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Friday, March 23, 1973

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: I would like to welcome to the galleries today, two groups really, of exchange students, thirteen grade IX students from the Robert Leckie High School in Goose Bay with their teacher G. Woodhill and eleven grade - XI students from Bishop Abraham Junior High School here in St. John's with their teacher C.T. Handrigan and from J. R. Smallwood Collegiate in Wabush, six grade V students with their teacher, Miss Judy Collins, and six grade V students from the Vanier Elementary School here in St. John's, with their teacher Miss Roberts.

On behalf of all the members of the honourable House, I welcome you to the galleries and trust that your visit here is most informative and most interesting.

NOTICES OF MOTION:

MR. SPEAKER: The honourable Minister of Transportation and Communications.

DR. FARRELL: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Revise Existing Legislation Respecting All-Terrain Vehicles."

MR. HICKMAN: Mr. Speaker, I give notice on behalf of the honourable Minister of Municipal Affairs and Housing, that I will on tomorrow ask leave to introduce a bill, "An Act To Amend The Local Government Elections Act."

NOTICE OF QUESTIONS AND ANSWERS TO QUESTIONS:

MR. SPEAKER: The honourable Minister of Health.

DR. ROWE: I would like to table for the information of the House the answer to questions 157, 158, 159, 160, 161, 162, 163, 164, 165 -

AN HON. MEMBER: Inaudible.

DR. ROWE: You want to get them down - they are going to be tabled. 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168 - right up to 168.

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Tape No. 766

NM - 2

MR. MURPHY: 157 to 168 inclusive.

DR. ROWE: On the Order Paper of Thursday, March 15, questions asked by the honourable Leader of the Opposition.

MR. SPEAKER: Are there any other answers to questions?

HON. H. R. V. EARLE (MINISTER OF PUBLIC WORKS AND SERVICES):

Before calling Orders of the Day I would like to give the House some information on the present situation at Buchans with reference to the hospital and the schools. This is a report from my Director of Maintenance and it goes as follows; as of this date Friday 22, 1973 there are two portable steam boilers on site at Buchans. The larger of the two boilers of fifty horsepower was tied in for hospital heating system at 9:30 A. M. on March 22. The other boiler, on loan from the Town Council of Grand Falls, arrived on the site at 11:15 P.M. on March 22, being delivered by the Department of Highways at Grand Falls. Arrangements are being made to have the smaller unit installed at the Roman Catholic School.

On Friday, March 23, at 9:30 A.M., I spoke with Mr. Charles Bishop the contractor engaged in the installation of the boilers and Mr. Don Head the President of the Miners Union. Mr. Bishop informed me of the latest developments on the heating situation at the hospital. The boiler at present is maintaining a minimum of heat to the hospital. Steam to operate sterilizing equipment is not available as well as domestic hot water. This is due to the boiler capacity being able to supply steam for heating purposes only. I spoke with Mr. Head, the President of the union, and he informed me that the operating engineers at the main heating plant would be available to operate the boiler at the hospital.

Before this report was completed, Mr. Head returned the call and told me the operators want the same salary they are now getting with the company, and incidentally, we have agreed to do this.

To date the Department of Public Works personnel has contacted twenty-eight firms to inquire about the availability of heating boilers. The only units now available are three new units from a local supplier. They consist of two forty-three horsepower units and one thirty-three horsepower unit. The estimated cost in

purchase of these units will be approximately \$25,000 to \$30,000 installed. In the meantime efforts are still being made to contact firms to inquire as to the availability of other boilers.

HON. R. L. CHEESEMAN (MINISTER OF FISHERIES): Mr. Speaker, I would at this time like to make a statement in connection with recent storm damage which occurred around our coast. During the first half of December 1972 the coastal area of the province, extending from St. George's Bay through the Straits and around the coast to Englee and White Bay, suffered unusually severe storms which resulted in widespread damage and loss of gear to the fishermen of the communities involved.

Damages and losses covered such items as small boats, motors, fishing gear and shore installations. Because of this widespread damage a survey of the extent and nature of the damage was undertaken by the Provincial Department of Fisheries, in conjunction with officials of the Department of the Environment, the latter assisting in the actual field survey.

The survey, as outlined above, was concluded during February, at that time and under date of February 16, I wrote the honourable Jack Davis, Minister of the Environment and Fisheries, to advise him of the extent of the damage and asking what assistance the federal government, in connection with the provincial government, would be prepared to offer to the inshore fishermen involved.

Also at that time I pointed out the necessity of an early reply so that fishermen would not be restricted in this coming season. On February 23, I received a reply from the honourable Mr. Davis advising that, as previously stated by him in response to our request for a co-operative insurance gear replacement programme, no assistance would be forthcoming from his department. On February 27, I again wrote the honourable Jack Davis pointing out that the situation pertaining to this particular damage was not of the normal inshore

gear loss and could hardly be viewed in the same light as our request for federal government participation in the replacement of fishermen's gear, lost or destroyed while such gear was being fished.

To date I have had no reply to my letter of February 27, although I should say here that today I did receive a telegram from the honourable Jack Davis confirming that no financial assistance would be available covering these losses.

In view of the refusal on the part of the Department of the Environment to participate and because of the urgent necessity to replace lost gear and to effect repairs to inshore facilities at an early date, the provincial government have authorized the programme of compensation to the fishermen involved at a rate of sixty per cent of the assessed value of all such damage and loss. Documentation has been completed and the departments are presently in the process of assessing all claims and compensation should be made to the individual fishermen within the next two to four weeks.

