, Shaheen Natural Resources, in New York, put together for the oil refinery project is quite a different company, in the main quite a different outfit, quite a different grouping of men from the oil refinery or from the paper mill. In other words what Mr. Shaheen has done is to put together two separate organizations, one to deal with the oil refinery and the other to deal with the paper mill. Because obviously, Mr. Speaker, if you put together an organization of men to deal with an oil refinery you try to get men experienced in oil refineries, you try to get men experienced in the oil business, in the oil industry That is the kind of organization that he has put together for the oil refinery. On the other hand, for a paper mill, you try to put together an organization made up of men with experience in the pulp and paper industry.

This is what he has done.

So he has two separate organizations for these purposes, with a certain amount of overlapping, obviously. Obviously some men, for instance lawyers, some men, for instance, accountants or chartered accountants, could just as readily serve an oil refinery project as a paper mill. There would, therefore, be a certain amount of overlapping. Stenographers can take down in shorthand and type on typewriters letters concerned with one or the other. There would be and indeed there is a certain amount of overlapping, but this does not take away from the fact that there are two separate organizations in the Shaheen structure, one dealing with oil and the other with pulp and paper.

MR. SMALLWOOD:

Now it is true that the main concentration, for the best part of two years past, certainly well over one year, has been devoted to the oil refinery. But this does not mean, by any manner of means this does not mean that they have turned their backs on the paper mill, far from it. What they have done, in connection with the paper mill project, is this; They have gone out, they have interviewed publishers of newspapers, on both sides of the Atlantic, endeavouring to interest those newspaper publisher, (the owners, the publishing companies that publish the newspapers) in giving them orders for the purchase of the output of the mill. Now these publishers are on both sides of the Atlantic Ocean. I happen to know who they are, I happen to know their names and their addresses and I happen to know, as the Ministers in the Cabinet know, the names of the newspapers or at least some of the names of some of the newspapers they publish.

I can tell the House that there is one publisher, on the other side of the Atlantic, who is one of the large newspaper publishers of the world, publishing a number of newspapers with enormous circulations and consuming staggering amounts of newsprint every day and every month and every year. This is one of the publishers with whom an agreement has been made to purchase newsprint paper from the new mill to be built at Come By Chance. Now this has gone on. They have carried on these efforts but why is it, (this still does not answer the sensible question) why is it that the paper mill is behind now and is not to be built and completed and ready to produce paper before December 30th, of next year?

So we have to come to the House and ask the House to extend the law another year because you cannot, if you started this afternoon to construct a paper mill in Come By Chance to produce 600 tons of paper a day, every day of the year except Christmas Day, Good Friday, Easter Sunday and Labour Day, I think it is four days a year that paper mills do not ordinarily operate, to produce 600 tons every day except those four days, you could not starting this very day, get that 600 ton mill built and in operation, producing paper by the 30th of December next year. It would take more than eighteen months. It would take the best part of two years to get the mill built and into production.

MR. SMALLWOOD:

Sir, the proposal is to finance the cost of this paper mill at Come By Chance in much the same way as the paper mill in Stephenville has been financed, in much the same way as the oil refinery at Come By Chance is being financed, that is to say three people, three organizations put money into it. Number one Mr. Shaheen or his company puts money in it in the form of working capital. It does not matter to the Newfoundland Government or to the Newfoundland people whether he just writes a cheque for that on his bank account, whether he goes out and borrows it from a bank, whether he sells his own company or personal bonds and gets the money. It matters not. What matters is that Mr. Shaheen or his company provides the working capital, whether he puts it in as equity investment or puts it in as a loan to the company, provided, being a loan it is at the bottom of the heap, provided it is the last that can be taken out, provided that taking it out does not leave the enterprise short of capital, then it matters not the form in which he puts in that working capital. Secondly, the Newfoundland Government puts money in it, in the form of a loan, and in the case of this paper mill in Come By Chance the loan is fifteen, not fifty but \$15. million dollars of the total cost.

Thirdly, that is put in as a loan that has to be paid back, The interest on it, until it is paid back, the interest on it has to be paid by the paper mill, by the enterprise, and then the loan has to be paid off by the enterprise. It is not supposed to cost the Newfoundland Government or the Newfoundland people one solitary dollar. It is a loan and nothing more and nothing less, it is a loan of \$15. million on a grand total, a cost of about \$80. million. I heard one radio station saying it was costing \$18. million of which the Newfoundland Government were putting up \$15. million which left \$3. million to find. Now I hope I have said the \$15 million clearly enough and the \$80<sup>million</sup> clearly enough so that no-one again will be under any misapprehension as to what the figures are.

The third amount is the amount that would be borrowed by the enterprise from banks in England, which loan from the English banks would be guaranteed, unconditionally guaranteed, as to principle and interest, by the Government of the United Kingdom, in other words ECGD, the Export Credits

MR. SMALLWOOD:

Guarantee Department of the Government of England. These would be the three sources of the capital to put the paper mill there, just as these are the sources of the capital to put the paper mill in Stephenville and just as these are the sources of capital for the oil refinery at Come By Chance.

MR. CROSBIE: ... Is there any Federal money?

MR. SMALLWOOD: There may or there may not be a Federal grant. I see no reason why there should not be. Remember that in the case of the paper mill at Come By Chance, and I am sure my hon. friend will see this at once the moment I say it, you have a different situation from the oil refinery. The oil refinery at Come By Chance is being built and will be owned, until it is sold will be owned by the outfit that builds it, which is a Crown Corporation. The moment it is a Crown Corporation the question of taxes arises, Is a Crown Corporation to be taxed by the Government of Canada? The decision has been made that it will be taxed by the Government of Canada, with accelerated depreciation. But in the case of the paper mill it is purely a private company, just as private as Bowaters, just as private as the Price Company in Grand Falls or Buchans Mining or any other company. It is a private company and as such it ought normally, in the normal course of events, it ought to be entitled, it ought to have the right to receive industrial incentive grants from the Government of Canada. That is why these industrial incentive grants were instituted by the Canadian Government.

Now that being so that the bulk of the capital for the paper mill, coming as it is to come from the British Government, from ECGD, it would obviously, it would quite evidently be stupid, stupid on the part of Mr. Shaheen, who is not stupid, to go to ECGD and simultaneously try to negotiate two industrial projects in Newfoundland, in the same harbour, at one and the same time. It would be stupid and it would fail. Therefore, because of the urgency there was and is to get the oil refinery built, because of the immensity of the contracts, not just contracts for the sale of the product - there are contracts for the sale of the product of the paper mill but there are no contracts in regard to the paper mill, for the purchase of the raw material. There are no contracts in existence today for the paper mill. There

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are no contracts in existence for the supply of the raw material. The raw material for a paper mill is pulp wood and there are no contracts for the supply of the raw material, but with the oil refinery there is a contract which is, I believe, the largest contract ever made in the history of the oil industry, the largest single contract ever made, a ten year contract for the supply of 100,000 barrels (not gallons) of oil a day for ten years. That is 3,600 days, that is 3,600 times 100,000 barrels, the cost of that is many, many dozens, many, many scores of millions of dollars.

Now that contract having been made and it had to be made, it had to be made - if you are going to build an oil refinery and you are going to sell the products of the oil refinery, if you are going to sell the products and you do not build an oil refinery, just in the hope that you will be able to sell the output you sell the output before you build, so that when you build the refinery you know you have it sold, before you build, or you do not build, you do not do either you do not go out and sell the output of an oil refinery, you do not build an oil refinery, you do not do either until first you have a contract for the supply of the raw material. So they made their contract for the supply of the raw material, a ten year contract, 365 days a year - not like a paper mill. A paper mill will operate every day of the year except four; Labour Day, Easter Sunday, Good Friday and Christmas Day, in the other Bill but an oil refinery has to operate the year around, even Christmas Day, Good Friday, Easter, Labour Day, every day of the year, and ten years supply of crude oil had to be contracted for or you could not go and sell what you do not have. You could not buy the crude, you could not sell the output without a refinery in between, You had to have it all arranged simultaneously. That is the difference between the oil refinery and the paper mill.

You can go out and sell the output of the paper mill, They have done that, They have done that but you do not have to make a contract for the supply of the raw material. You will make that from year to year - year to year, Two or three thousand men will work in the bush, harvesting the pulp wood. So many hundreds of men will work driving trucks and delivering the pulp wood to the mill. That can be done on a year to year basis. It is done that way by the

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two paper mills we have. Therefore, as you have to have a contract to sell your output of the oil refinery before you could decide to build it and you could not have the contracts to sell the output unless you have the raw material, the crude oil, you had to enter into a contract for the crude oil. They did so, but having done so they had to put that project through. That is why they went to ECGD, to deal first of all with the oil refinery.

Now they have done that. That is done but, in doing it, they have lost vital time. They have lost time. They have lost it seriously, so much so that they have lost their rights under the law, Their rights expired. What date? Does the hon. member for St John's West know? He reads these things. On what date did they expire? Two or three weeks ago?

MR. CROSBIE: It would not be until the end of next year.

MR. SMALLWOOD: They have not actually expired. No, they have not expired, right. The Act has not expired but the Act will expire, unless we amend it, the 30th of December, the 31st of December next year, That is eighteen months. Too soon, too soon, the mill cannot be built. If you start building it today, you cannot build a 600 ton mill. Remember the great Corner Brook Paper Mill, it was 400 tons, the great paper mill at Grand Falls was 200 tons a day, 200, the great mill at Corner Brook 400 tons a day, This is 600, as big as Corner Brook and Grand Falls combined, That is the size of the new mill to be built in Come By Chance; starts off as big as Grand Falls and Corner Brook started off the two of them combined. You could not do it and have it ready, as the law requires, you could not do it by the 31st of December next year; so we are asking the House, (I believe in my heart that the House will agree to do it) to extend them and give them their last chance, It is their last chance. I will say that so far as I am personally concerned, it is their last chance, but I think they deserve that chance - they deserve it.

What have they done? Why do they deserve it? They deserve it because they have done the one essential thing that had to be done. Look, let us face it, they are a dime a dozen the firms you can hire to design a paper mill, a dime a dozen. There are dozens and dozens and dozens of engineering firms. Any one of them is good, any one of them is quite satisfactory to design



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a paper mill, they are a dime a dozen. You can hire men, money will get the best men with the best brains, best skill, best experience in the world. Pay them enough money and you will put them in Come By Chance and they will run the mill and they will run it successfully, they will make it an efficient operation. Nothing to that,relatively speaking, nothing to it, nothing to designing a paper mill,relatively speaking, nothing to running it,relatively speaking and,relatively speaking,nothing particular in harvesting the wood but what counts is the market,and Shaheen has the market. He has signed them all, take-or-pay contracts,for the sale of the output. That is why he deserves another crack at it.

MR. MURPHY: But why the delay?

MR. SMALLWOOD: Why the delay? What have I said in the last fifteen minutes? What have I been saying? What I have been saying,in the last fifteen minutes, is that the financing of it is to be done primarily by the British Government, and you could not go and you would be stupid to go, and do you remember me saying that Mr. Shaheen,whatever he is, is not stupid but he would have been stupid if he had gone to the British Government simultaneously asking for the money for a big oil refinery and a paper mill. Was the hon. gentleman not listening? Have I become that dull? Have I become that dull and uninteresting, as a speaker,that the Leader of the Opposition can sit there and daydream and fifteen minutes later say to me; "Why do you not tell us what has caused the delay?" and I spent fifteen minutes?

MR. CROSBIE: Give it to him in baby talk.

MR. SMALLWOOD: Will I give it in baby talk, start all over again in baby talk?

MR. MURPHY: We cannot hear it. Did you see the piece in the "Telegram" today, "The Bill ready to go?" This has gone on for near twenty minutes, Mr. Speaker, on this Bill.

MR. SMALLWOOD: Well, alright, okay, let me deal with that. That is a pretty honest and a pretty fair question. Right. John Shaheen sat down in the gallery here and heard me make a speech,in which I said that the Government had received this shocking news from Crown Zellerback, They said; "Look,take your option back, we do not want it." Our hopes for a great paper mill to be built by Crown

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Zellerback, the second biggest paper mill company on the earth, in the world, the second biggest. When they handed that back I said we were desolated, and life was hardly worth living. John Shaheen came along and said; "Premier, who is going to take it over now?" I said; "I do not know." He said; "well, will you let me take a crack at it?" I said; "what the hell do you know about paper mills, John? You know something about oil. What do you know about paper mills?" "Nothing." I said; "well, if you know nothing, why should you be interested?" He said; "well, I do not know anything, but I can hire men who do." I said; "what do you want?" "Give me the same concessions you gave Crown Zellerback and see if I can make a fist of it." he said. I said, "look! it is a sheer waste of time, John. Crown Zellerback were number eleven. We had ten firms, before Crown Zellerback, trying to get them to build a paper mill. For me, a paper mill is like King Charles' head." You know, King Charles' head. Does the hon. Leader of the Opposition remember about King Charles' head? Have you read about Dickens? He does not know about King Charles' head?

Well, you know, the character in Dickens was completely fascinated. King Charles' head came into every bit of his conversation. Well, my King Charles' head is a paper mill. It is just a bit of sentimentalism, not jobs for 2,000 or 3,000 men. With me, it is pure sentiment. I like to think of myself, from Gambo as, roughly speaking, as being in a class with Bond and Squires. They started paper mills. I would like to start a paper mill. You know, a foolish kind of an ambition, just pure sentimentalism.

I said, "John, look, in the name of God, if you think you can do something, we will give you a chance. I do not know anyone else to turn to." I told it, as I am saying it here now. It is how I said it, here with him sitting down in the gallery. I said; Mr. Speaker, "I do not believe the man has a chance. But let us give him the chance and try.

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I do not believe he is going to succeed." That is in Hansard.

All right, he started in. He put together a group of six paper mills in Europe, (six); two in Italy, two in Germany, West Germany, and two in France. It turned out, by the way, that one of the six, one of the two in France, was owned by Bowaters. What John did not know was that every word he was writing and speaking was being passed on to Bowaters. Every word was being passed on to Bowaters. He did not know that this company in France was owned by Bowaters.

Now the House may remember that General Kennedy, Canada's greatest authority on forests, General Kennedy said in his report; "call in Bowaters and call in AND company and tell them to build the third mill." I did. The minute I got his report. I sent a long cable to Sir Eric Bowater and a long cable, the same words, to Lord Rothermere, the head of Grand Falls, and I quoted the recommendation, and I said; "please meet with me to discuss the question of your two companies combining to build the third mill." Well that all came to nothing. It was not my fault. Sir Eric Bowater, either he telegraphed back a nice cable, "delighted to have your cable. I will be happy and proud to collaborate with you and see if this is practical." Another one from Sir Eric Bowater, even more cordial, and we all got together. It amounted to nothing.

We had tried everything under the Sun. I remember the present Minister of Education and I going to Chicago to see a man named Cuneo, the biggest printer in the United States. He had a dozen vast printing plants, each one of them so big that you could take every printing office in Newfoundland today and it would fit down in a corner of one of his plants. He had a dozen. The biggest printer, maybe, in the world. He owned two or three paper mills. We negotiated with him. We tried everyone. I went to Italy, and I almost had a paper mill, almost, but the exchange problem killed it. So, he says he will try. He tries and he gets six

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companies together, in Europe, to form a syndicate to build this mill. That was killed. I negotiated then, separately, with Bowaters, with Albert Martin. Albert Martin was as keen as mustard. He said; "yes." Albert Martin said; "yes, I believe we ought to do it." I believe that Bowaters ought to build the mill in Come-by-Chance." So, he took it up with his head people in London, the late Sir Eric Bowater and the present Chairman of the board, Mr. Martin Ritchie, and the other directors. The President of the Council and I and a couple of other ministers hustled across to London. We went in and we had lunch in their private dining room, in Bowater House. We talked from 1 p.m. to 7p.m. that night. Albert Martin was there, and they turned us down as flat as a pancake. They turned on Albert Martin at the same time.