According to the figures compiled damage and loss of gear effects approximately 350 fishermen and compensation on the basis outlined above will cost the province something in the order of \$110,000.

Thank you, Mr. Speaker.

MR. E. WINSOR: Mr. Speaker, I know it is not usual or in order or I would suspect to comment on a ministerial statement. However, in this particular case, the year before 1970-1971 the honourable minister will recall, if he looked up the records of his department he will find that the provincial government paid out more than \$300,000 storm damage. Now we followed the procedure that the honourable minister outlined here, we went to the federal government and the federal government had no such policy.

However, we did, as the government did today, reimburse the fishermen for the loss incurred. I congratulate the minister and I commend him on the very fine gesture, on behalf of all the fishermen, I am sure, in this province.

MR. S.A. NEARY: Mr. Speaker, I would like to direct a question to the Minister of Public Works and Services. Is the minister aware that Mr. William Stewart resident engineer with Scrivener Products (Newfoundland) Limited who are the management people at the Health Science Complex here at Memorial University and the hospital extension at Carbonear has resigned because of certain irregularities in the construction of these two buildings?

MR. EARLE: Mr. Speaker, the answer is simply "no" but I will take notice of the question and I will determine the answer.

MR. NEARY: Mr. Speaker, a supplementary question, is the minister aware that two contracts were awarded on these projects without tender calls which is contrary to stated government policy?

MR. EARLE: Mr. Speaker, the minister is aware and there are very good reasons why the contracts were so awarded.

MR. NEARY: Mr. Speaker, a supplementary question, would the honourable minister state the reasons that contracts were awarded without calling public tenders?

MR. EARLE: Mr. Speaker, the reasons given to me by the qualified officials of my department were that time was of the essence of importance, if the work were to be proceeded with and that the person who received the contracts was the only Newfoundland company available at the time to do the job.

MR. NEARY: A supplementary question, Mr. Speaker, will the honourable minister state who the firms were in getting these contracts?

MR. EARLE: Mr. Speaker, the name was Babb Construction.

MR. NEARY: Mr. Speaker, I would like to direct a question to the honourable the Premier. Would the honourable Premier inform the House if any discussions took place prior to or since the present strike occurred at the oil refinery at Come by Chance?

MR. MOORES: Would you repeat the question again?

MR. NEARY: Had there been any discussions with Procon prior to leading up to or since the strike occurred at the oil refinery at Come by Chance?

MR. MOORES: The answer is "yes" to both questions.

MR. NEARY: Would the honourable Premier, Mr. Speaker, inform the House what was involved in these discussions?

MR. MOORES: No, Mr. Speaker, the situation is still carrying on as a matter of fact there are further discussions this afternoon with Procon and the government. There will be further discussions with the union and the government. There will be hopefully, and this is what the government are trying to arrange, even discussions between the union and Procon.

MR. NEARY: Mr. Speaker, a supplementary question, would the honourable the Premier inform the House if he is a Tory candidate, Mr. Eric Martin is involved in these discussions.

MR. MOORES: Mr. Speaker, I think that question could be placed on the Order Paper.

MR. NEARY: No, Mr. Speaker, this is a supplementary question. Would the honourable Premier inform the House what Mr. Martin's role is at Come by Chance?

AN HON. MEMBER: Replacing Mr. Sam Drover.

MR. MOORES: No, Mr. Speaker, it is not replacing Sam Drover. The role of Mr. Martin at Come by Chance as it is presently defined is to advise the government of the difficulties that have arisen and where he thinks the fault lies and also the future role will be one of trying to forestall the many problems that have been created or have happened over the last

year or several months and basically to act as a liaison between the unions and management and the government.

MR. NEARY: Mr. Speaker, a supplementary question. Will the honourable Premier inform the House if Mr. Martin has so advised the government of any difficulties at Come By Chance?

MR. MOORES: Mr. Speaker, to the best of our knowledge - even though the question is out of order - to the best of our knowledge I think that Mr. Martin has probably been the most accurate of the sources of information that we have had from Come By Chance so far.

MR. NEARY: Mr. Speaker, a supplementary question. Will the honourable Premier inform the House what role Mr. Martin is now playing in the current negotiations between Procon and the striking workers?

MR. MOORES: As an observer, Mr. Speaker.

MR. NEARY: Mr. Speaker, a supplementary question. Would the honourable Premier be prepared to table any reports that Mr. Martin has made to the government in the last twelve months on the situation at Come By Chance?

MR. MOORES: The answer is no, Mr. Speaker.

MR. NEARY: Obviously there is something to hide.

MR. MARTIN: Mr. Speaker, I wish to direct a question to the honourable the Minister of Manpower and Industrial Relations. In view of the fact that the sale of cod blocks made in the Boston Market this week has reached an all time high of sixty cents per pound and since no related increase was reflected in the price to the fishermen of this province, I wish the honourable minister to inform this House as to what action is being taken to implement section (51) of the Fishing Industries Collective Bargaining Act, that is the appointment of the Fisheries Advisory Board?

HON. G. DAWE: (MINISTER OF MANPOWER AND INDUSTRIAL RELATIONS): There is no action so far to appoint that board.

MR. F. ROWE: I would like to direct a question to the Minister of Public Works and Services. Could the minister inform the House who is responsible for the operating costs of the boilers that are being sent to the school in Buchans?

HON. H.R.V. EARLE: (MINISTER OF PUBLIC WORKS AND SERVICES): Yes, Mr. Speaker. I have discussed this with Mr. Gover of the Department of Health and it has been agreed that the salaries for shift personnel would be paid in the first instance by the hospital and later reimbursed by the Department of Health - that is in the connection with it. At the present time there is one small boiler operating in one school and the Department of Education will be responsible. They will reimburse us.

MR. NEARY: As this is Friday again, I would like to direct our usual Friday question to the Minister of Industrial Development. Would the minister give us the progress report on how the sale of distressed merchandise down at the Octagon is going?

HON. WILLIAM DOODY: (MINISTER OF INDUSTRIAL DEVELOPMENT): At the Octagon? You mean at the steel mill. We are not concerned with Jerry Byrne's Tavern are we? Jerry Byrnes is a very close friend of mine. We spent many hours in consultation.

The numbers of offers that we have had have been narrowed down to about three or four now. There are three that look reasonably good and there is one that is just about on the fringe that we are going to consider. We are having some meetings with people on Monday toward this end. As I have promised on fifteen or sixteen occasions in the past, when we get something tangible to report to this House as to the eventual disposition of the plant, we will certainly do so.

MR. NEARY: A supplementary question, Mr. Speaker. Would the honourable minister be prepared to set a target date on when we can expect a decision to be taken on these three now that look pretty good?

MR. DOODY: That is a rather difficult thing, to establish a target day. I will set a target day for about ten days from now and hope to attain it but I am not making any great commitment in that respect.

MR. NEARY: Well, that is fine, Mr. Speaker. I appreciate that. Would the honourable minister be in a position to state whether the three firms and a piece that it is now narrowed down to are local or Mainland companies?

MR. DOODY: One and a piece are local and the other two are Mainland. That

is true, as far as I can tell. I am not sure of the shareholder breakdown.

MR. NEARY: A supplementary question, Mr. Speaker. Would these proposals be to operate the mill or to dismantle it and move it out of the province altogether or would it be to scrap the mill? What kind of proposals are they?

MR. DOODY: Both.

MR. NEARY: Well, how many are -

MR. DOODY: Some of each. I cannot negotiate with these companies here in the House, Mr. Speaker. As soon as we get the thing in some semblance of order, we will try to get it in language that the honourable member can understand.

ORDERS OF THE DAY

Motion second reading of a Bill, "An Act To Establish An Electoral Districts Boundaries Commission To Report Upon The Delimitation Of The Province Into Districts For Which Members Shall Be Returned To The House Of Assembly."

MR. SPEAKER: This was adjourned last day.

MR. MOORES: Mr. Speaker, I would just like to speak very briefly on this particular bill. It is a bill of some significance as far as the province is concerned and we are talking about the redistribution of the electoral boundaries and the establishing of some nine additional seats in the province. I think the bill basically is a good bill but like every other bill, it is not perfect. The House Leader on the Opposition side I think made some very valid points the other day and we are not on this side of the House being cemented in by anything that we have proposed here. What we do want to do is bring in a redistribution bill that is fair, that is impartial and that will do the job for what it was set out and designed to do.

I think what we have proposed to this House is a tremendous improvement over the procedure in the past as to exactly what the method of the seats should be. I think the worries voiced by the House

Leader on the other side are not all valid. I think that some of his points are very valid and I will mention this as we go on.

Sir, I think that first of all regarding these particular points that it was suggested that the Lieutenant Governor-in-Council be probably the authority that would appoint the three additional members to the commission that would actually carry out the study for redistribution. With all due respect, Sir, I think that the Speaker is much more likely to be nonpartisan than is the cabinet as we know it today.

Regarding what the House Leader on the Opposition side said, Sir, I think there may be some validity in the fact that a Committee of the House look at the final approval rather than a full discussion in the House. This is something that we will look at as we come into the committee stage.

Regarding the appointment of the Commissioners itself, Sir. The reason that I would like to see it left in the hands of Your Honour, the Speaker is that some day - and I hope this will actually happen - that the seat of Speaker in this House will become more or less permanent, such as Ottawa. I think it makes a lot of sense that irrespective of political party that the Speaker be an nonpartisan individual. I know that Mr. Lamoureux, in Ottawa, the Speaker in Ottawa, has done a fantastic job in this regard and is looked upon today I do not think by anybody as either a Liberal or a Conservative or an N.D.P. but just as a respected gentleman which, Sir, I think the Speaker, no matter who, should have that same respect and I think the only way that this can be done is by an all-party recommendation of some district for the election of a Speaker.

I, Sir, think that the Speaker is certainly capable of appointing nonpartisan appointments for this. I think that really when you consider that the Chief Justice is appointing the Chairman of the commission that together with yourself we will have a commission that will be impartial, because that is the genuine objective of this government.

The past government, Sir, could be blamed, I think, for some

legitimacy of gerrymandering seats which I do not think should ever happen again in this province. I think the objective of what we are trying to do here is to really do well and give people the representation that they themselves know is just. We are talking about taking into consideration rural areas and the idiosyncrasies of some of the parts of Newfoundland that we have that are so different from urban areas that have a congestion of people and do not take the same amount, I suppose, of effort by a member in order to give the service that he was elected to do.

I am confident, Sir, that the commissioners will have the competence to look at the rural difficulties when drawing up the boundaries and that is why the twenty-five per cent leeway has been put into this particular bill.