We tried everything and everyone to get a paper mill. However, Shaheen. then the next step was. He got this big outfit in Finland, United Paper Mills of Finland. I went over with him to Finland and his lawyer went with him and his lawyer was the gentleman who is today the President of the United States of America, probably, the most powerful man on this earth. Whoever is President of the United States is an incredibly and you might almost say, an impossibly powerful man. He was the lawyer. That is the first time I met him. We negotiated there for some days, with this United Paper Mill group of Finland. They were to come here to build it. What happened? It seems, sir, that after the war came to an end and Finland got her "freedom" and her "independence" from the Soviet Union, Finland started to organize her pulp and paper industry, because it is the one basic - it is more basic to Finland than cod fishing is to Newfoundland. It is their life and breath, their paper mill industry. They got together and they formed a co-operative marketing body for all the paper mills of Finland. Every paper mill in Finland

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has its products marketed for it by this co-operative - all the mills acting together.

They ran smack into this; that when it was announced, the Finish papers were full of it. The former Vice-President of the United States, Richard Nixon, the premier of a Canadian province there, this big American promoter, all of us there, it filled the Finish newspapers. There was press conference after press conference. The co-op of all the Finish paper mills, called, The man who is the head of this United Paper Mills, of Finland, is the son of Marshall, the great Field Marshall Mannerheim, who made the Mannerheim Line. Was that his name?

MR. MURPHY: Mannerheim.

MR. SMALLWOOD: Mannerheim Line. The great patriot, field marshall, a great soldier. He is the head of it. So, it had tremendous publicity. But in they come, quietly. Now they came here, four or five directors of the company. They came here to St. John's. We flew them around to look at forests and look at Come-by-Chance, to look at Labrador. They went to New York, and they settled down to draw up the agreement; when in comes the co-op of all the paper mills of Finland and says; wait a minute. Any paper you produce in Come-by-Chance, we must market. You must market! Yes, you are bound by this agreement that any paper you produce, we must market. But that is in Finland. That is anywhere. Wherever you produce paper, we must do the marketing." That killed it. That was the end of the Finish attempt. So, one attempt after the other, finally all failing for one reason or another. Good reasons, at least, sufficient reasons.

Finally, Shaheen said that there was only one way to do this and that is to enroll the publishers, and we will make it a paper mill owned by the newspaper publishers. That is what he did, and he signed them up, twenty-two newspaper publishers, who between them publish 100 daily newspapers.

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Now that is not to be sneered at, (You do not look down your nose at that. One of these publishers, by the way, is on the other side of the Atlantic) to take 10,000 tons a year.

Then two things happened, with the contracts made and ready to go. Two things happened: tight money - am I making up tight money? Is this just a figment of my imagination or is there such a thing as tight money? Has money gone from three and a half per cent to four to four and a half to five to five and a-half to six to six and a-half to seven per cent to eight per cent to nine per cent to ten per cent? Has it or has it not? Has money become scarce or has it not? Is there such a thing as inflation or is there not? That has happened. I did not make it up and please! please! please! Mr. Speaker, let no member of this House blame me for that. I am innocent. I am not guilty. My plea is, 'not guilty.' I did not cause tight money or inflation or anything like that. But I notice that it came. The other thing that happened, simultaneously, is that, having signed the contract with B.P., British Petroleum, which is owned by the British Government, forty-eight per cent owned by the Royal Navy, that is the British Government, forty-eight per cent, having signed a contract with B.P. for the delivery for ten years of 100,000 barrels a day, for 3600 odd days, (It is an awful lot) they tried to get the refinery built. So, they went to ECGD to get the finance and they have succeeded, but while they were going to ECGD to get the finance for the oil refinery, they were barred by the nature of things, not by law, but by the nature of things. They were barred from going to ECGD, at the same time, simultaneously, to get the money for the paper mill. What they did do was quietly, over a cigar and a glass of port, no doubt, in a club - "let us go out and have a meal," After negotiating during the day about the oil refinery, go out, in a club, in

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a restaurant, in a hotel, sit down, over a drink and a cigar and I supposed, they dropped the word, "boy, when we get this thing done, we have something else for you." "What do you mean, you have something else?" "Well we have, we are coming to you." "What for?" "Well we want some more money." "How much?" "Oh, we want \$60 million, \$50 million." "What for?" "Oh, I do not want to talk about it now." "What are you talking about?" "Well, it is a paper mill." "Oh! a paper mill, where?" "Oh! in Come-by-Chance, the same place."

Now, in that kind of way, they can sort of drop the hint, drop the word, but they could not apply - neither ready to apply. There should not be too much delay now, if we pass this legislation today.

What has happened to the \$2.5 million? This is point 'XI). The hon the member for Fortune Bay: "Where was the \$2.5 million spent?" First of all let me say that it was much more than \$2.5 million spent, much more? It was twice that. It was spent. But the \$2.5 million that the hon. gentleman is referring to is the \$2.5 million we advanced, bridge money. That was spent in Come-by-Chance. The evidence of some of the spending is there to be seen now. There are two large concrete buildings. One is to be the office building and, immediately next to it is a large concrete building, which is to be the machine shop and next to that, attached to it, but much longer and bigger, is to be the main building, to contain the paper machines.

No! I did not say \$2.5 million. I said some of it is the evidence of the spending of that money. Some of it is to be seen at Come-by-Chance, these two buildings, earth works, excavation work, removal of bog, building of a road, building of a spur railway line, A lot of it was spent in the United States. A lot of it was spent in Europe, signing up the contracts. A lot of it was spent for administrative overhead. Not only that \$2.5 million advanced, bridge money advanced by the Newfoundland Government, which is now owed to the Newfoundland Government, but as much again as that.

MR. EARLE      This would give the House confidence, if it saw what was spent.

MR. SMALLWOOD:      Yes, well, all right. The House must not be too suspicious now or too worried.

MR. EARLE:      A lot of money..

MR. SMALLWOOD:      (XII), the hon. member for St. John's West. The brainy member on that side, the brainy bearded hon. member, the B.B.C. brainy, bearded or bearded, brainy. I would prefer to put the - however, he raised the point about the practice, the intention, the device that has been, the formula that has been adopted for the sale of the paper, and the acquisition of shares in the paper mill by the publishers who buy the news print paper. He referred to the United States Government.

Now I happen to be extremely familiar with that. I knew Archibald R. Grosstein. I remember well when the United States Government, anti-trust administration, started whacking paper mills in the United States for buying up newspapers. The worst offender was International Paper Company who, at that time, ran and owned the paper mill at Corner Brook. Archibald Grosstein, the head of IP was brought up before the inquiries and they had to disgorge. They had to sell back the shares they had bought in newspapers. The paper mills got the smart idea that they would buy shares in the newspapers and get to control the newspapers, just to give themselves markets for the paper, for their mill. This was regarded as a highly dangerous trend, under which the newspapers of the United States would come to be owned by industrial mills, paper mills and industrial concerns, and this was stopped.

But here, sir, you have the very opposite. You do not have the great organs of public opinion, the great disseminators, the great channels of public information being gobbled up by industrial concerns like



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International Paper Company. It is the reverse. It is the newspapers buying shares in paper mills, which is quite all right, to which the United States Government has no objection whatsoever. So, I think the hon. gentleman can sort of rest easy. Oh! the "Chicago Tribune" is the sole owner of a paper mill down on the north shore of Quebec. There are many newspapers that are shareholders in paper mills and some of them are the sole owners. Hurst was a very heavy owner of paper mills. It is one thing for newspapers to have shares in paper mills, it is something else again for the paper mills to control newspapers. I do not think we need worry about that.

Extensions: The Leader of the Opposition rather indignant, because of the previous extensions the House has given to Shaheen for performance, for the building of this paper mill. He is a little bit indignant. "Now here we are again," he says. "In the name of God, I suppose, we have to vote for it," he said. "But why the dickens, why is another extension needed? Why does he not get cracking? Why did he not get this mill built?"

Well, I think, I have told the reason. But let me add this, that many times, this very House has given extensions. We come in here. We pass a law giving concessions. The person for whom the concessions are meant does not perform within the time, within the limit, so the House extends him a year or two. Let me give an example. Up in St. Lawrence, where, the hon. member who is not in the Chamber at the moment, year after year after year for about ten years, we came in the House, and we asked for an extension to the concession we had given to the company that was talking about putting a free port and a transshipment in Marystown, in Mortier Bay. We passed that, year in and year out, year in and year out, and each time we did so, I was the one that introduced it and said; "look, Mr. Speaker,

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I do not know whether they will ever get anywhere but I do not know anyone else who is showing any interest. Let us give it to them for another year and see what happens." When next year would come around, I would say; "well the year has passed and they still have not done anything, but nobody else wants it. Our legs are not getting broken in any rush from other people who want to come in and have this same concession. He is the only one who wants it. What do you say, Mr. Speaker? Will we give it to them for another year?" We did that for ten years running and in the end nothing came of it.

Take the great paper mill in Corner Brook. Does the House know that when the first legislation was enacted, by the House of Assembly, to give concessions on that big enterprise in Corner Brook, it was in 1909, I think. In 1923, thirteen years later or so, thirteen years, not ten, ten and three, thirteen years later the mill materialized. It became material from a vision, from a dream, from a hope. It became an actual paper mill, 400 tons a day, Corner Brook, in 1923.

You know, we are not so rich in this Province. We are not so strong. We are not so powerful. We are not so absolutely sure that we are going to get industries and jobs. We are not so sure that we can afford to be cocky about it, that we can say to this promoter or that promoter or the other promoter, "to the devil with you. We are fed up with you. We are sick of the sight of you. You are not producing fast enough to please us." We are not that independent. We are not that cocky. When we get hold of a man that shows any kind of a genuine desire to produce development, we back him. If he is Standard Oil, and he asks us for money, we laugh in his face, at him. If it were U.S. Steel, if it were some world, giant coming in here and wanting concessions, apart from

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the ordinary concessions of land and forests and the right to search for minerals and work a mine; apart from that kind of a concession, any big outfit that would come in here and ask us for concessions, we laugh in their faces. But that kind of a crowd do not come in here, unfortunately, damn them! damn them! They do not come in here.

It would be nice, if you could say to U.S. Steel and Bethlehem Steel and Ford Motor Company and Standard Oil and other giants, "gentlemen no pushing. The line forms on the left and if you go pushing to get ahead of the next fellow, we will take you out." It would be nice, if we could talk that way. We cannot, you see.

Talking about wharves. Since the House recessed for lunch, I have been given a little information. This will interest the hon. member for St. John's West. At Cartwright, they have the wharf. Now, let the hon. gentleman put that in his pipe and smoke it. They have their wharf now. It is there, built, built by the United States Government. They have it. They can use it for shipping pulp wood. They have their wharf. So, we will not even have to ask Ottawa to build a wharf. Uncle Sam built it. Uncle Sam, who can afford a wharf or two and a dingy here and there and a rodney, a punt, Uncle Sam built the big wharf and it is there, and it has been made available for the purpose. Not only that but Grenfell people have made buildings available to Shaheen, in Cartwright. Then in addition to that, sir, I have to inform the House that a pretty, new, substantial saw mill is being put in Gander by Mr. Shaheen, by this Newfoundland Pulp and Chemical Company, whose rights we are extending for a year in this legislation. They are putting a saw mill at Gander, and they have already obtained there building for the purpose. The saw mill is to cut the wood on their limits, near Gander, and they are to saw up to 20 million feet a year. This means just a handful of men in the mill. But it is better thirty men than none and it means, perhaps, a hundred

MR. SMALLWOOD: Perhaps a hundred loggers, a hundred men or a hundred other men will get a chance to earn a dollar, and when the lumber is sawn out what is left will be chipped, and the chips will be shipped to the paper mill in Come-by-Chance. So the problem remaining is a wharf at Sunnyside. We think we will get the Canadian Government to do that, on the condition that the paper mill will pay for it, in say twenty-five years, so much a year until it is all paid back. Then the other wharf, the one at Come-by-Chance itself, is the one that the Canadian Government are going to build, at a cost of something up to \$18 million.

In conclusion, now I have dealt with, I think, every point that has been raised. I think, I have answered or at least tried to answer. I have dealt with, I have commented on every point that has been made from the other side.

MR. EARLE: Would the Premier permit a question? He was kind enough to answer one of my questions, I wonder if he could answer the other. Actually, he answered the first, it is not entirely satisfactory. I also requested the Premier to lay on the table of the House the present financial condition of the companies, so that we could judge who we are dealing with. Now he cautioned me not to be too suspicious on this because I should not suspect things. My reason for asking is that, at one time, there was an outstanding bill of \$48,000, with the Royal Bank of Canada, which it took them over one year to pay. There were some very nasty letters exchanged on this. That was \$48,000 not \$4.8 million.

MR. SMALLWOOD: I doubt frankly that they have \$4800 today. This is a paper company. The company that they hired lawyers to go to the court to register. It is just a paper company, it is on paper. It will have money when three things: when Shaheen puts in the working capital. He is not going to put that in until the Mill needs the money. Second; when the British Banks, guaranteed by the British Government, put in say \$50 million; and third; when the Newfoundland Government puts in \$15 million. Then the company will have some money. Right now what do they need money for?

MR. EARLE: For good faith.

MR. SMALLWOOD: For what?

MR. EARLE: Good faith.

MR. SMALLWOOD: When the good faith is needed, we are not putting anything in, until everything else is done.

MR. CROSBIE: Two and a-half million has gone in.

MR. SMALLWOOD: That is in. We have something at least to show for it. We have the contracts for the output of the paper mill, The contracts are there. These two large buildings are there now in Come-by-Chance. The excavation work is done. That will not have to be done again. That money has been spent. So I do not think, we need to worry too much about that.

Finally, Mr. Speaker, what we are voting for possibly, perhaps, probably, we hope so, what we are voting for today is something between 2000 and 3000 jobs for Newfoundlanders. I know everyone wants that. If the hon. gentleman becomes Preimer this fall or next spring, or if his Leader becomes Premier, he will want, he would rather see 2000 or 3000 men working than have them knocking at his door every morning and every night, Sunday, Monday, holidays, stopping him on the street, stopping him at the door of this building, stopping him in his office, phoning him, telegraphing him, sending him petitions, their wives coming, their children coming, rather than that. That is what I have. Any Premier would rather see 2,000 or 3,000 men with jobs. And that is what we are voting for today, to remove what I think maybe the only remaining obstacle to a couple of thousand to 3000 jobs. Not all jobs now with white collars, not all jobs inside an office, not all jobs, twelve months a year with a five day week and a seven hour day, but jobs, in the bush, trucking, harvesting wood, earning money, anything from 2000 to 3000 jobs. I am not sure that this is coming. I cannot guarantee it. It is not given to mortals to command success. It is not given to this House to command a paper mill in Come-by-Chance. But we can do better. We can deserve it. We can vote for this Amendment.

On motion, Bill read a second time, ordered referred to a Committee of the Whole House now, by leave.

## COMMITTEE OF THE WHOLE

On motion a Bill, "An Act To Authorize The Lieutenant-Governor In Council To Enter Into A Supplementary Agreement With Newfoundland Pulp And Chemical Company Limited Further To Amend The Agreement Made Pursuant To The Government-Newfoundland Pulp and Chemical Company Limited (Authorization Of Agreement) Act, 1960, The Act No. 72 of 1960, As Heretofore Amended And To Make Certain Statutory Provisions Relating To That Agreement."