I think also that the commissioners will have the ability and the know-how to take into consideration the growth centres, the obvious growth centres in this province; areas such as Labrador West, The last redistribution was 1,100 as the House Leader mentioned on the other side and today we are looking at some 7,000 voters in that area. We are now looking at the same sort of thing in Come-by-Chance. We are looking at the same sort of thing in Stephenville and there may be other areas as well. I am sure that the Commissioners will have the ability to identify the growth areas and make the obvious and necessary decisions.

Regarding the great land mass of our province, Labrador, I, in consultation with the Minister of Justice and the government, we are ready to consider an amendment or even a proposal (I think the Minister of Justice probably will propose it) that Labrador shall not have less than three and a-half seats. That will either mean four, if they are all in Labrador, or three and a-half, four and a half or whatever, if the Straits are split. In this regard I think, that unlike the hon. member for Labrador South, it is logical. I think it is even desirable for the Commissioners to decide. I think it is desirable to have the Straits of Belle Isle, the Labrador side and part of St. Barbe North side to be one seat. There is no other way or no finer way, Mr. Speaker, that we can cement the provincial relationship and the differences that have arisen than to identify these two areas into one representative.

I feel fairly strongly on this. I do not want to be parochial nor do I want any one else to be blamed. I do not want to blame any one else for being parochial or insolent in this regard. In the remarks

the member for Labrador South made the other day, he said that people across the Straits did not have as much in common as the people in Labrador South as it presently exists. I would disagree with that. I think the people in Anse Eclair would have as much in common with the people of Flower's Cove and probably a great deal more than the people of Anse Eclair would with the people of Rigolet. I am trying to look at this, Sir, objectively, from a government point of view, but I think it makes a great deal of sense to try to get Labrador to feel that they are a part of the province. I do not think there is any better way than to have a mutual seat where one representative actually is representing a district in the province as opposed to two sections in the province.

The ratio that has been taken for the redistribution bill has been approximately 5,000 voters per district which gives you a maximum of approximately 6,250 or 3,750 on the low side.

In this regard, Mr. Speaker, it might be interesting to take a look at a few of the areas that would be affected. Now it is pretty well the consensus of most people, until they have looked at the figures, that areas like St. John's, Corner Brook and Gander will get great benefits in this because of the heavy concentration in a theoretical urban area. I think what a lot of people do not realize is that in the urban areas, Gander for instance, where there are 9,100 voters, you have Bishop Falls, Botwood, Glenwood and several other smaller communities which are very different from Gander itself. The District of Gander is really not as urban as the voter list would have you believe.

In Grand Falls you have 9,900 voters but then again you have, Grand Falls, Winsor, Buchan's, Badger and once again smaller communities involved in that areas as well.

Humber East, you have people thinking of the east end of Corner Brook. This is not so. You go to Cormack, Howley, Pasadena Midlands,

Deer Lake and all these more rural parts of that particular riding as well.

In Humber West you have 10,500 but there you have the Bay of Islands Area, right from Cox's Cove around to Lark Harbour on the other side which makes up at least fifty per cent of that particular riding.

Labrador West has 6,200 people.

St. John's East (Extern) has 14,000. That includes Torbay, Flatrock, Outer Cove and the other communities as you go out the Marine Drive. St. John's North has 16,800, which is the biggest, but here we have towns like St. Thomas, Mount Pearl, St. Philips, and others that are certainly not considered a part of St. John's. In St. John's South, with almost 11,000 voters, you have the Goulds, Kilbride, Blackhead Road and areas that are not really associated with the city as such. St. John's West is the only one with a large voting population that can be considered totally urban of the urban seats.

Now in the rural areas -

AN HON. MEMBER: (Inaudible).

MR. MOORES: It is small and St. John's East is the same way. They would qualify I think, with the population, as they would be in that area. They are urban but they do not go on these extremes.

That, Mr. Speaker, makes a total of nine seats that are affected by a large population but which in fact have a very rural identification, most of them. Whereby the rural areas affected, if you take the lower end of the scale, for instance the Bonavista Bay Area - you take Bonavista North and Bonavista South, you are looking at a total of almost 16,000 voters. Here you have an obvious area where because of the area concerned you will obviously need, in my opinion, more representation. The same applies in Trinity Bay. In Trinity Bay, Trinity North

Trinity South there are 15,000 voters. Any one who knows, particularly Trinity North, I believe, that is a very rural part of our province in that there is a heck of a lot of mileage when you go out around Random Island, Smith's Sound, Southwest Arm, etc., all up through, it is a huge rural district.

Fogo has 6,000 voters and that is not the Island of Fogo as the honourable member well knows because it goes right around to Lumsden, all around that area, which takes in a considerable rural area and it is in fact probably one of the most difficult areas to serve, in the province, as well.

Green Bay has 5,900. Lewisporte has 6,300. Port au Port has 7,300 where you have in Port au Port the industrialized development potential of Stephenville, and the Port au Port Peninsula which is a totally different world. You have the Trinity Bay areas and so on.

There is a great deal, Mr. Speaker, that the Commissioners are going to have to look at. But looking at the rural representation now, we have a great many rural districts that in fact do not have enough representation. I do not mean that in any derogatory way to the members but in fact have too many voters for the areas that are concerned. One classic example is Burgeo-LaPoile in this case because in Burgeo-LaPoile you have in excess of 7,000 voters. Part of that district, Burgeo-Ramea are equally as difficult to get to as Harbour Deep in White Bay North or even Coastal Labrador in certain areas. All these things have to be taken into consideration. I am sure with the proper Commissioners (this is the intention I am sure of yourself, Sir, and the Chief Justice, who will appoint the chairman) that we will have the people who will take all these factors into consideration and give representation based on (as the hon. member for Labrador South said) culture, geographical and based on population.