On motion Clause one and two carried.

MR. CROSBIE: I presume we are going to take the Schedule afterwards, is that the idea? After you are finished with the Bill, you are going to do the Clauses in the Schedule.

On motion Clauses three and four carried.

MR. CHAIRMAN: Shall the Schedule carry?

MR. CROSBIE: Mr. Chairman, with reference to the Schedule, Clause (1) of the Schedule amends, in fact if we could just revert for a moment, it is an Amendment to the Act I wanted to propose, If I have the permission of the House: I would propose adding a section to the Bill, Mr. Chairman, to this effect; that the original Act was passed in 1960 and there was an Amendment passed in 1967. Act No. 83 of 1966-67, which I referred to this morning,

I propose the following Amendment; to add, as Clause (5), to the Bill the following: Sub-section (2) of Section (2) and (3) of Sub-section (2) of the Government - -

MR. SMALLWOOD: An Amendment to what, the Bill or the Act?

MR. CROSBIE: An Amendment to the Bill now before us, by adding Clause (5) which would state: Sub-sections (2) and (3) of Section (2) of the Act, "The Government-Newfoundland Pulp and Chemical Company Limited (Loan and Confirmation of Supplemental Agreement) Act, 1966-67," is repealed.

MR. CROSBIE: Now the two sub-sections, which I suggest should be repealed, Mr. Chairman, are these two sub-sections in the Act. No. 83 of 1966-67. The first one, sub-section (2) gives the Lieutenant-Governor in Council power to change the draft agreement attached to the Legislation, to make any qualifications, modifications, or additions to that Agreement, as the Government wishes, without reference to this House.

MR. SMALLWOOD: But such changes would be substantially similar to this already.

MR. CROSBIE: No, Mr. Chairman, the Act does not say that. It says, "such qualifications, modifications, and additions to and deletions from the provisions of the draft agreement set forth in the Schedule of this Act may be given effect to in an agreement to execute and deliver pursuant to Sub-section (1) as the Lieutenant-Governor in Council deems necessary or desirable to secure the establishment of a Third Mill in the Province."

I think, Mr. Chairman, that, that is a repugnant section, as it gives the Cabinet too much authority to change,

MR. SMALLWOOD: What is the hon. gentleman quoting from, will he please identify.

MR. CROSBIE: Act No. 83 of 1966-67.

MR. SMALLWOOD: The Act, not the Bill? But, the hon. gentleman said the Bill. Is it the Act or the Bill?

MR. CROSBIE: Well, it is the Act I am referring to. It is Act No. 83 of 1966-67.

MR. SMALLWOOD: The Act itself. Got the Act? Got the Act? Let us see what we are talking about.

MR. CROSBIE: This is the Act that was passed in 1966-67;

MR. SMALLWOOD: There is only one Act.

MR. CROSBIE: No, no, there has been four Acts, you see.

MR. SMALLWOOD: There is one Act standing.

MR. CROSBIE: Yes. This is now part of the original, because it was amended

MR. CROSBIE: in 1966-67. That this gives the Government the authority to change any provisions in the agreements that are attached to the Legislation as the Government wishes and - I think that is repugnant and not desirable.

Sub-section (3) I suggest should be repealed, Mr. Chairman. It says this, well without reading the whole sub-section. It is a sub-section which states that the Government of Newfoundland may enter into an agreement with Newfoundland Pulp and Chemical to the effect the Government of Newfoundland will pay the excess in the cost of wood obtained in Labrador delivered to the Mill as compared to the cost of wood cut on the Island. In other words, Sub-section (3) permits the Government to agree with Newfoundland Pulp and Chemical that, if wood has to be brought from Labrador to the Mill at a cost greater than they can get wood in the Island of Newfoundland, delivered to the Mill, the Government would pay the difference. We have already heard today, we already have had today the Premier's assurance that there is no such difference that now, as a result of what has happened in the last several years experienced at Melville, that wood from Labrador is not going to cost any more than wood on the Island. That being the case, sub-section (3) of section (2) of the Government-Newfoundland Pulp and Chemical Act of 1966-67 is not needed and, therefore, should be deleted. If the Government agrees that this can be deleted, then of course, it shows that the Government believes what it says, that Labrador wood...

MR. SMALLWOOD: But, it also does more than that, it drives Shaheen back to those twenty-two publishers and they and their lawyers and their directors with a change in the deal.

MR. CROSBIE: Why should we agree, Mr. Chairman, to subsidize this cost -

MR. SMALLWOOD: What cost?

MR. CROSBIE: No cost to be subsidized, everybody is satisfied that there is no extra cost. The Premier has given -



MR. SMALLWOOD: How are these twenty-two publishers, scattered all over the United States, they and their directors and their lawyers, God knows it is hard enough to sign them up, without going back to them and opening it all up again.

MR. CROSBIE: Well!

MR. SMALLWOOD: The main thing is that it is not going to cost us anything.

MR. CROSBIE: Mr. Chairman, I can see that might be a problem for the Government. But, why should we be told on one hand, "gentleman, do not worry about it. It might cost you \$1 million a year, the taxpayers of Newfoundland to subsidize moving Labrador wood. There is no need to worry. It is indisputable beyond fact that wood can now come from Labrador to a site in Newfoundland at less cost than the wood can go there from the Island." And, then the Government still not be prepared to have that deleted from the Legislation, that is not consistent. And the other provision that gives the Government the opportunity to change the conditions in the agreement are necessary also, because these matters should be always fully disclosed to this House, Mr. Chairman, and they have not been, and would have not been today, if we had not raised these questions.

I did not vote against the Bill on second reading. I did not vote for it either, but I did not vote against it. Because we all hope that a Bill will go there, but I am dubious about some of these matters that have been said. The Premier, for example, has said that we are not going to build any logging roads. Well, the Premier did not quite meet the point, because in the Forestall Report it said that these costs are based on the written assurance that substantially all arterial logging roads would be provided by the Province of Newfoundland, as part of its highway system. Well, the Premier said today..

MR. SMALLWOOD: That is so. That is actually the case. That is so today with Bowaters and Price, the bulk of their wood is hauled on public roads.

MR. CROSBIE: The Premier's assurance today was that the Government would not

MR. CROSBIE: build logging roads,

MR. SMALLWOOD: Of course not.

MR. CROSBIE: But the cost to us is the same, if the Government builds public highways where they are unnecessary other than to bring wood within their reach, logging wood within their reach, of the roads.

MR. SMALLWOOD: The only roads we are going to build are the roads we will build whether that paper mill is there or not.

MR. CROSBIE: Mr. Chairman, when a matter like this is up for debate before the House, such as extension of this for a year, my position is that the studies that have been done, if there have been any done, such be tabled. Why is not the Forestall Study tabled or the B. Sandwell study?

MR. SMALLWOOD: That is for the original Act or Bill, now a mere extension of a year. You do not go all over the original deal again.

MR. CROSBIE: But these are reports that have been done, commissioned by the Government since 1967, not 1960. You see the House is asked to believe that this will cost now \$80 million, without any studies being presented to the House to show the breakdown. In other words, we have been asked to give a blank cheque. Well, we do not like to give a blank cheque in this case, because it may look; you are just against progress or against the Third Mill. But, still the Government is not carrying out its duty to properly inform the House on these matters. It breaks down the cost.

Now, if the Labrador wood, if the Premier had said today that Labrador wood can be delivered at a mill site in Newfoundland at less cost than wood cut on the Island, if that is so, there has been no studies tabled here. The Premier has mentioned Melville experience up at Goose Bay. But, Melville is just cutting for exports there. They have not yet shipped wood down to Stephenville. We do not know what the actual costs are going to be yet. But, if the Government is that certain about it, then we no longer need the clause there, I suggest.

MR. SMALLWOOD: It should be cheaper to ship it to Stephenville than to France and England, some of it is going to England and some of it is going to France.

MR. CROSBIE: I do not believe, Mr. Chairman, that when this House passed an Agreement, attached to an Act, that, there should now be any clause saying the Government can entirely change this, if they think it is necessary for the establishment of the Mill. So that is why I move this Amendment, or that Clause (5) be added.

The Amendment is this; that we add Clause (5) to the Agreement, which Clause (5) would state sub-sections (2) and (3) of Section (2) of "The Government-Newfoundland Pulp and Chemical Company Limited (Loan and Confirmation of Supplemental Agreement) Act, 1966-67," is repealed.

On motion, Amendment is lost.

MR. CHAIRMAN: Shall the Schedule carry?

MR. CROSBIE: In connection with the Schedule, Mr. Chairman, there is something to be said with reference to the Schedule. Now, we are being asked, in the Schedule, this is an amendment to the original agreement, and the Government wishes to substitute a new sub-section (2) of Clause (4) for the old sub-section (2). Now in the original of 1960, I just want to compare the wording. In the original in 1960 it said, "Sub-section (2) of Clause (4) said; "if the company should notify the Government in accordance with sub-clause (1) of this Clause that the company intends to proceed with the construction of the first stage of the Mill," (so far it is the same) "The company will subject to Clause twenty-two in the other provisions of this Agreement," now notice this Mr. Chairman, "construct and commence to operate the first stage of the mill within three years from the date of such notification." "Construct and commence to operate."

This Amendment we are asked to consider today says; "if the company notifies the Government and so on....the company will substantially complete the construction of the first stage of the mill on or before the 31st. of December 1972." I feel, Mr. Chairman, that we are given now another extension of an additional year to the end of December, 1972. In other words, that is, there are five months left of this year, twelve months of 1971, twelve months

MR. CROSBIE: of 1972 that is twenty-nine months. So, it is not sufficient to say substantially complete the construction. I think, if this is going to be passed it should say, "construct and commence to operate the first stage of the mill." Because twenty-nine months, if we do not say that, in 1972 they may start the construction of the mill, and why should we wait another year and five months for even to have the construction of the mill started.

So I move, Mr. Chairman, that Clause (1) of the Supplemental Agreement sub-clause (2) be changed by deleting the word "substantially" and adding the words, after "complete", and "commence to operate."

MR. SMALLWOOD: You know I am beginning to think that the hon. gentleman was designed by nature to stay in Opposition forever. That he really ought not to be in the Government. He loves being in opposition. He loves it.

MR. CROSBIE: The third last line would read, Mr. Chairman, after the other provisions of this Agreement, "construction and commence to operate the first stage of the mill on or before the 31st. day of December 1972."

Why should the wording be changed from the original? It is not enough, Mr. Chairman, that they are going to substantially have it constructed by the end of 1972. The obligation should be that they have it constructed and commenced to operate by 1972. And, if now all that is required is for Mr. Shaheen and his group to go to E.C.G.D. and complete their financing arrangements, one would assume that construction would start this summer, or at the latest by next spring.

And in that connection, Mr. Chairman, I mentioned that studies should be filed and have not been. I have suggested that there should be security put up by the Shaheen group, if they are being given an extra years' extension of time to guarantee performance under the Agreement. The Government has not accepted that. I suggested that we should delete the "Labrador wood section," in view of what the Premier said, that has not been accepted.

The Premier has said that it matters not to the Government, Mr. Shaheen

MR. CROSBIE: is to put in \$10 million. But the Premier has said it does not matter to the Newfoundland Government whether it goes in as equity or loan, as long as the loan is on the bottom of the heap. I say, Mr. Chairman, it does matter. If the \$10 million Mr. Shaheen is putting in this goes in as a loan, and anything happens so the project has to be taken over by another concern, that loan has to be repaid by whoever takes over the project - it is another \$10 million indebtedness. Whereas, if Mr. Shaheen's \$10 million is invested as equity capital and he makes a failure with the Mill, he will lose the \$10 million and we can take the mill over with that \$10 million left there; Not as a loan that has to be repaid to Mr. Shaheen. Imagine that, if this thing failed after a year or two and we have to take it over, we will be responsible to pay back to Mr. Shaheen his \$10 million.

MR. SMALLWOOD: It would still be the last to come out, would it not? No matter who has it. No matter who has it. No matter who had it, under any condition it would be the last ever to come out, everything else would have to come out first.

MR. CROSBIE: If the money was invested as equity, as it should be. He, as an owner, should put some equity in the company.

MR. SMALLWOOD: May be he will.

MR. CROSBIE: If it failed, we would not have to pay it back, but going in, a subordinated debenture, as a loan. Imagine Mr. Shaheen fails to operate it successfully, it loses money and we have to take it over and we have then to pay it back to Mr. Shaheen, \$10 million.

MR. SMALLWOOD: No. we do not. No, we do not.

MR. CHAIRMAN: Order, please. Does this have to do with the particular amendment that has been proposed?

MR. CROSBIE: That is one reason why I am proposing the Amendment, Mr. Chairman.

MR. CHAIRMAN: The Amendment is that Clause (1) of the Schedule be amended by deleting the words "substantially complete the construction of the," and

MR. CHAIRMAN: by inserting, therefore, the words, "construction to commence to operate."

On motion, Clause (1) as amended lost.

MR. CHAIRMAN: Shall the Schedule carry?

On motion Schedule carried.

On motion that the committee rise and report having passed Bill No. 95 without amendment, Mr. Speaker returned to the Chair.

MR. NOEL: Mr. Speaker the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bill No. 95 without amendment.

On motion report received and adopted, Bill ordered read a third time, now, by leave.

On motion, a Bill, "An Act To Authorize The Lieutenant-Governor in Council To Enter Into A Supplementary Agreement With Newfoundland Pulp And Chemical Company Limited Further To Amend The Agreement Made Pursuant To The Government-Newfoundland Pulp and Chemical Company Limited (Authorization Of Agreement) Act, 1960, The Act No. 72 Of 1960, As Heretofore Amended And To Make Certain Statutory Provisions Relating To That Agreement," read a third time, ordered passed and title be as on the Order Paper.

MR. CURTIS: Mr. Speaker, before moving the House into Committee of the Whole on the refinery Bill I would ask leave of the House to introduce a Bill entitled, "An Act To Repeal The Livestock And Meat Grading Act, 1953." I might say, Mr. Speaker, that this is purely the repeal of a Bill and it is being put forward at the request of the Committee that is consolidating the statutes and the Committee expects to be ready to print the first volume immediately and they would like to have this Bill which has not been used since repealed so that we would not be in the position of having the use of this Bill in a consolidation. On second reading my hon. friend, the Minister of Mines and Resources can confirm the fact that the Act is a dead one.

I would ask leave to introduce the Bill and move that it now be read a first time.

MR. MURPHY: Mr. Speaker, I would like to say that we agree with the hon. Minister of Education in having this Bill read a first time.

On motion, Bill, "An Act To Repeal The Livestock And Meat Grading Act, 1953," read a first time, ordered read a second time presently by leave.

MR. CALLAHAN: Mr. Speaker, very briefly, this Act has been on the book since 1953, it has never been used and, as my colleague has said on first reading, it would simply foul up the consolidation, and I move the amendment.

On motion, Bill, "An Act To Repeal The Livestock And Meat Grading Act, 1953," read a second time, ordered referred to a Committee of the Whole House presently, by leave.

COMMITTEE OF THE WHOLE:

Bill No. 96:

On motion, Clauses 1, 2 carried.

Motion, that the Committee report having passed the Bill without amendments, carried.