Our objective, Sir, in this bill is to give fair representation taking into account all these factors and I have no quams whatsoever

in registering my position on this bill. The intent (I give this on the word of the government) is to have fair representation with all the factors taken into consideration and that, in its present state, I think it is a good bill. I think the Minister of Justice and the government are willing, for any reasonable approach, to make sure that it is done in the manner in which it is contended.

MR. W. N. ROWE: Just before the Premier finishes his speech, may I ask a question, because he did not touch on this? How does he feel about the arbitrary figure of fifty-one? Does he not agree that it might be better to have forty-nine to fifty-two to, give the commissioners some leeway, in other words, when they are drawing up the boundaries?

MR. MOORES: Mr. Speaker, I really do not have any definite position on this. I think it is just as well to put an arbitrary figure on it. If the commission runs into an insoluble problem because of this, I think they can always revert back and get a reasonable reply. I think it is just as well, Sir, to put a figure of fifty-one on it rather than a figure of say between fifty and fifty-two because one thing I feel quite strongly about is that I think it is wrong to have an even number of seats and the reason for that is obvious in a close election, as we found out previously. I think there should always be one individual with that balance, irrespective of which party it is.

MR. MOORES: but he can still vote in the end analysis and if we make a permanent Speaker, which I am only too glad to do in the present circumstances, then Sir, I would go for an even number of seats, but not before.

MR. CHESSEMAN: Mr. Speaker, I would like, if I may have a few brief comments on this bill. I believe that the bill as it is set forth is a good bill. The objects of the bill obviously are to provide the best possible representation for the greatest number of people of this province.

If the objects of the bill as they are set forth are carried out, then I cannot see that anything but this conclusion and this desired end result will come about. There has been suggestion on the part of some previous speakers that perhaps it is not wise to have Your Honour, Mr. Speaker, choose representatives or choose the members of this commission.

I do not feel that this point is valid because if you stop and think, the conduct of this province is being conducted daily in this House. Debates, discussion, committee hearings or whatever are being chaired by Mr. Speaker, who is considered to be and who I am sure all members of this honourable House will agree, is an impartial judge of the dealings of the House. It would seem to me to be somewhat irregular or an oddity to say that the conduct of the House and therefore the conduct of the province can be carried on on a daily basis by such a competent individual but one aspect of our laws or change in bills or regulations should not be so carried on.

I feel, therefore, Mr. Speaker, that Your Honour will do the right and proper job and I see no possible conflict or no concern in this regard.

As the debate went on a few days ago, I sat and listened to some of the comments and some very good points I feel had been

made. Rural representation is of concern to many of us in this House. I think the points in connection with the representation as far as Labrador is concerned are very valid. But one thing that did disturb me, Mr. Speaker, was that as the debate progressed there was evidence of, to use it perhaps in its kindest term, rivalry between urban and rural centres.

Now, Mr. Speaker, I believe that for too long in this country this type of rivalry has been perpetuated in one way or another. Surely the aims and objects of the bill itself and of all honourable members of this House is to unify this province to the greatest possible degree. I would suggest that debate of this nature or comments of this nature in the process of debate is not the way to achieve it. I believe that we must give equal consideration to all of our people in this province. I do not think that we can make distinctions in terms of religion or areas in which we dwell. These things surely are things of the past and I would suggest that in this debate or in this type of comment, we are looking backward rather than forward and I do not personally feel it adds anything or for that matter it is even intelligent.

Now as far as the South West Coast of Newfoundland is concerned, I do not see on the basis of numbers that there will be any change in seats in that area from the bottom of Fortune Bay through to Port aux Basques. There was a change in the boundaries 1962, I believe, when the District of Burgeo LaPoile and Fortune were divided and the third seat, being Hermitage, was at that time introduced. So that whilst there may be changes in boundaries within that area, I do not personally see at this time that there would be any change in seat representation.

I should state here perhaps that very often when people refer to or think in terms of the south coast or the southwest coast, that the Burin Peninsula seems to predominate the thinking

and it is generally assumed that that is the south coast. In all deference to my friend and colleague, the Minister of Justice, I suggest that there are other parts of the south coast than the Burin Peninsula.

But the electoral boundaries in themselves I do not think mean a great deal. Today the people who now reside in the District of Hermitage or Fortune or Burgeo LaPoile that resided in another district previously are not overly concerned about where this boundary starts or where this boundary finishes because regardless of where such boundaries are laid down, it will always be the representation which these people obtain that will be the deciding factor in how good or how bad any definition of districts are.

I would suggest that in the final analysis in this case also, regardless of the number of places that are changed, population shifts or boundary shifts, that in the final analysis it will inevitably come down to the representation offered.

So, Mr. Speaker, as I sat and listened to the debate, I was at times left with the impression that some speakers felt that the deciding factor in the good or bad in the future of the districts of this province would depend on the electoral boundaries, and this to me does not make sense. I do not think that it has any effect other than the consideration of the geography of an area. The difficulty or ease with which a district can be travelled is obviously a consideration and will to some degree determine the basis of representation, the effectiveness of representation, but not to nearly the degree that the individual who represents that district will make.