Bill No. 94:

MR. ROBERTS: Mr. Chairman, if I may. Yesterday the Committee dealt with almost all of the Bill and the Schedule, there were however several points left outstanding and that was why, I believe, the Committee wanted to let the Bill stand in Committee and come back to it now. Since then the law officers have

MR. ROBERTS:

drafted some amendments, which we have supplied to the law clerk and to Your Honour and we have given copies to members opposite as well. They are not in printed form but they have been made available, as I said. The principles of all of these amendments, I believe, were dealt with during the debate and were in various stages of animation on progress towards enactment or otherwise disposing of them.

The question I would raise, Mr. Chairman, is one of seeking guidance from Your Honour. How do you wish us to proceed? We moved some amendments, which I believe the Committee adopted, to the Bill - these amendments all are to the Bill, there are no amendments to the agreement, as such, and they are in various states of chaos. Some of these are rewordings of amendments which were accepted, others are substitutions. As a suggestion, it might be that the best thing to do would be to wipe off everything that we have done, by way of amendment, and then move these amendments. Then, if hon. members wish to add anything to the Bill, that could be moved and debated and decided upon now. I am not sure if that is a proper way to proceed but it might be a good way to get us out of a bit of a chaotic situation with respect to amendments now.

MR. CHAIRMAN: Shall we dispose of the standing clause of the Schedule first, Clause 2(e) was standing? Shall 2(e) carry?

MR. ROBERTS: That will be amended, one of the amendments to the Act itself will affect that Clause, so if we could adopt it now we will then be moving an amendment, in a moment or so, that also affects it.

On motion, Clause 2(e) of the Schedule carried.

MR. CHAIRMAN: Hon. members will know that the proposed amendments, of which the Chairman has a copy, commence with an amendment following Clause 5. With the leave of the Committee, I would propose that we begin by going back and taking the Bill, from Clause 5, which means that, "shall Clause 6 carry? I think there is an amendment to go in there.

MR. ROBERTS: Mr. Chairman, may I move a new Clause 6, which perhaps I should read to the Committee, if Your Honour wishes, since not everybody has had it. Insert after Clause 5 as Clause 6 the following; 6. "The said Act is further



MR. ROBERTS:

amended by inserting immediately after Section 13 as Section 13(a) the following:  
13(a)(1) - Every agreement, trust deed, trust indenture, guarantee, contract undertaking and every other agreement of any nature whatsoever entered into, executed and delivered under or pursuant to this Act shall be laid by the Minister of Finance before the legislature within fifteen days after it has been entered into, executed and delivered if the legislature is then in session and if not then within fifteen days after the commencement of the next ensuing session. (2) Until refining validly exercises in accordance with paragraph (c) of Clause 3 of the agreement the option granted to it by that paragraph to purchase the remaining eighteen of the issued shares of the holding company, the profit and loss accounts and balance sheets of the holding company and of the operating company and the auditors reports thereon to be furnished to the Government annually by those companies under paragraph (e) of Clause 10 of the agreement shall be laid by the Minister of Finance before the legislature within fifteen days after they have been received by the Government or if reviewed pursuant to the said paragraph (e) within fifteen days after such review has been completed if the legislature is then in session and if not then within fifteen days after the commencement of the next ensuing session."

MR. CROSBIE: The status by mortgage is not mentioned specifically in there, but it is quite clear that the mortgage is covered under trust deed.

MR. ROBERTS: Mr. Chairman, I am told by our law officers that even though the word is not there, the words, "every other agreement of any nature whatsoever" would cover it, if it is not covered by words like indenture or guarantee or so forth.

On motion, amendment carried.

MR. ROBERTS: Your Honour, I would now move that Clause 6 be renumbered, Clause 6 as it stands in the printed Bill be renumbered as Clause 7 and that -

MR. CHAIRMAN: I will deal with that first.

On motion, amendment carried.

MR. ROBERTS: Your Honour, I would now move that the new Clause 7 in sub-clause 1, the words, "The agreement executed and delivered" be deleted and there be substituted therefor the words, "Subject to section 8, the agreement executed

MR. ROBERTS:

and delivered."

MR. CHAIRMAN: The amendment is that Clause 7 open with the words, sub-section 1, "Subject to Section 8, the agreement executed and delivered, by and between the Minister of Economic Development," and so on.

On motion, amendment carried.

MR. ROBERTS: Your Honour, I would now move a new clause to be known as Clause 8. Would Your Honour wish me to read the proposed clause?

MR. CHAIRMAN: That would be the new clause 7.

MR. ROBERTS: No, no, I am sorry. I would now move the repeal of Clause 7 and we will come to it a little further down. We put this back in, 7 goes back in as Clause 9, Your Honour, or if you wish I can move that Clause 7 be renumbered as Clause 9 and then I will move Clause 8.

MR. CHAIRMAN: I will call Clause 7 and you can just move the amendment.

On motion, Clause 7 carried.

MR. ROBERTS: A new Clause 8 to be as follows, Your Honour. 8(1) - in this section, "Amended agreement" means the agreement dated as of the 23rd day of January 1968 and ratified, confirmed and adopted by Section 3 of and forming the schedule to the Act number 86 of 1968 as amended by the agreement as of the 22nd day of May 1970 which subject to this section is ratified, confirmed and adopted by Section 7 of and form of the schedule 2 of this Act. (2) Paragraph (e) of Clause 2 of the amended agreement is further amended by deleting the semicolon (;) and the word "and" at the end of that paragraph and substituting therefor a comma (,) followed by the expression, "but the said sum of \$30. million or any portion thereof shall not be advanced by the Government or any Crown Corporation or paid out by the building company until the additional loan or the extension loan, as the case maybe, has been committed; and."

Your Honour, a word of explanation perhaps. That is the one which we have been calling the back-to-back clause that limits any expenditure of the Government's \$30. million until the additional loan or the extension loan, which are the first mortgage loans, have been committed and, of course, committed would mean a legally binding irrevocable commitment to make the money available as and when needed.

MR. CHAIRMAN: The amendment will insert after the new Clause 7 a new Clause 8.

On motion, Clause 8 carried.

MR. ROBERTS: Your Honour, the old Clause 7 now appears as Clause 9, is that correct?

MR. CHAIRMAN: Yes.

On motion, amendment carried.

MR. ROBERTS: May I move an amendment to the new Clause 9, Your Honour. I am on the top of the last page of the mimeographed notes, the new Clause 9, the old Clause 7. The amendment, Your Honour, would be to delete the words, "the agreement forming the schedule to this Act" and to substitute therefor the words, "the agreement forming the schedule to this Act and as amended by this Act."

MR. CHAIRMAN: The motion is that the present Clause 7 be amended to read Clause 9 and that there be added the words, "and as amended by this Act."

On motion, amendment carried.

MR. ROBERTS: Your Honour, I would move a new Clause 10 as follows: "This Act shall come into force on a day to be proclaimed by the Lieutenant-Governor in Council."

On motion, amendment carried.

MR. HICKMAN: Mr. Chairman, before we go on there was the other amendment that I made which the Premier, on behalf of the Government, said was acceptable to Government, subject to any change in the wording on pollution, but obviously the pollution amendment should go in before the proclamation.

MR. ROBERTS: If Your Honour wishes we can debate the pollution matter at this stage and then dispose of it and then go on, or we can deal with Clause 10 and then discuss the pollution matter.

MR. HICKMAN: Well, either way so long as -

MR. ROBERTS: We will deal with it.

On motion, amendment carried.

MR. ROBERTS: Your Honour, if I may have a word of explanation, then my hon. friend from the district of Burin will doubtless wish to say a few words. At Committee stage yesterday or it may have been on Tuesday, Your Honour, the hon.

MR. ROBERTS:

gentleman from Burin moved an amendment, I do not have the words in front of me, but it deals at some length with the necessity of the company or the project to take anti-pollution measures. I think I have summed up accurately, it spells it out in some detail. The Premier, on behalf of the Government, said that we would accept this, subject to having the words worked out, but the principle we would accept.

Since then, Your Honour,

MR. SMALLWOOD: I said that I did not think we would need this.

MR. ROBERTS: The Premier reminds me, Mr. Chairman, that he did say that he did not think it was needed. Well, the Premier was quite right because we have since had a look at the original amendment, the principal agreement, if you wish, with particular reference to Clause 10(k) 1 and 2 which will be found on pages 30 and 31 of the principle agreement, the famous law 86. Your Honour, in our view, and we have spoken again and taken legal advice on it, the two conditions imposed by 10(k) of the principal agreement are sufficient. Now perhaps I could read them to the Committee and I will then sit down.

10(k), Your Honour, reads, "The Government and refining shall cause the building company and the operating company to and the building company and the operating company will (1) comply with all laws, regulations and orders with respect to pollution of the air, soil or water of the Province and (2) in the construction and building of the plant erect or install equipment, apparatus, devices, mechanisms and structures designed to minimize air pollution that would result from the operation of the plant and use such erected or installed equipment, apparatus, devices, mechanisms and structures and keep the same in good and efficient operating condition."

I think, Your Honour, in our view the conditions imposed there are sufficient to ensure that there is no possibility of any necessary anti-pollution measures not being taken and accordingly, in that light, we do not think that the Clause proposed by the hon. gentleman is necessary. We feel it is redundant and therefore, since it is covered, we do not think it is necessary. That is our side, Your Honour, and the hon. gentleman doubtless wants to say a few words.

MR. HICKMAN: Well, Mr. Chairman, let us make the record quite clear. The undertaking was given by Government to approve the principle of that amendment. I am aware and was aware of this provision that is in the agreement but that provision that is in the agreement, particularly (k)(1), is absolutely useless, "To comply with all the laws, regulations and orders with respect to pollution of the air, soil or water of the Province." What laws? The law that we passed at this session of the House!

Mr. Chairman, may I remind this Committee that we had an anti-pollution law in effect before, known as the Water Authority something Act. That Act was enforce before the construction of the ERCO plant but obviously it did no good for Long Harbour. Something must have happened within the past two days to change Government's mind on this and something certainly must have happened within the past couple of years to change Government's mind on this because the Clause that I moved was precisely the Clause that Government wanted to go in or at least some of us wanted to go in the ERCO Bill. If it had been a part of the ERCO Bill, when it was passed and became law, we would not have had the pollution problem that we have at Long Harbour.

Now it is a lot of nonsense and it is not an answer to this pollution problem to say that the Government of Canada is going to take care of pollution. The Government of Canada may have the best intentions in the world but the Government of Canada does not have the legislative authority to take care of pollution. It is completely wrong and the hon. the Minister of Health, as a constitutional lawyer would have to agree with this; that the Government of Canada could pass laws, until it is blue in the face, saying that thou shalt not pollute the land in the Province of Newfoundland.

MR. ROBERTS: The laws are ultra vires.

MR. HICKMAN: The law is ultra vires in the Province and any Newfoundlander or any Nova Scotian or anywhere else could completely ignore it and do nothing about it. Now there is -

MR. SMALLWOOD: (Inaudible).

MR. HICKMAN: The hon. the Premier said here two or three times that the Government of Canada is going to assume responsibility, whether the Provinces

MR. HICKMAN:

like it or not, to control pollution in Canada.

MR. ROBERTS: No.

MR. SMALLWOOD: What I say now is that the Parliament of Canada is not going to pass any such law. It would be ultra vires of its authority.

MR. HICKMAN: Of course it is ultra vires.

MR. SMALLWOOD: Of course it is not.

MR. HICKMAN: Then why did the hon. Premier say -

MR. SMALLWOOD: They are going to pass laws but they will not be ultra vires, they will be intra vires.

MR. HICKMAN: In any law that the Government of Canada passes concerned with pollution, it deals with soil, land or air, over a Province; is ultra vires to the Parliament of Canada. That leaves it with the sea and maybe inland waters. That is all it is left with, the sea and inland waters.

Now, Mr. Chairman, what this amendment will do, because I can foresee in the next few years as Provinces and the Government of Canada try to struggle with this pollution problem, a great overlapping of jurisdiction and what is far more important the necessity for the dove-tailing of legislation. I attended -

MR. ROBERTS: That is exactly what the new legislation has done.

MR. HICKMAN: No, it has not done it because we do not have the necessary laws ourselves to dove-tail with it.

MR. SMALLWOOD: We have Beauchesne, the greatest authority probably in the world, to advise us what legislation to bring in to cover not just the oil refinery but any other industrial establishment.

MR. HICKMAN: Fine. Then number one, obviously the Premier and his Government must have come to the conclusion that, as of today, there is nothing to prevent the Come By Chance Oil Refinery from polluting to their hearts content. When Government gets this advice as to what the Government should enact and bring before this legislature to enact, to control pollution in Newfoundland, then maybe you have an overriding piece of legislation that will take care of any legislation that may have been passed relating to any one particular area.

MR. HICKMAN:

But in the meantime is the Government going to come in with retroactive legislation? Of course, it is not going to come in with retroactive legislation.

MR. SMALLWOOD: It will be in before the oil refinery is in operation.

MR. HICKMAN: We have been listening for days about the sanctity of this contract, the sanctity of passing legislation and not changing on those with whom you are dealing and those who are developing as a result of this legislation and under the authority of a legislative agreement. Now if it was sanctified yesterday obviously the principal sanctification much still be in full force and effect today but apparently it is not.

Now, Mr. Chairman, I repeat that something has happened, and I do not know what it is, to change the minds of the law officers of the Crown, because this is a standard anti-pollution clause that was accepted by the law officers of the Crown in the Province of Newfoundland two years ago and prepared by them, so they cannot have changed their minds. It was acceptable in principal to the Government two days ago, and now they have changed their minds. Mr. Chairman, as far as I am concerned this little bit of paragraphing-

MR. CROSBIE: What does your amendment say? We have forgotten.

MR. HICKMAN: My amendment says this, "The Government shall cause the building company, "I did have "undertake", the hon. member for Humber East amended it to read shall,"the Government shall cause the building company, the prime contractor and all sub-contractors in the construction of the plant as defined in the agreement, to erect or install all modern equipment, apparatus, devices, mechanisms and structures which will cause pollution of the air, land or sea to be reduced to an absolute minimum and shall require the building company and the operating company, as a more efficient means, if such becomes available to erect or install the same and will at all times use such erected or installed equipment, apparatus, devices, mechanism and structures and keep the same in good and efficient operating condition."

Now what piece of legislation or provision could be more essential in this Province today? It is not that we have not been warned. We were told earlier today about the prohibitive cost that would be facing the Grand Falls Mill if it now had to cure the pollution problem in the Exploits River. We

MR. HICKMAN:

know, to our detriment, what happened at Long Harbour and how - because this section was not put in the ERCO Bill, This is the ERCO section, by the way, that because this section was not put in we had to stand idly by and say, "There is nothing as a Province we can do" and wait until the Minister of Fisheries exercise his jurisdiction over the sea, and that is where it stopped, and allow this pollution to go on.

Now here is a chance to nip this thing in the bud, beyond any doubt, beyond any doubt at all and if it is the anxiety and the wish of the Province that this plant follow, and there is nothing onerous about it, any plant in Canada that is being established today must follow this Clause because this is a standard clause.

MR. ROBERTS: It is not a standard clause, it is a badly-worded clause.

MR. HICKMAN: Well, now it was drafted -

MR. ROBERTS: It was no such thing, I know full well who drafted it. It is no such thing as an absolute minimum and it is just to guillotine it that the hon member is - It is a badly-worded clause.

MR HICKMAN: I do not know if it is a badly-worded clause. I submit, Mr. Chairman, it is a very properly-worded clause, drafted by the most competent draftsmen in this Province, legal draftsmen in this Province.