So, Mr. Speaker, I would heartedly support this bill and I hope that the end result will be, as we all hope in this bill, that the end result will be better representation for all of the districts of this province, be they urban or rural. Thank you, Mr. Speaker.

MR. SPEAKER: If the minister speak now, he closes the debate.

MR. HICKMAN: Mr. Speaker, I commend those honourable members who participated in this debate. It is the kind of debate that I think we should have more of in this House. When the issues contained in any particular bill are debated without any rancour in an attempt by all honourable members to constructively criticize a bill or constructively defend a bill that is before the House.

The honourable the Premier has indicated to the House that in committee government is prepared to accept an amendment to the bill, which we have drafted, it is a tricky bit of draftmanship but in any event it has been done and the honourable the House Leader can move the amendment at the appropriate time, to give Labrador three and a-half seats.

All honourable members in the House have indicated their support of the principle of this bill and Mr. Speaker, I simply want to deal with one or two matters raised by the members on the opposite side of the House. One is the appointment of the commission, it is a principle of this bill and it is the view of government that the formula and the procedure set forth in this is by far the most nonpartisan way of arriving at the appointment of a commission that will be totally free of any political pressures, any political partisanship.

I also think, Mr. Speaker, and it is the view of government, that it is desirable that this House reserve unto itself the right to decide on the number of seats. The commission's job is to distribute the representation within the formula provided by the number of seats.

The other point, Mr. Speaker, raised and which is again a part of the principle of this bill,

was mentioned by one hon. member on the opposite side, I think it was the Opposition House Leader. It was a suggestion that we follow the federal system of having the committee's report tabled and then within a prescribed time the suggestion was, this is the provision in the Federal Act and I did not realize it was but some things along these lines, that if within the prescribed time there are no objections or there are objections they are sent back to the committee and the commission takes these objections into account and then the final report becomes law without further debate.

We believe, Mr. Speaker, that the provisions in section (21) which permits this House by resolution to debate whether or not the report of the commission shall be accepted or whether certain amendments in the opinion of hon. members are desirable, that this prerogative should rest with the House. Any resolution coming before this House which would seek in any way to change the commission's report would, I suggest, have to be on very sound and valid grounds indeed. It is most unlikely that there will ever be a resolution come before other than one to adopt the report but if during the debate some hon. member sees some discrepancy in a boundary or maybe in a name, then the House should be free to accept that alteration. But it is significant that following the passing of the resolution by the House, government is then obligated to bring a bill in implementing such resolution.

The hon. member for Labrador South raised a rather nice constitutional point as to the name of the province. It is my understanding that the name of this province is Newfoundland and not Newfoundland and Labrador. I do know that at any Federal-Provincial conferences where the Government of Canada has place names or places for the representatives of the provinces and their names are there, it is only the Province of Newfoundland. It is a part of the British

North America Act and this House does not have the legislative authority to change the name of the province, In any event, I would suspect that it might be a very lengthy argument as to whether using the words Newfoundland and Labrador has a unifying or a dividing effect. I have a feeling that the two names did not accomplish that which it was thought to accomplish when an ultra vires attempt was made to try and make this change.

I move second reading, Sir.

On motion, a bill, "An Act To Establish An Electoral Districts Boundaries Commission To Report Upon The Delimitation Of The Province Into Districts For Which Members Shall Be Returned To The House Of Assembly," read a second time, ordered referred to a committee of the whole House presently, by leave.

Second reading of a bill, "An Act To Amend The Stephenville Linerboard Mill (Agreement) Act, 1972." (Adjourned debate).

MR. SPEAKER: Order please!

MR. CROSBIE: I am not in my best today, Mr. Speaker.

MR. NEARY: When they are talking they must keep pulling their pants up. It unnerves me when I see his pants falling down. I am afraid he is going to lose his pants.

MR. CROSBIE: Well, it must be a frightful sight if it unnerves the hon. gentleman.

Now, Mr. Speaker, in trying to conclude the debate on second reading of the linerboard mill, let me just make the point again that I made last night in reply to what the Leader of the Opposition has said. Number one, what we are doing in this bill is showing members of the House and the public what it appears likely we may have to advance in the next four years in connection with the project. Note this, Mr. Speaker, this is important to note, that if this project were closed today, if it were shut down today, if it ended today, if it stopped today we would still have to pay \$58,870,000 in

the next four years in any event, because that represents debt repayment and interest. If the project had been closed down last April if it were closed down today, the original debt borrowings of the Javelin Company guaranteed by the government would still have to be repaid by the people of this province. As I have told the House before of the \$95 million it is possible might be advanced in the next four years, \$58,870,000 would have to be paid out whether the project operated another day or not.

So all we are discussing really is the \$10 million in contingency that may be needed and a further \$20,750,000 that may be needed for additions to the plant and equipment. That is the only new money that is involved in this situation, and the \$6 million to complete construction. As to whether the project should continue or whether it should have been taken over last year and continued or not, there is no doubt in my mind at all about that, Mr. Speaker, there was no real choice open to the government or any government. It had to be continued last year. It had to be taken over and it has to continue now and the next three or four years will be the testing time when we find out whether it can make an operating profit, apart from debt repayment or payment of interest or of additions to the plant and equipment. If we had not taken it over it would have collapsed altogether because Javelin could no longer raise any money. Their credit was bad, they were incompetent of managing of it, they did not know what they were doing and the shambles was a direct result of their lack of ability and their failure to proceed on business principles, and they would not have been able to raise the money.