Mr. Chairman, the intent is obviously clear, and I thought the wish of this Legislature, of all hon. members, was that we would make absolutely certain, beyond all reasonable doubt, that there would be no pollution in Come By Chance. But something has happened in the last few days; and it cannot be blamed on the law officers of the Crown. I do not know what it is but I am driven to one conclusion; that this is not acceptable to the Shaheen Group. Surely they are not going to dictate to this House on everything. This does not go to the principle of developing Come By Chance. This is not going to cause the interest rates to go up. This will not delay the signing by Procon five minutes but simply it is going to make abundantly sure and certain that there will be no pollution in Come By Chance that can be avoided. Industry brings some pollution with it anyway and there is not much you can do about that. But surely this House has an obligation to see to it that it



MR. HICKMAN:

is kept to the barest minimum and that, as modern equipment is put in it is used. For that reason the motion as I understand it, Mr. Chairman, is still before the Chair, the amendment which was allowed to stand on Tuesday. Am I correct on that? It can still stand and I would hope that hon. members will see fit to support it. They indicated they would.

On motion, amendment lost. (Standing vote).

MR. ROBERTS: Mr. Chairman, may I move one further amendment to remove any doubt about another point. This is with reference, Sir, to Clause 6. There is some question in our mind that perhaps, as Clause 6 of the Bill now reads would require the sales agreements and the crude supply to be tabled. I do not think -

Mr. Roberts.

that is anybody's intention and certainly it is not the Government's intention, sir, because that is the very heart of the commercial matter of the Bill and accordingly, your Honour, just to make certain, I have some words which were put together hurriedly but hopefully will serve. That is to add to Clause 6 the following words, which would be an amendment to 13 (A) (1) of the Act, " but nothing in this section shall require the tabling of the agreement made by Refining as set forth in Clause 5 (c) and 5 (g) of the agreement." These are the sales' contracts and the crude supply contracts. If the page will come, I will gladly bring it over. These are renumbered 5 (c) and 5 (g). They were 5 (e) and 5 (i).

MR. HICKMAN: 13 (A) (1).

MR. ROBERTS: Correct. Yes. Well, 5 (e) and 5 (i) of the old one are renumbered as 5 (c) and 5 (g).

MR. CHAIRMAN: Motion is that Clause 6 of the Bill be amended by adding to 13(A) (1) the words, "but nothing in this section shall require the tabling of the agreements made by Refining as set forth in Clause 5 (c) and 5 (g) of the agreement."

On motion amendment carried.

MR. CROSBIE: Mr. Chairman, I move that the committee now rise and report that in the opinion of the committee the Government should not proceed with the refinery agreement in the Come-by-Chance Oil Refinery Project, until such time as better terms are secured from Shaheen Natural Resources Incorporate; including, the provision that the said oil refinery project be participated in by the Government of Newfoundland to have, at least, a fifty per cent equity interest in the said joint venture, so that at least fifty per cent of the anticipated profits of the oil refinery project accrue to the people of Newfoundland for the benefit of the people of Newfoundland whose credit is making the entire project possible.

Mr. Crosbie.

I have a copy of the amendment here, Mr. Chairman.

Mr. Chairman, I moved this amendment on second reading. When it was moved on second reading, the Speaker ruled that this should be moved in committee. We are now in committee. In committee, there has been no opportunity to move this amendment until now and the only place I can see that it can be moved. There is nowhere in the agreement, Mr. Chairman, that any amendment could be moved to this effect. You would have to move it with reference to the whole thing. We have already moved that five per cent of the gross profits should be changed to five per cent of the gross sales and so on. But there is no one place in committee where this could be done. So, I submit that this amendment is in order. Now there is no point in going through all the arguments that have been advanced here in the last few days, particularly when we were on second reading. It is my firm opinion that this refinery project is not for the benefit of Newfoundland unless we secure much better terms from Mr. Shaheen. It should be, at least, a joint venture. We should have, at least, fifty per cent of the ownership of it. We should get, at least, fifty per cent of the profits, because it is our credit and our money that is making it possible and at the present time this whole arrangement is too much for the benefit of Mr. Shaheen and too little for the benefit of the people of Newfoundland.

Now I could speak for one hour and ninety minutes and review all the arguments that have been made but I do not think there is any point in doing that. I think the issues now where we differ are well known and it is just a matter of this proposition being voted on. If this were, Mr. Chairman, as it should be, a fifty/fifty arrangement, I would go for it. If we had some part of the equity, I would go for it. If, Mr. Shaheen were obliged to reinvest part of his profits in Newfoundland, I would go for it.

MR. SMALLWOOD.: Point of Order. Mr. Chairman, I submit to your Honour, with all respect, that this matter of principle is settled by the House. The

Mr. Smallwood.

committee cannot upset what the House did. The House decided that there would be five per cent, not fifty, five. The House decided that. The committee cannot change that.

MR. CROSBIE: On that point, Mr. Chairman, I...

MR. CHAIRMAN: Order please! I think the gist of the hon. member's motion is that the committee rise without a report. The motion before the floor is that the committee rise and report the Bill and, that any member who wishes no report to be made would naturally vote against the motion that I am now going to put.

On motion that the committee rise, report having passed Bill no. 94 with some amendments, Mr. Speaker returned to the Chair.

MR. HICKMAN: Divide.

MR. CHAIRMAN: Those in favour of the motion please stand. Those against the motion please stand. I declare the motion carried.

Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bill no. 96 without amendment.

On motion report received and adopted.

On motion Bill ordered read a third time, now by leave.

On motion a Bill, "An Act To Repeal The Livestock And Meat Grading Act, 1953," ordered passed and title be as on the Order Paper.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bill no. 94, with some amendments.

On motion report received and adopted.

On motion Bill ordered read a third time, now by leave.

On motion a Bill, "An Act To Amend The Government-Newfoundland Refining Company Limited (Agreement) Act, 1968, And To Ratify, Confirm And Adopt An Agreement Made Between The Government, Newfoundland Refining Company Limited And Other Companies And To Make Provision Respecting Other Matters Connected Therewith," ordered passed and title be as on the Order Paper.

MR. CURTIS:    Mr. Speaker, might I tell the House that I am expecting his hon. the Administrator to be here about 5:30, if the hon. members would not mind interrupting the debate on his arrival, so that he could consent to these three Bills.

MR. SPEAKER:    Before we call the item that is on the Order Paper as motion no. (4), that is in the name of the hon. member for St. John's West, I want to make a few remarks about motions in general, and this particular motion in particular:

I would, first of all, like to refer - I have some doubts, I might say, but the reason I am doing this is that I have some doubts as to whether this motion is acceptable. For that reason, I want to put forward my reasoning as to why, in all probability, this motion is not completely in order. I will refer hon. members to page 162 of Beauchesne, fourth edition, Standing Order, no. 50: "whenever, Mr. Speaker, is of the opinion that a motion offered to the House is contrary to the rules and privileges of Parliament, he shall appraise the House thereof, immediately before putting the question thereon and quote the Standing Order or authority applicable to the case."

If hon. members would please turn to page 164, citation 193, the second paragraph: "if a motion is ruled out on the grounds that its wording is objectionable or its allegations are irregular, the mover is not thereby deprived." I just wanted to state that one in general terms. "If the irregularities are trivial or without bearing on the main purpose of the motion, the House may agree to rectify them, but the mover himself cannot amend his own motion." I just wanted to quote that one for reference a little later on.

If hon. members will now turn to page 166, still dealing with motions, and go to citation 198, it states in the second paragraph; "a motion should not be argumentive and in the style of a speech nor should it contain unnecessary provisions or objectionable words." I repeat, "a motion should not be argumentive

Mr. Speaker.

and in the style of a speech nor should it contain unnecessary provisions."

Further on page 167, citation 199, we have one paragraph dealing with the language of a motion, if it is offensive either to the House or to any member, the same proceedings may be had in relation to it, as are proper. Paragraph (4) of citation of 199 states as follows: "it is the Speaker's duty to call the attention of the House to the irregularity of a motion where upon the motion is usually withdrawn or so modified as to be no longer objectionable." I have to say that in relation to this motion, No. 4 on the Order Paper, to begin with, we have a multiplicity of items in the resolution stage of the motion itself - how a person can be expected to deal with such an idea, when we have five, six, seven sections in the resolution itself, and hon. members are going to be asked to carry the resolution or not as they see fit. They may quite easily be prepared to vote for say items 1,2 and 3 in the resolution and be against 4,5,6 and 7 or any particular section. So, I think the motion is bad in that respect, but that can be remedied by separating one part from the other in a vote.

At the top of the page on the Order Paper, we have here:

AND WHEREAS the Government of Newfoundland and Labrador were aware of the likelihood of such even occurring (that is referring to the closing down of the Argentia Naval Base or the reducing it to a standby basis) but had developed no overall plan to meet this contingency;

AND WHEREAS it is the responsibility of both the national and the provincial governments. The first part, in particular, I think is argumentive. I think that the seven items, plus the whereas's or the preamble to the resolution itself are argumentive and also that the same thing could have been accomplished by stating a simple resolution, so that we could have a debate on the resolution itself, dealing with the Argentia situation. Instead the hon. member, with all due respect to his

Mr. Speaker.

putting this resolution on the Order Paper, he has outlined a brief. It is more in the form of a brief than it is in the form of a resolution. I think it can be remedied to allow the hon. member to go on with his motion. But in its present form, I think there should be a lot of changes made in it, in order to make it acceptable to the Chair.

MR. CROSBIE: Mr. Speaker, I can see your point there in several respects. But the main purpose of this is to have the situation discussed. So, if the House agreed, I would agree with just the debating: BE IT RESOLVED that the Government of Newfoundland and Labrador act immediately to meet the crisis in the Argentinia-Placentia area. Just debate that.

MR. SMALLWOOD: What was that again?

MR. CROSBIE: Just the part here: BE IT RESOLVED that the Government of Newfoundland and Labrador act immediately to meet the crisis in the Argentinia-Placentia area. Just debate that. That is all right.

MR. SMALLWOOD: The hon. gentleman withdraws this one on the Order Paper and substitutes the one he has just read.

MR. CROSBIE: That is right. That is correct, Mr. Speaker.

MR. SMALLWOOD: By leave, he would withdraw this.

MR. CROSBIE: Right.

MR. SMALLWOOD: In fact he has to, it is ruled out.

MR. SPEAKER: I think it would be better wording, if we said, "by leave the motion was amended just to read the portion which the hon. member for St. John's read: "BE IT RESOLVED that....

MR. CROSBIE: BE IT RESOLVED that the Government of Newfoundland and Labrador act immediately to meet the crisis in the Argentinia-Placentia area.

MR. SMALLWOOD: Are all these preambles to remain.

MR. CROSBIE: No! No! I am just debating now: BE IT RESOLVED that the Government of Newfoundland and Labrador act immediately to meet the crisis in the Argentinia-Placentia area.

MR. SMALLWOOD: And all the rest is out except..

MR. CROSBIE: All the rest is out, except they are my views and I will speak on them. They are not part of the resolution.

MR. SMALLWOOD: Yes.

MR. CROSBIE: So, we have not got all that much time, Mr. Speaker, so I do not want to be too long myself, because we want to get some information from the Government. As all hon. members of the House realize, of course, there has been a serious situation in the Argentinia-Placentia area for sometime now since the United States Naval Base at Argentinia went or started to go on a standby basis. In my view, Mr. Speaker, there has been too much attention directed to the responsibility of the Federal Government alone or the Government of Canada alone, in this matter, because it is a matter, I regard as primarily, certainly being the responsibility of the Government of Newfoundland and Labrador to do what it can to help the Placentia-Argentinia area overcome these difficulties caused by this shut down or slow down.

It is the responsibility of the Government of Newfoundland to look after the economic development of Newfoundland, so far as it can, with all the help it can get from the Federal Government and others. It is equally our responsibility, Mr. Speaker, to look after situations such as those that occur or have occurred at Argentinia, where there is a loss of employment for practically the whole community.

It is not enough for us just to say that the Government of Canada must do this, that or the other or the Government of Canada must appoint a task force or the Government of Canada must supply monies. I feel it is, essentially, our responsibility. One of the problems in the Argentinia-Placentia situation, as I see it, is that there is no one



Mr. Crosbie.

agency of our Government that has taken some control of the situation , has established itself as being responsible, to whom people could address themselves, to whom people could go day by day, when they have problems and questions. There should be, in my view, at least one minister or one department of the Government, which this Government says is in charge, as far as this Government is concerned, of the steps that are being taken to alleviate the stress in the Argentia-Placentia area.

Now there may be a task force or there may not be a task force but a task force by itself is too diffused a responsibility. It is too remote from people. How do they get in touch with the task force? The task force is comprised of Provincial representatives, Federal representatives, representatives of the U.S. authorities and it is just too dispersed in its responsibility, in my view. I think that that is a legitimate complaint. I feel, Mr. Speaker, that the Government of Newfoundland and Labrador had plenty of advanced notice that there would be, at some point, in the near future, last year, in any event, notice that there would be a shut down of the U. S. Base at Argentia, and that the Government failed or was derelict in its duty in not having evolved some plan as to what would be done when that occurred. There has been no planning at all. When I was down in the Placentia-Argentia area last, campaigning, I was told by a half dozen people that they were sure that, within the next few months, there was going to be a major layoff in the Argentia Naval Base, and they were asking what the Provincial Government was going to do.

Well as far as we know, Mr. Speaker, the Provincial Government did nothing. It did nothing until the shut down was announced and, according to what you can read and see in the papers since, have done next to nothing.

Mr. Crosbie.

The announcements as to help for the Placentia-Argentia area have been announcements of what the Government of Canada is being asked to do or had done. That is little enough. So, it seems to me that our Government is failing. Our Government is right on the ball, Mr. Speaker, when it comes to saying that the Federal Government should make it a special area, or when

it comes to saying the Federal Government should provide money, right on the ball, right out there shouting, but when it comes to what our own Provincial Government should be doing it is very, very quiet, inaudible as far as we know. Now, I understand that some 700 people are laid off down there, although that disagrees with the figures the minister of Provincial Affairs gave us the other day, since it started around seven hundred.

Now, Mr. Speaker, there are several things were not done that should be done, that I had in a resolution before and which change the wording so it could be debated. One department of the Provincial Government should be announced by the Premier as responsible as far as our Government is concerned. It should be in direct touch with the people of the Argentinia-Placentia area. All members of the House agree that it should be a special area under DREE, The Premier explained the other day why this has not been accepted to date, because DREE is primarily to build up public services and they feel that this area has good public services now.

MR. SMALLWOOD: It is only building up intra-structure public services. One part is also to provide large cash incentive grants given to industries that go in. It is also that and it is also, thirdly, to pay costs of resettlement. There is an announcement made today or about to be made by my colleague the minister of Community and Social Development and the minister of Regional Economic Expansion, jointly today. I think the statement is coming today or tomorrow, on the third of these three.

MR. CROSBIE: Well everyone is agreed. We are all agreed that there should be a special area under DREE, for whatever benefits come in that way. I believe, I am not sure, the Premier said this the other day but it could be clarified, there is the question of a trade school being established in the Argentinia-Placentia area. I am not sure that the Premier said that was the policy of the Government or not. He will probably say when he speaks or when the minister speaks, but Federal funds are available for the construction of trade schools in this Province. The question we therefore have to ask the government is; does the Government plan to build a trade school in the Argentinia-Placentia

area to help in this particular situation? If they are not planning it, why not? Where are these trade schools going? Now, Mr. Chairman, I believe and I know it has been said before that it would much simplify matters of <sup>in</sup> rehabilitating and redeveloping the Argentinia-Placentia area if the United States Government would give up the Naval Base at Argentinia. They apparently have not agreed to do that. But my own feeling is we should be making a lot-

MR.SMALLWOOD: Not only not agreed to do it they have agreed not to do it. They have announced, they have declared they will not.