Now another point, Mr. Speaker, that should be noted and that I eluded to last night, and that was the amount being taken out of the project by Mr. John C. Doyle, the friend of the hon. member

opposite. I have given the press since an outline of how these amounts are made up. It should be noted because I noted it is not correctly reported in the "Evening Telegram" tonight. The payments of 1970-1971, of \$317,000 total, were charged to Javelin Forest and Javelin Paper by Javelin Export for Mr. Doyle, as a loan and an advance to the project. Mr. Doyle may or may not have actually been paid those amounts. They are charged into the accounts and he may or may not have been paid those amounts. We are not recompensing Javelin Companies under the agreement for those amounts or any similar amounts because the agreement specifically says we will not. In addition to the \$317,000 shown there, charged by Javelin Export as consulting fees and expenses for Mr. Doyle, \$113,411 for the apartment in Montreal, the cost of running the apartment, entertainment expenses, travel, that was money actually paid out by the project from funds guaranteed by the previous administration and the total is \$430,000.

So when hon. gentlemen opposite raise their brows and pretend astonishment that Mr. Ingram should be paid a salary of \$75,000, one could only wish that they had shown the same astonishment if they knew or when they learned that Mr. Doyle was getting consultant's fees of \$25,000 per quarter, every three months, plus the rest of these expenses.

MR. ROWE (W.N.): It is the first I have heard of it so I am just wondering, does it appear in the agreement or some collateral deal or what is it?

MR. CROSBIE: No, no, these are just arrangements that he put into effect.

MR. CROSBIE: I just explained that.

MR. NEARY: No, the honourable minister did not explain it.

AN HON. MEMBER: He left out that important one.

MR. CROSBIE: Javelin Export charged these amounts to Javelin Forests and Javelin Paper, which credited them to Javelin Export in their books.

MR. NEARY: Charged that administration over there but they have not paid it.

AN HON. MEMBER: (Inaudible)

MR. NEARY: That administration right there.

MR. CROSBIE: Mr. Speaker, I might say it again, that in 1970 there was \$103,000 charged to Javelin Forests and Javelin Paper by Javelin Export, for the account of Mr. Doyle for his consulting fees and expenses...

MR. NEARY: For which he was not paid.

MR. CROSBIE: That is recorded in the books.

MR. NEARY: He is not paid.

MR. CROSBIE: Some of it was paid, some of it may not be paid. We do not know whether it is paid or not.

MR. NEARY: That is the important fact.

MR. CROSBIE: In 1971, \$214,000.

MR. NEARY: Not paid.

MR. CROSBIE: It all may be paid, it all may not be paid.

MR. NEARY: That is right.

MR. CROSBIE: This was recorded in the books available to the auditors in 1970 - 1971.

MR. NEARY: Good for the Liberal Administration, they did not pay it.

MR. CROSBIE: In addition \$113,000 that was paid.

MR. NEARY: There goes his pants again.

MR. CROSBIE: That is the picture, \$430,000.

MR. NEARY: Not paid. He is claiming for it but it is not paid.

MR. CROSBIE: We are not paying it.

MR. NEARY: We would not pay it.

MR. CROSBIE: The companies paid it.

MR. NEARY: We did not pay it.

MR. CROSBIE: Javelin Paper and Javelin Forests paid it out of monies guaranteed by the Government of the day but now this government are saying; "We are not recognizing those payments we are not reimbursing you for those payments, those are not loans or advances that Javelin Export made."

MR. NEARY: This administration did not pay it, we refused to pay it. If he charged it to the company that is his problem.

MR. CROSBIE: Mr. Doyle charged it to the company...

MR. SPEAKER: Order please! If the member for Bell Island and the Minister of Finance will permit me. The member for Bell Island had the opportunity to participate in this debate and his insistence this afternoon on making remarks from his place is completely out of order.

DR. FARRELL: Should have a little more respect.

MR. NEARY: (Inaudible)

DR. FARRELL: Go on! Go on now "Steve" when were you in the army?

MR. CROSBIE: As to some of the matters that were raised, first by the Leader of the Opposition, they can be quite confusing, the financial figures in this. When the honourable Leader of the Opposition referred to page (69) of the budget, the printed budget of last year, to the supplement number (4) that was in that budget, that supplement showed...

MR. W.N. ROWE: There is no quorum in the House, Mr. Speaker.

AN HON. MEMBER: Count the House.

MR. CROSBIE: Mr. Speaker...

MR. NEARY: No quorum. Hold it! The House is being counted.

MR. CROSBIE: There are three there in the door.

DR. FARRELL: There are three in the door there.

AN HON. MEMBER: We have a quorum.

MR. CROSBIE: That supplement on page (69), Mr. Speaker, gave an estimate prepared last May of the financial situation and it said

this; "The consultants are working on the refinement of capital operating and cash flow projections for the next several years. This analysis will give us a more reliable assessment of the overall financial situation."

AN HON. MEMBER: No quorum.

MR. CROSBIE: There are fourteen here and one on the other side.

MR. SPEAKER: We have a quorum.

MR. CROSBIE: I will start again, Mr. Speaker, but it gets a bit tiresome. I am trying to explain something...

MR. NEARY: Get the members in the House where they should be.

MR. CROSBIE: Will you shut your mouth for a change and just listen?

AN HON. MEMBER: That is the right way to talk to him.

MR. CROSBIE: I am trying to explain something that I know the honourable member for Bell Island is not going to understand but perhaps others might be interested.