MR.CROSBIE: Even worse than I thought.

MR.SMALLWOOD: Yes, they will not do it.

MR.CROSBIE: The American authorities apparently will not-

MR.SMALLWOOD+: And they have every right not to do, they have a contract for 99 years a lot of that still to run.

MR.CROSBIE: That is right, no one can force the United States Government to give up the base. They apparently do not want to give it up. But, Mr. Speaker, our Premier is a man who is a personal acquaintance of the President of the United States, has seen him socially and so on.

MR.SMALLWOOD: Personal, very very personal. Not official.

MR.CROSBIE: Exactly, and that means that he is a man who has entree to the President of the United States and perhaps could influence the American policy in that direction.

MR.SMALLWOOD: That is a big assumption.

MR.CROSBIE: Well, I say perhaps. If that is so, then I would suggest to the Premier a quick trip to Washington. Perhaps we can get this situation reversed. What do the Americans want to hold on to Argentinia Naval Base for anyway?

MR.SMALLWOOD: Would the hon. gentleman believe that I ought, before going to Washington, to go to Ottawa? Go over Ottawa's head?

MR.CROSBIE: What Ottawa needs from Newfoundland is a bit more of the independence that Quebec shows. I say - I will not say it.

MR.SMALLWOOD: They may need it but they do not want it. I would not be too welcome going up there with a chip, the chip would be as big as me.

MR.CROSBIE: The Premier has been up there with a good many chips. Mr. Speaker, Libya, there was an American Base in Libya, they have certain legal rights there. Well the Libyans got them to give up that base. They have a base here in Newfoundland, which now they are not using. It is on standby basis. We know their legal rights, but if enough fuss is made about it, a strong enough position is taken about it, either by us or the Canadian Government, then the American Government can be persuaded to change its mind. I do not see why the attempt should not be made. I know we cannot -

MR.SMALLWOOD: Who says it has not been made?

MR.CROSBIE: Well, we will hear from the hon. the Premier whether it has been made, I suggest picket lines drawn up around the base, or a few episodes like that might change people's minds. In any event we have not heard the Premier say there have been efforts made. We have not heard about them. Let us make more strenuous efforts because now the American Counsel - the hon. gentleman is in the gallery today - has suggested that there would not be much point to our getting the base down there because there <sup>are</sup> limited possibilities of using facilities of the base. Some of the buildings are in a state of repair. that is doubtless true - disrepair - that is doubtless true Mr. Chairman, but I am sure that many, many of those buildings, down at the Argentia Naval Base, are in excellent repair and can be used and would be very useful for industrial or business purposes.

MR.SMALLWOOD: Would the hon. gentleman, before he sits down, repeat that resolution, I just want to hear the words of the resolution. Resolve that -

MR.CROSBIE: Resolve that the Government act immediately to meet the crisis.

MR.SMALLWOOD: Can I now speak in support of the motion? I would like to support it.

MR.CROSBIE: I certainly hope the Premier is going to speak because we want to hear the Premier, but I am going to go on for another. I would like to speak for an hour on this matter but, because we are pressed for time.

MR.SMALLWOOD: Neither the hon. gentleman nor I can really say anything in less than an hour. Each one of us needs at least an hour.

MR. CROSBIE: Now I am over on this side of the House, I can talk away. Now, Mr. Chairman, quite seriously, I would like the Premier to deal with that. Is there being enough pressure put on, either from here or Ottawa, to give us a chance to get the facilities of the base entirely? The Premier might have some opinion on that. We know that we are not going to take up arms against the American Government, to get the base, but the more pressure that can be put on the more likelihood there is that we might be able to get it. It is a suggestion that (perhaps the Government is doing it) that the municipalities of the Argentia-Placentia area should be put in the financial position to continue municipal services, in particular the Placentia water system is a sore point, as the hon. minister knows. Now I would like to hear as to what is the condition of the municipalities in the Argentia-Placentia area, the financial position now, in view of this crisis. Has the Government decided that they are going to insure that they will be able to continue, to be able to provide adequate municipal services? What is the position in the new water system for the Town of Placentia?

Another serious issue down there, Mr. Chairman, is the educational situation. There was a brief, I think, put in that we noted during the winter, about the strain on the school facilities in the Argentia-Placentia area because of the resettlement programme or people being moved into Placentia-Argentia. The school board there is finding itself strapped for funds and needed expanded facilities. Has the Government decided what is that situation the minister would know best he is -

MR. SMALLWOOD: The hon. gentleman happen to be aware of any part of Newfoundland that are not strapped for education money?

MR. CROSBIE: That is quite true, the Premier says they are strapped for capital purposes everywhere, but this is an area -

MR. SMALLWOOD: But not only capital but maintenance, operation.

MR. CROSBIE: But this is an area that is going to be of special concern because of the financial condition of the people living in the area. Has the Government decided on any particular programme to help maintain the school

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facilities in the Argentinia- Placentia Area? I believe the government did assist in school facilities down in Marystown when there was the great influx there because of the shipyard and the fish plant, There was some kind of a special programme to have school facilities extended. I would hope that the Government is going to take some stand on that or would let us know what provision is being made to maintain and expand these school facilities in the area. Finally the hon. minister could probably tell us this, but it is generally reported that some of the people being terminated at the base are not getting adequate termination pay and compensation for the years of service. I have that in the resolution, but the minister did give some figures the other day, that 211 were entitled to pensions, eleven disability retirement and so on. But is it the fact - what is our government doing, if anything, to assist people who having terminated, who are not entitled to pensions or disability retirement Just what is the position in that respect or is anybody in the government in charge of looking into it or assisting or doing anything about it, There has been very little said along these lines Mr. Speaker.

Now, I have not introduced this resolution to score points of the Government but I think it would be very helpful if we heard, if we had some information on these points. I want to end with some quotations of an article by Dr. John Ross that was in the Daily News of June 26. Now there were five extra articles in the paper, by Mr. Rex Murphy, on the whole situation

MR. SMALLWOOD: Is Rex a follower of the hon. gentleman?

MR. CROSBIE: I do not know. I do not believe that Rex is a follower of any one. He is a leader. They are too long to summarize here. Although they are much longer some of the points are along the same lines that Dr. Ross has made about the Argentinia-Placentia area. I thought the five articles were excellent, although they are quite long. But Dr. Ross says, and this was June 26, 1970. Dr. Ross was in the Cottage Hospital there for I think twenty years at least, I guess, I believe he is now moved to Port aux Basques. He says how the Placentia area has suffered a most major disaster and he says

what makes it more terrible is that it is unique and that it has been happening like a creeping paralysis for so many years. It was not unexpected, it should have been anticipated, it could have been anticipated it was not anticipated, in other words, it was utterly needless. As previously stated, the U.S. Naval Base has been phasing out for the past six years. The patronizing attitude of the base personnel, to the average Newfoundland employee, has developed as the result of conditions in Newfoundland, where one is lucky to even have a steady job. Under these conditions it is easy to stifle any threat to authorities, such as a trade union, and management is in full control. What I thought was so relevant about this, Mr. Speaker, is that that is our situation in Newfoundland really, as a whole, but magnified in the Argentia area. Because it is so difficult to get employment in Newfoundland, this is the general attitude that we are up against, where one is lucky to even have a steady job; he cannot be very militant about how he has been treated or what wages he has been paid and so on. This has always been the case in the Argentia-Placentia area. There has never been any union, I do not think, permitted on the base.

MR. SMALLWOOD: They do not have them on any bases do they?

MR. CROSBIE: I do not know, Mr. Speaker, whether they do or not. The self-respect of the individual is subtly undermined and he becomes less than a complete man. He becomes depressed, docile and is easily passified by any authority, "Thus, to date, there has been no outcry from the people most affected." how true Mr. Speaker. I do not know of another area that for the last six or seven months would be in this situation, where there would not be a great deal more outcry. He is critical of the government. He says; "the government witnessed the signs of closure and took no action, their inertia was truly remarkable." On top of this, government perpetrated their next catastrophe. They have resettled almost 1000 people into a disaster area." Now this is a comment being made by Rex Murphy, Dr. Ross and many other people who know the area; "How we happen to resettle people in there, when it was fairly likely that this



base was going to be phased down is incomprehensible." We gave them incentive we designated the area, we provided the means for them to go to the Argentinia-Placentia area, We should not accede to the requests of people, if it is not in their own best interest and we know that it is not in their own best interest. We do not want to resettle people where they do not have employment. What is the point of that?

MR. SMALLWOOD: If the hon. gentleman wants any other speeches -

MR. CROSBIE: I am just going to finish up because -

MR. SMALLWOOD: Do what the other member told him to, cut it short -

MR. CROSBIE: Right -

MR. HICKMAN: Will the same thing apply to the hon. the Premier when he -

MR. SMALLWOOD: Same thing applies - I do not want more than twenty-five minutes.

MR. CROSBIE: I want to end up with Dr. Ross's words: "The signs were noted long ago by those working with people in the fields of health and social welfare, they are multiplying daily. To reiterate, it is not the fault of the people in these communities, the signs were there, they were ignored by those in authority. The community deserves better treatment, it deserves a chance for survival, it deserves to be told why it was almost pointedly ignored in the DREE programme and why no thought was taken for the morrow. The social ills of unemployment, on such a massive scale, are great and demoralizing and all the more so when they are the result of lack of ordinary foresight." I do not know anything about Dr. Ross, other than he was in charge of the Cottage Hospital there. So, Mr Speaker, I move the resolution, which is now cut down to this: "Be it resolved that the Government of Newfoundland and Labrador act immediately to meet the crisis in the Argentinia-Placentia area:" I am not satisfied that our government has to date. I would like to know, the people of the area would like to know how the government is now acting and what they plan in the future. Will <sup>we</sup> be fobbed off by making repeated attempts to get Ottawa to help, without doing sufficient ourselves? After all, if the government is on the one hand trying to establish 400 jobs at Come by Chance, they

cannot just stand by and see seven or eight hundred jobs go in Placentia. I suggest there are some steps the government should take, and I would be pleased to hear what the Government's plans are to help this area.

MR. SMALLWOOD: Mr. Speaker, I rise to support the motion moved by the hon. gentleman. I do so in the hope that all my friends in this House will vote for it because, clearly, it is the duty of the Newfoundland Government to do everything in its power to help relieve the situation in and around Argentia, that whole area there. It is also the duty, of course, of the Government of our Nation because that area is part of our Nation. We support the resolution and in doing so we have to say, in commonsense and in common honesty, that we have done a lot. We have been doing a lot and the Government of Canada have done a lot, as well, to help the situation. Today you have at Long Harbour a big industry, with over 500 men working in it. And forty per cent or more of those men are working in that plant at Long Harbour from this area, forty per cent or more of them are working in that plant, ERCO Plant, from around this very area.

MR. CROSBIE: You mean forty per cent of the men laid off or just -

MR. SMALLWOOD: Forty per cent of the jobs in Long Harbour are held by men from that area. Now, that would not be possible, that kind of help could not be given and would not have been given but for two things, one done by the Government of Canada and the other by the Government of Newfoundland. The Government of Newfoundland put the ERCO Plant there. So that the Newfoundland Government are to be thanked for that. The Government of Canada built a \$7 million road, a paved road which enables men to get back and forth to work. Without that we would not have forty per cent or more of the jobs at Long Harbour today, filled by men from this what has now become disaster area.

The Government of the Province spent many many millions of dollars in and around that area providing, making the place more liveable, making it more habitable. That is true. That is true. If the Government of Newfoundland had not spent that money and the Government of Canada had not spent that money and

the only money that had been spent was that spent by the United States Government, then the United States money, welcome as it was, wonderfully, as useful as it was, would have left the community there not half as good as it is today. Not half! Now, may I correct the hon. gentleman on one or two things.

There is a union in fact on the base, and has been for quite some considerable time, known as the Union of National Defence Employees. Then may I say also that the base is not... it is not correct to state that the base is on standby. It is not on standby. It is operative, operative on a smaller scale but nonetheless operative. May I inform the House that a lot of important secret defence work is now presently going on at that base and will continue to go on. These are the reasons why it is just futile, a waste of breath, to talk about going to the United States Government and asking them to pass, to deactivate the base, to get out and pass the base over to the civilian authorities. It is useless for the Government of Canada to do it. It is even more useless for the Government of Newfoundland to do it. I can assure this House that, even if the Newfoundland Government were to do it and were to succeed, it is one thing for the Newfoundland Government or for me to go to Washington and endeavour to get the United States Government, to get the President of the United States, to turn the military base over to the Newfoundland Government-it is one thing for us to go and try to do it it is another thing to succeed. But suppose we succeeded, over the heads of Ottawa, the price we would pay for that would be grievous. The Government of Canada will not tolerate it, any Province, usurping its rights. There is one Canada, only one, one Nation, one Government of Canada, one foreign office and the Ambassador of Canada, in Washington, is the Ambassador of Canada. God knows we have heard and read enough in recent months about that, that we do not want to find ourselves or trapping ourselves or being trapped into emulating the stupid, the unutterably stupid conduct of Quebec, trying to be a Nation. I have more than once gone to Washington, on a purely personal basis, to talk to

people that I knew, on a personal basis.

Now, the hon. the member for Burin talks -- if he does not mind my saying, I do not want to be offensive, he talks the most arrant nonsense when he says, "reactivate that base, make it a base again." Look, if there is one thing that Newfoundland has learned it is not to put your trust in princes and by princes I would substitute bases, not to put your trust in bases, God In Heaven, look how much we depended on the base at Fort Pepperrell, look how much we depended on the bases at Stephenville, look how much we depended on the base at Argentia, look how much we are still depending on the base in Goose Airport, the great American Base there, and Canadian Bases.

MR. MURPHY: The hon. member referred to Canadian Bases.

MR. SMALLWOOD: I know he did. I know, I heard him. I have good hearing and he has the gift of clear cut-exposition, so I made no mistake, I heard, I understood what he said. But I say, whether American or Canadian -- there was a great Canadian Base in St. John's, that is gone, there was a Canadian Base at Gander, that is gone, there was a Canadian Base at Goose, that is gone and if anything, if we have learned anything in Newfoundland, since the war, it is not to put our trust in bases. A base is here and gone tomorrow, here today gone to tomorrow, here today gone tomorrow. Look at the tragedy of Placentia and that whole area up there. Look at that tragedy because a great <sup>base</sup> was built up, men worked there twenty-two, twenty-four, twenty-five, twenty-eight years. They gave their entire lives to that base and they drew down big money, they lived well, built nice homes, they educated their children and, all of a sudden the rug is plucked completely out from under them, and they are left high and dry, and this resolution is brought in here today asking the poor little government of this little Province to substitute for the Government of that vast nation, the United States, Do you think we can do it? Do you think that even the Government of Canada can substitute that, in that area, for the Government of the rich United States? The answer is no.

Now what is the answer?

MR. COLLINS: Would the Premier agree though that there is neither --

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MR. SMALLWOOD: No, that is not why they are maintained. Not only that but let us face this now, let us face this, man-fashioned, If there are going to be bases in Canada, we would like to have our share of them, but, but, but, let us face this fact, that the sooner there are no bases in Canada the better.

MR. MURPHY: The sooner thousands of people would starve to death.

MR. SMALLWOOD: No, substitute. Substitute, for military bases in Canada, something -

MR. HICKMAN: Peace Corps -

MR. SMALLWOOD: Peace Corps, if you like. That is not what I was going to say. Substitute something much sounder. Now, incidentally, the House will be interested to hear, I am sure, that a great oil company, (we have been talking a lot about oil in recent days) a great oil company, AMOCO, which is really I think Standard Oil of Indiana, AMOCO Oil Company of Calgary, that is really a wholly owned Canadian subsidiary of Standard Oil of Indiana, are now expressing very active interest, and I say active interest, in the idea of using some of the facilities at Argentia for their oil rigs, their off-shore oil rigs. This would mean they would be back and forth servicing vessels, would be back and forth, the aircraft, the helicopters, I suppose, would be back and forth, repairs, supplies and what have you would be stored there, and it would be a little hive of activity, Maybe the employment of thirty, forty, or fifty men. I do not know what it would be but <sup>at</sup> any rate I would rather see them there than not there. Engineers for AMOCO will be in this Province, on the twenty-ninth of this month, and they will visit Argentia for the purpose of determining whether the great wharf there and may be that big shed on that wharf - the shed, by the way, is in poor shape and we have had estimates made, if we were to get hold of that shed, of the cost of putting it in shape, putting the roof on it. The cost we estimate to be anything up to half a million dollars. Because we have been trying to get industries to move in there. We have

MR. SMALLWOOD (J.R.): Negotiated with several industries asking them to move into Argentina, telling them what was there and what we were in a position to offer them. Why were we the Government in a position to offer? Because, the Government of the United States, through the Consulate General of that nation, the Consul General of Newfoundland, offered us that great wharf, that great pier, which must be half a mile long - over a quarter of a mile long, well over a quarter of a mile long and with water reasonably deep. It is true that out near the mouth coming in, you would have to do some dredging, if you are going to get really sizeable ships, but it is a good spot for shipping, a good spot for an industry that requires ships in an out, in and out, bringing raw material in, finished products out.

SERGEANT-AT-ARMS: His Honour the Administrator has arrived.

MR. SPEAKER: Admit his honour, the Administrator.

May it please Your Honour, the general Assembly of the Province has at its present session passed certain Bills to which, in the name and on behalf of the General Assembly, I respectfully request Your Honour's assent.

A Bill, "An Act To Amend The Government-Newfoundland Refining Company Limited (Agreement) Act, 1968, And To Ratify, Confirm And Adopt An Agreement Made Between The Government, Newfoundland Refining Company Limited And Other Companies And To Make Provision Respecting Other Matters Connected Therewith." (94)

A Bill, "An Act To Authorize The Lieutenant-Governor In Council To Enter Into A Supplementary Agreement With Newfoundland Pulp & Chemical Co. Limited Further To Amend The Agreement Made Pursuant To The Government - Newfoundland Pulp & Chemical Co. Limited (Authorization Of Agreement) Act, 1960, The Act No. 72 of 1960, As Heretofore Amended And To Make Certain Statutory Provisions Relating To That Agreement." (95)

A Bill, "An Act To Peepal The Livestock And Meat Grading Act, 1953."

HIS HONOUR THE ADMINISTRATOR: In Her Majesty's name I assent to these Bills.

MR. SMALLWOOD: Mr. Speaker, in view of the shortness of the time and the fact that the official Opposition, I would imagine, wish to express a point of view, about this resolution view of the fact that I have said everything I want to

say or ought to say in any case, which is mainly the fact that we wish to support the resolution though we repudiate, we repudiate indignantly any suggestion or thought that we are not active and energetic and sincere in our efforts to help the situation, I yield the floor to my hon. friend.

MR. MURPHY: Mr. Speaker, I wish to thank the Premier very much for giving us a chance to support this. In supporting it, just what we can add to the resolution or to the actual need of this distressed area, I am not very clear on just what we can do.

In the petition by this very concerned group, from this area, is asked complete commitment of the Government and of our Federal Government also to assist them. Now I am not foolish enough or crazy enough to say that either of these Government have refused to commit themselves to assis.....

MR. SMALLWOOD: By the way, would the hon. gentleman allow me to put his mind at rest, if he thinks that there is anything cooking between the fact that I am supporting the resolution seeing where it was proposed, could I let him rest easy.....

MR. MURPHY: There is no need whatever to put my mind at rest.

MR. SMALLWOOD: No need?

MR. MURPHY: The Premier being the political personage he is could not but fail to support this petition.

MR. SMALLWOOD: I do not get any credit. He means that I am not getting any credit at all?

MR. MURPHY: Quite honestly it is quite difficult for any member to try to speak when - this has been constant from the opening of this House, and there is a section, and one of these days I hope that some speaker in this House will see that the rights of this House are carried out, and anybody continually interrupting will be asked to leave the Chamber. They have been asked to leave for less than that.

MR. SMALLWOOD: You cannot do that, you cannot do that.

MR. MURPHY: I am quite serious about this Mr. Speaker, it is a very serious matter Sir. When we get on something serious, this is the time the Premier decides to have jokes with his neighbours on the other side and everybody gets a

great kick out of it. I think it is very, very ignorant, very ignorant of any member to try to interrupt and make fun when anybody is trying, to the best of their ability, to put before, this House, Mr. Speaker, a very, very, very serious matter. A matter that affects hundreds of families and I presume thousands of children in this area who have to look to this Government to try to help them in their great need at this time. I am very serious on that Mr. Speaker, it may sound corny but I am just about at the end of my patience.....

MR. SMALLWOOD: May I assure the hon. gentleman that the joking had nothing to do with him.

MR. MURPHY: Where?

MR. SMALLWOOD: This private joke.....

MR. MURPHY: To get up in this House, with what limited capabilities you have, and whatever you can do to the best of your ability, and sort of be made a joke of, as if there is only one person in this House who can project anything sensible or worthwhile. I said that earlier today and I mean it. This is too serious now. The hon. member has submitted this thing on behalf of a group of very, very interested and worried citizens and the least we can do, Mr. Speaker, is try.....

MR. SMALLWOOD: Support it.

MR. MURPHY: To support it and try to seek some remedy for it. The only question I have to ask at this time is just how far the Government has gone, what type of committee. I know the hon. member (and I cast no reflection) must be very, very worried. As he said, he is embarrassed at this time because the request was made to this band, this task force that we have heard so much about. As I understand it, this task force is operating by remote control. I do not know how close they are, how closely communicated Mr. Speaker. I only say, in the limited time (my hon. colleague from Burin wants to say a few words), that I feel that the time is now not arrived, the time is not passed, at least it is essential now that a very active committee of this hon. House be set up to deal with these matters. I heard a statement by the Consul General, representing the United States. I have heard the Premier's remarks on the same thing. I heartily agree that we as a Province have no right to go over the head of the Federal Government. I do



not think we would be foolish enough to take that attitude. There are many buildings, as far as I can understand, (I have not visited Argentina for five or six years) but there are many buildings there, (a recreation centre so they tell me) that are in very good condition and even at that, it might get us something. It may not have to do with the economic part of it, but at least let us try to salvage what we can and obtain from the U.S. Government something there that is salvageable.

I understand that a lot of the buildings are in a state of disrepair and need a lot of money spent on them. I only ask, Mr. Speaker, that this House, this Government, set up a very active committee of different departments, as requested in this petition, to give themselves a total commitment to this area, to try to assist them. This great emergency is aggravated, as we are all aware, by some twelve hundred families, people that have been moved into the area as a result of resettlement from the islands in Placentia Bay. These people are adding to this very great problem, and I know that their position, as such, must be very serious also.

Mr. Speaker, I will not delay the House. I understand my hon. colleague from Burin would like to have a word on this situation.

MR. HICKMAN: Mr. Speaker, there are a couple of points I would like to make with respect to this resolution. One is that when you deal with the Argentina and you think of the Argentina - Placentia area, that, as a member for a south coast constituency, one has to bear in mind that the Argentina - Placentia area is a very integral part of the south coast of this Province, although an awful lot of people in Newfoundland do not seem to understand that. There is always great reference to the southwest coast of Newfoundland. The south coast of Newfoundland, which extends from Cape Race to Cape Ray, their problems are primarily and basically the same. I believe that in attempting to help one part of that coast you cannot but help the rest of the region.

True it is that the Argentina area would like something more staple than simply what the Federal Government is prepared to hand out in the way of public services. It is equally clear, and even more realistic, to accept the position that you cannot pluck industries out of the air and put them down in Argentina.

What do you do in the meantime? You look around and you try to see what Federal public works, what Federal public services are available to Canadians from Vancouver to St. John's, and see if any of these services can be fitted in to the Argentia - Placentia complex, in the hope that you can get something maybe in the future with more stability, but that you maintain the population now.

Make no mistake about it Mr. Speaker, there will be no point in walking into Argentia in 1975 and say 'I have an industry,' that will be a waste of time. The work force will no longer be there. They are not going to sit around for several years hoping for employment. Mr. Speaker, that is why I raise this arrant nonsense as the Premier describes it, of talking about a defence establishment in Argentia. Not the reactivating of it, but the taking of an active base today and using a portion thereof for Canadian Defence Forces.

Everyone knows that a lot of the money that is being spent in Canada today on defence is purely and simply pork barrelling and nothing else.

MR. CROSBIE: P.E.I. is the proof.

MR. HICKMAN: The best example of this is Prince Edward Island.

MR. SMALLWOOD: Would the hon. gentleman allow me to tell him that the Canadian Government offered to substitute for the American forces at Argentia, and for the Canadian forces to carry on what the Americans were doing?

MR. HICKMAN: Would you, I did not.....

MR. SMALLWOOD: The Canadian Government offered the United States Government, if the United States moved out, that the Canadian Armed Forces would move in on that base.

MR. HICKMAN: For the purpose of .....

MR. SMALLWOOD: Carrying on.

MR. HICKMAN: Not defence purposes?

MR. SMALLWOOD: Yes, uniformed armed forces.

MR. HICKMAN: Yes I know, the weather spotters and the fellows looking for ice bergs. A few civilian jobs. Let us take a look at strategic Prince Edward Island. It has an air base in summer time. The Government of Canada announced.....

MR. SMALLWOOD: It is half their economy.

MR. HICKMAN: The Government.....

MR. SMALLWOOD: The armed forces are half the economy of Prince Edward Island.

MR. HICKMAN: Will you - Mr. Speaker, do I have the right to speak uninterruptedly or not?

MR. SMALLWOOD: Yes, the answer, is yes.

MR. HICKMAN: Fine, that is what I propose to do. Strategic Prince Edward Island has an air base that contributes to the economy of Prince Edward Island \$11.5 million a year. The Government of Canada, in its wisdom or otherwise, decided and announced that it was going to close it. The Premier Alec Campbell publicly went to Ottawa and demanded of the Prime Minister of Canada and his Government, that that base not close. He did not go up, and he did not even argue, I guess he did not have the temerity to argue that Prince Edward Island is of strategic importance to the eastern coast of Canada.

He went up and he laid his cards on the table and he said, 'we need this money. This is the greatest single employer of labour dollars and cents wise that we have on the Island of Prince Edward Island.' The Government of Canada changed it, it was pay welfare benefits or provide employment by continuing that base.

Then you go over into the Province of Nova Scotia where they spend \$145 million a year. Some of it because of strategic importance. You go down in the valley where they have the great big naval base at Cornwallis, employing twice as many men as Argentina. I do not know what they guard, maybe it is a few sardines. You cannot get a boat into the naval base. Then they have an air base up at Wolfville somewhere.

What I am saying is this; it is obvious that the Government of Canada is going to continue for the indefinite future to spend money for defence purposes. There is no question about that. Maybe they will be reducing it, maybe there will be more unification, but on the east coast of Canada you can always count on something in excess of one hundred, maybe two hundred million dollars being spent for defence purposes, both from a strategic point of view and from the point of view of training programs.

Just look at what is being spent in the Province of New Brunswick right

now, by the Department of Defence, \$59 million, most of it, if not all, on training service personnel, soldiers and airmen etc. in Cape Town.

Is it unreasonable? Are we being silly? Are we talking arrant nonsense when we ask the Government of Canada to implement what was intended when we became part of this Confederacy, to spend some of that money in Argentina? They are not going to be faced with substantial expenditures on wharf installation and the type of installation that are needed for defence purposes.

MR. NEARY: (Inaudible)

MR. HICKMAN: Nothing, I submit, Mr. Speaker, that it is not sensible in that suggestion.

Now, Mr. Speaker, we have been told that the Government of the United States will not give up its ninety-nine year lease on Argentina. What we have not been told is that the Government of the United States would undoubtedly give up a portion of the land that is covered in the ninety-nine year lease. Those of us who come from the south coast, when our only means of getting back and forth was through Argentina, know that that harbour, whilst it may not be as deep as Marystown or one or two other good harbours such as Bay d'Espoir that we have, Burin and Trinity, it is still a first-class harbour that could accommodate very large ships. Once you get in there over on the other side of the harbour across from the actual installations of the navy, you have tremendous potential for the development

MR. SMALLWOOD: That is Marquise.

MR. HICKMAN: Beyond Marquise, over far beyond Marquise. From time to time there has been agitation and representation for the Placentia area, long before this one, that that land should be released, I believe that there has from time to time been an indication, purely an informal indication, that the Government of the United States, which has never used that part of the harbour, would be ready, willing and able to relinquish its rights on that side, if some indication were given that it could be put to good use.

You could take Harmon or Stephenville Harbour and stick it up in one little corner of Argentina, and you still could not make a harbour out of Stephenville. It is a good harbour but nothing like you have in Argentina.

AN HON. MEMBER: It can be made a harbour.

MR. HICKMAN: Oh you would not use that for a basin for mooring Yachts in Argentina. It has the strategic location, could not be improved on, it is a first class harbour, and some of that property can be made available right now. I can see why the United States will not let its defence installations go now, because they may require it in the future.

Now Mr. Speaker, there is another small industry, a declining one in Argentina, but it is one that has been there long before the U.S.Bases.

MR. SMALLWOOD: Would the hon. gentleman allow me to interrupt. So that Mr. Speaker will not leave the Chair and come back at nine o'clock, could we agree that we go on for a few minutes because, the member for the district, I think, would like to - the Speaker does not see the clock yet.

MR. CROSBIE: We will come back Monday perhaps.....

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MR. CROSBIE: Come back on Monday perhaps.

MR. SMALLWOOD: Glutton. Get Mr. Wells here.

MR. HICKMAN: Mr. Speaker, for a long, long time, long before I was born, Argentia was the terminal for the CNR and before the Newfoundland Railway Marine activities along the south coast of Newfoundland. These activities seemed to be slowly but surely decline. Some of it is necessary. Some of it is unavoidable. The fact that Terrenceville is becoming more and more of the terminal for Fortune Bay and part of the south western shore is the direct result of the opening up of more and more highways.

But at the same time, Mr. Speaker, we saw two or three years ago, with a great deal of delight, the implementation of a terminal facility there for the Ambrose Shea. Ever since that boat came into operation, there have been rumors and the CNR has a habit of sending a rumor out a year or two in advance, to fly a kite to see if it can get public reaction. This rumor, this kite, is flying almost continuously, with reference to the Ambrose Shea. The boat is not paying. It does not have the passenger appeal that had been anticipated. It is difficult to keep it on schedule. Anything is difficult, if the CN does not want to make it work. If the CN wants the Ambrose Shea work, there are two or three things it can do. One is that it can tell Mainland Canadians that there is a service between Argentia and North Sydney. It is something that it has not quite brought itself to do yet. Secondly, it can cut the rate, which it has done now to some extent, but again only after public outcry.

Then you come to the third thing and why I said in the beginning that when you talk about the south coast of Newfoundland, you have to deal with it as a complete entity.

Mr. Hickman.

The Ambrose Shea or any other ferry or ferries that may operate into that port, and if Argentia is going to be maintained as a viable port for the Avalon Peninsula, bear in mind, Mr. speaker, you still have a very large percentage of Newfoundlanders living on the Avalon. They have to be fed and clothed and everything else, Freight has to get in here somewhere. The Ambrose Shea, leaving North Sydney and going to Argentia nonstop, may never be a viable operation. But if the Ambrose Shea would stop at other south coast ports, one or two, not enough to completely destroy the whole purpose of the Ambrose Shea's construction and building, so that business can be generated, not just the tourist business, not simply July, August and part of September picking up a few motor vehicles and bringing them in. but so that it can handle enough freight to keep us going on a regular, frequent basis all year round. Obviously, the greatest beneficiary of that type of program would be the people in the Argentia-Placentia area.

Mr. Speaker, we have been agitating, down where I come from, for a long time, to have that boat call at a Burin Peninsula port, not for any prestigious reasons, not simply for the convenience of an occasional person down there to put a motor vehicle on and get over to Sydney without too much trouble and drive away, but for a far more vital reason, Mr. Speaker, We believe that, if we had on the south coast that ferry service commencing in Argentia, operating on to the Burin Peninsula, that there would be sufficient activities generated, freight-wise, to make this a viable operation and to justify more frequent trips in and out of Argentia to North Sydney.

Because, Mr. Speaker, one of the things that we have missed right along the south coast, except in Port-aux-Basques, we have not been able to break into the very lucrative fresh fish market that our counter parts in Nova Scotia have been able to do. People ask the question; why is it

Mr. Hickman,

that deep sea fishermen in Newfoundland do not have the same returns as the deep sea fishermen in Nova Scotia? The answer is very simple. Forty per cent of the production of cod and ground fish landed in Nova Scotia goes straight to the markets, nonfrozen. We cannot get in there. Why cannot we get in there? Because we have no rapid means of transportation from the south coast to North Sydney.

Mr. Hardy in Port-aux-Basques had been able to avail of it because of the William Carson, and he now has gotten into that market. But just think what would happen, Mr. Speaker, if the Ambrose Shea would go into a port on the Burin Peninsula every second day. Then you can take your fresh fish in these refer trucks, ice it down, deliver it to a far, far more lucrative market than even the American Frozen Fish Market. How is this related to this resolution. It is related in this way, Mr. Speaker. That right now the Ambrose Shea and any other ferries that may ever be built, even if you have an intensive advertising program, even if you reduce the rate, that, as a means of conveying tourists, it has a very, very limited season. What you want in an area, if possible, is continuous operation. You will get continuous operation of that ferry and profitable continuous operation of that ferry, if on route, it will take that two hours diversion or three hours diversion, and that is all that is required or less than that, as my hon. friend from Placentia West said, and meet the demands to move freight to and from Nova Scotia to the Burin Peninsula. This is why I say, Mr. Speaker, that we should not be ashamed of asking the Government of Canada to extend some public works to Argentia. We should not be ashamed to suggest to the Government of Canada that Argentia is suited for certain defence purposes and they should be availed of now. That is why I say, Mr. Speaker, that we should not be ashamed for this House to endorse the proposal that the CN facilities can be expanded



Mr. Hickman.

at Argentinia, if somebody could ever hammer it into the head of the Department of Transport and the CNR that it is a public service, whilst it might be very desirable for it to be a profit making organization, making a profit should be of secondary importance to the Crown corporation known as the CN and the CNT. Everything I can see around me in Newfoundland today indicates that service comes second and the profit motive has taken over the CNT, in particular and the post office and the CN. That seems to be the yardstick now; profit rather than service. If we could give them a bit more service, in the long run they would generate the activity that is necessary to do it.

Mr. Speaker, sometime Argentinia, with its facilities, must attract and will attract some viable permanent industries. But the immediate problem, the immediate problem is to keep that town and these townships viable at this time. This is why this resolution is so very much in order. And secret negotiations, cute little negotiations, secret telephone calls, a dinner in Ottawa or a luncheon somewhere else, that is a waste of time. Why is it that other provincial governments, when faced with a crisis such as this, never hesitate to go to Ottawa, never hesitate to publicly put their position, never hesitate to go, regardless of party affiliation. Liberal Premier Alex Campbell did not hesitate to go to Liberal Prime Minister, Pierre Elliott Trudeau and demand rights for Prince Edward Island, even though was seriously embarrassing, politically, the Prime Minister of Canada, and he got results.

The Prime Minister of Saskatchewan, he does not hesitate to go, when he wants his wheat sold, and embarrass the Government of Canada, if necessary, but it always brings results.

Mr. Hickman.

It is the cute little secret negotiations that cannot be tabled. They are abysmally unsuccessful. Mr. Speaker, this is why this resolution, I hope, commends itself to all members in this hon. House.

MR. FRECKER: Mr. Speaker, I realize that you are not completely blinds, so I will not take up more than two or three minutes of your time. The first thing I would like to say is that I am very happy that we should end on a note where both sides of the House agree and harmonize their thinking on a very, very important situation. Their help, we thank them for. We have been trying our best, and I may say, Mr. Speaker, not in secret at all. As an example of that, I may say that in the press there have been indications or intimations that there have been secret negotiations, that the meetings of the task force have been held in secret.

Now the very first meeting that was held may not have been sufficiently announced to make people realize that it was open to the public. The second meeting was made known over the year and through the press that it was open to the public. I would like to say here that I was greatly surprised that the author of a very fine article that appeared in the press, minus a little arsnic that was thrown into them, was not present at that meeting, and I told him so later.

Now I should like, without taking up too much time, just to put on record again some of the things that are being done. The hon. the member for Burin mentions that the fares on the Ambrose Shea had been reduced. They have. I did not hear him support the idea of the Ambrose Shea coming into St. Pierre, but some of the Placentia people would want that. Others are not so concerned about it because they say it would take away from the time the passengers might have in the local that is in the Argentia area.

Well, there is a reduction of fares. There is the construction of a

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chalet, a tourist chalet in Dunville, which is supposed to be regional in concept and there is some dissatisfaction about that, Mr. Speaker, and I understand that there will be some further negotiations about it. There is also \$100,000 allocated, Federally, for the development of tourism in the area, but with a little catch that this is a cost-sharing program, which makes it extremely difficult for the Provincial Government. A training seminar that is for the, you know, catering to people, was carried out in the local, in the area recently, July 20th and forty-six people took that training course. Activity on Castle Hill has been accelerated and only today I learned that some four or five, six people will start work on that project around August 17th and before the Fall there will be between twenty-five and thirty people engaged on that restoration of Castle Hill. Funds have also been allocated for the construction of a Provincial park at Fitzgerald Pond, and here again we are up against the same old nigger in a wood pile. It is a cost-shared program.

The business of helping the fishermen: There will be a meeting of the subcommittee on the fisheries this coming Sunday in Placentia, under the chairmanship of Major Cyril Pittman who is charge of the subcommittee on fisheries. I believe that some of the Federal people, from the Fisheries Department, will be out, to explain how they may work out this thing so that they can get Federal aid. There is any amount, I understand, of Federal aid available to fishermen, once they do certain things, and one of the things they have to do is organize themselves. I may say that two years ago, speaking again of this business of people not being helped, two years ago, Mr. Aiden Maloney and Mr. or the late Ross Young and I went out and tried to help these fishermen to organize and we were told later that this was just a sort of catch by the Provincial Government to get off the hook sort of. The idea was that, through DREE or Social and Economic Development, they would be supplied with all the materials they need to build

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a community stage or to build separate stages for themselves, provided that they would do the work. Yet political opposition sowed the seeds of discord among these people and urged them not to accept it.

Now we are up against the same problem again today, that money is available to build a ship yard and to build a community stage and to build a holding station for both fresh and salt fish, if the people will organize and become incorporated and make application. Now unless they do that, we are helpless to help them. They must first help us to help them. It can be co-operative or they can become incorporated in any legal way, but the Federal Government will not help individuals. It has to be done between the Government and incorporated units. It should be interesting to note, Mr. Speaker, that the use of the Argentia airport - I am just trying to point out that it is not a matter of nothing having been done. It should be interesting to note that the use of the Airport, as an alternative for Torbay, had been approved by the Minister of Transport.

However, the continued use of Argentia for this purpose became impossible because of the phase out of the airport's control tower, runway lighting and firefighting facilities. It was not that we were not interested in doing it. Furthermore, the Provincial Government endeavored to find suitable space on the Argentia Naval Station to have an operation there for the maintenance of all Government airplanes. That fell through, because we could not find suitable space. When people speak of all these buildings that are available on the airport, Mr. Speaker, they are talking through their hats, because Mr. Herman Batten, the Chairman of the Provincial Committee, and I spent a whole day on the base. We went through the whole base, in company with Captain McCarthy and Lieutenant Bennett, and we saw all the buildings and in every case, the buildings that were suitable for our purposes were needed by the United States authorities and those that were

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available were in such a state of disrepair that it would have taken a fortune to put them in useful form.

A survey has been concluded, with regards to the Queen Crab potential in Placentia Bay. The report is most favourable. This came out at the meeting held at Dunnville last week. Plans for the community stage, I mentioned that.

A meteorological observation station at Point Verde is to be set up. These are just a few things to show you, Mr. Speaker, and to show hon. members of this House that it is not just a matter of lying down and allowing things to happen. We are working and I should like, in my concluding remarks, to point out, as I tried to yesterday, that the task force that has been set up is one of the best committees that I have come in contact with in my thirty years in the public service, both as a civil servant and in the Government. It is made up Federally, Provincially and locally and at the local level the key people are all elected representatives of the people; the mayors and then there are subcommittees on various facets of the economy: tourist development, industrial potential and a number of others; fisheries, for instance. These subcommittees report to the local committee. The local committee reports to Provincial committee and Provincial committee to the Federal committee. The idea was that, at the crown of all this, there was to be a subcommittee of Cabinet ministers, Federal, with Mr. Jamieson, the hon. Mr. Jamieson, the hon. Mr. Marchand and the hon. Mr. Davis, who would have direct access to the Cabinet. There was proper integration and Mr. Rupert Prince was designated as the co-ordinator for the Federal part of that task force and Mr. Herman Batten was designated as the co-ordinator for the Provincial part, and Mr. John Whalen for the local. So, it was a very, carefully organized committee, task force which kept into its membership all the various types of Government services that would be needed to rehabilitate

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not just the mayors of the area. They might kick up a bit more fuss.

I believe that the people of the Argentinia-Placentia area will not think that what is suggested to help them is a product of stallions or mares.

But the hon. minister and the Government do not appear to the public and do not appear to me and I am sure to many members of the public, to have made what the residents of the area have asked for, to have made a strong commitment, you know, that this area is going to survive. What our Government have done appears to be smaller things, minor things such as the hon. minister just mentioned and not - there has been no commitment today. The Premier never got up and said today, "we are going to see that all municipal services are maintained and carried on, and that we will make special assistance available." The hon. the Premier has not said that the school and education facilities of the Argentinia-Placentia area will be maintained and expanded and, as needed, with special assistance by the Government. He has not said that that is a principle the Government recognizes. The Government have not said that. Nothing has been said about the trade school. Nothing has been said about the Placentia-Argentinia.. The hon. Minister of Mines, Agriculture and Resources asks, are schools going to be closed? Who is talking about the schools being closed? The situation now in the Argentinia-Placentia area is that the school facilities there are inadequate now to serve all the people who have moved into the area, and the people of the area have not got the money themselves to expand them as they need to be expanded. Special assistance was given to Marystown when the need arose, two or three years ago, but the Government have not said -

MR. CROSSIE: The area does not have the money themselves to expand them as they need to be expanded. Special assistance was given to Marystown when the need arose three or four years ago, but the Government has not said that it will commit itself to do that in the Placentia - Argentia area, which is a surprise.

Bell Island is in the same situation. The Government's response to the resolution has been disappointing. We have not had sufficient time to debate it properly, but in the time we have had, a great commitment to maintaining that area as a viable area to my mind has not been given, and we have not had sufficient information. However, it is not agreed that we shall meet Monday to discuss this further, the members are wanting to adjourn. I certainly am not satisfied with what has been said here today, that this is the discussion that is needed. It has not been said, for example, that if the area did become a special area under DREE, what advantages that might lead to. What would be the positive results of that? I believe that the debate, Mr. Speaker, has been to my mind a disappointing one. We have had several good suggestions from the hon. member for Burin as to what might be done there.

I believe that some program, like the one outlined in the original resolution, is what is needed. That the task force is not or has not, no matter what good work it is doing, is not enough. What we want is a department of our own Government, with a minister of our own Government that everyone can contact, that is given the responsibility for this, not just continue looking to Ottawa and slough everything of on Ottawa whenever anybody asks about the Placentia - Argentia area. However, so be it! the hon. gentlemen are getting anxious. They are saying 'carried.' They are getting hungry, they do not want to debate the Argentia - Placentia issue. They have their big business over with, their Come by Chance business. An oil refinery for 400 jobs, when 700 are gone at Placentia and Argentia, and the rest of it.

As I say, Mr. Speaker, the resolution is; 'Be it resolved that the Government of Newfoundland and Labrador act immediately to meet the crisis in the Argentia - Placentia area', and, if the resolution is passed, we can only hope

that the Government does act immediately in a convincing way to show the people of the area that the Government is committed to the proposition that it is going to continue to be a viable area, and an expanding one, and that this crisis will be overcome.

MR. SPEAKER: Is the House ready for the question?

On motion, resolution carried.

MR. CURTIS: I move Mr. Speaker that the remaining orders of the day stand deferred, and that the House, when it adjourns, stand adjourned until Wednesday the 17th. day of February, 1971 at three of the clock, provided always that if it appears to be to the satisfaction of Mr. Speaker, or in the case of his absence from the Province, the Chairman of Committees after consultation with Her Majesty's Government, that the public interest requires that the House should meet at an earlier time than the adjournment, Mr. Speaker or in his absence the Chairman of Committees may give notice that he is so satisfied and thereupon the House shall meet at the time stated by such notice and shall transact its business as if it had been adjourned - duly adjourned to that time. I move that the House do now adjourn.

MR. HICKMAN: May I Mr. Speaker direct a question or reminder to the Minister of Health that was overlooked this afternoon? I believe that Government had undertaken to table in the House this afternoon the new letter between Canada - Carib and Government and Newfoundland Refining, is that now available for tabling or will it be.....?

MR. ROBERTS: Mr. Speaker, in reply to the hon. gentleman's question, we have not actually gotten the letter yet, I believe it is being executed. I will undertake, in behalf of the Government, to supply the hon. gentleman with a copy and the hon. members from the other opposition parties, and indeed, for that matter to make it public. It is just that it is being retyped or typed. There is a matter of execution on it, I do not have it myself but, as soon as I get it, I will send it on to the hon. gentleman. If it is in order, I will send the Clerk a copy for the records of the House.

MR. HICKMAN: Will the rest of the copies of Hansard be mailed to hon. members



now as they come off the press?

MR. ROBERTS: All I can say, Your Honour, is that I will find out. I do not know what arrangements have been made. We have an unedited version of Hansard, which we get. There must be a great number of copies of sessions yet to come, but I will check with the editor and perhaps the Internal Economy Committee, or whoever is the appropriate person, (perhaps it is Your Honour himself) to notify the members of the House what will happen to the remaining issues of Hansard for this session.

I will undertake to find out how it is to be done.

MR. SPEAKER: Those in favour of the resolution re adjournment please say "aye," contrary "nay," carried.

On motion, the House stands adjourned, in accordance with the resolution, the House at its rising adjourned until Wednesday, February 17th. 1971.

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