MR. NEARY: (Inaudible)

MR. CROSBIE: Mr. Speaker, I would like to be listened to in silence when I am trying to do something that is serious, otherwise, I do not care. To go back to the budget, page (69) says; "Consultants are also working on the refinement of capital operating cash flow projections for the next several years. This analysis will give us a more reliable assessment of the overall financial situation." There is no one who could pretend, Mr. Speaker, last year that they knew what the financial situation was with respect to this project and we did not pretend that we did.

The House was given full information at the time we took the project over, what we knew then and what we did not know. It was clearly set out in the budget last year, page (69), that we hoped to get a more reliable assessment, they were working on that. Then we said the revised estimated cost of the complex are as follows; "Mill construction Stephenville \$100,300,000. There are four main items totalling \$154,400,000. Then payment of \$5 million to Javelin

Paper under the agreement, total \$159,400,000." That is the best estimate that could be given at that time and it is called an estimate. There was no pretense that this was an accurate figure.

What has changed about those figures today? The reason why I am not able to give it accurately in detail, is because they are still working on what was spent while Javelin had control of the project to categorize where these amounts should go under the various headings. But as accurate as I can give it today, the position is this; First, that the government have advanced \$161.5 million up to January. There are another four and a-half million dollars needed to complete construction. That is \$166 million including the \$5 million paid to Javelin, or \$6.5 million now.

If we relate what is changed about these figures given in the budget last year, the picture will be this - mill construction at Stephenville, the estimate now is \$112,551,000.

AN HON. MEMBER: What was the original estimate?

MR. CROSBIE: \$100,300,000. Wood harvesting equipment and related facilities was given last May, or the estimate was \$12,600,000, the estimate now is \$12,800,000. Pre-start up costs including interest, staff and administration - the estimate last year was \$20 million, now it is \$26.2 million. The pre-start up costs naturally have increased because the mill was not completed in October, it was completed for purposes of production at the beginning of February.

The next Heading, working capital, including wood inventory receivables and finished products inventory, the estimate for all of that was \$21,500,000, that was the estimate last May, The estimate at the moment is \$22 million for that. Of course, the payment for the equity of Javelin Paper, the \$5 million payment remains the same. Now that would total \$178 million compared to the estimate of last May of \$159,400,000. We have paid out of that \$178 million, \$166 million, leaving a difference of \$12 million. The \$12 million is not money we have advanced, it is money they will be using for working

capital purposes and so on provided by the bank.

When construction finishes in the next few weeks, we will have advanced \$166 million. So the figures would have changed from those of last May by an amount of approximately eighteen million or nineteen million dollars. I think that that explains one point. We will have advanced \$166 million altogether but these items will be \$178 million. When construction is finished there and everything is known, then an accurate statement of that can be given.

The Leader of the Opposition asked - he referred to the Budget Speech, that these figures here that I have just mentioned - of course when those estimates were done we did not have the full facts, There have been changes since then and these are

MR. CROSBIE: results. He wanted full financial statements. Well, Mr. Speaker, we do not have full financial statements. We will next year. The mill is now starting to operate, starting to turn out products, next year there will be available financial statements for showing what the operations of the project were for this financial year. There will be financial statements available then.

The honourable Leader of the Opposition mentioned something about a feasibility study. There has never been to my knowledge any proper feasibility study done of this project. It was not done when Javelin started it. It was not done when the previous administration decided to guarantee the money for the project. There has been no feasibility study done since. What we have been busy in is trying to salvage the operation and get it operating.

The Leader of the Opposition asked for the operating loss projections- these have been prepared. For example here is the budget and cash flows that were presented to us in January. This projects cash income and losses and so on. The results of this budget and cash flow I have given the House and the people of Newfoundland. The results of these cash flows, forecasts of these projections, are the figures I have given the House. They show that the project will not generate sufficient income in the next four years, as far as we know now, to meet the expenses that I have outlined - debt repayment, additions to plant and equipment, interest on debt and contingencies. So these figures are the result of the budget and cash flow statements.

The Leader of the Opposition wanted us to table this budgets and cash flows, I do not want to do that, it will be too misleading - very detailed. There would be no point to be served. The important point is that as a result of the budget and cash flow on these statements given us after months of work by our consultants, chartered accountants and now confirmed by the mill management, this is the

result of it. It will not generate enough cash to meet these requirements therefore it appears likely in the next four years we will have to advance money to meet debt repayment, interest, additions of plant and equipment and possibly contingencies.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: There are other expenses other than these.

It may be that if there is good management and if it is successful that they will do better than it now appears. If so that will be wonderful but we know, we have something to judge their performance by, we know what the projections are and we hope that they are going to do better than that.

The Leader of the Opposition asks: "Why was the mill not completed in October?" I could say, Mr. Speaker, that the start up in this mill was a lot quicker than the start up on the third mill at Come By Chance, that we heard about for the last twelve or fourteen years.

MR. NEARY: Inaudible.

MR. CROSBIE: Very sensitive point. A lot quicker than that start up.

MR. NEARY: Your buddy Shaheen.

MR. CROSBIE: Well we are not going to talk about whose buddy he is. You will hear odes and praise and hymns before we are through.

On the question of the start up, the position last May was that our consultants, based on what they were told by the construction companies and by the architects involved, they were told that October would be the likely start up date. So we informed the public, October is the likely start up date. However there were a number of reasons why the start up did not begin until February.

I went into them all in my original address to the House, spoke for two and a-half hours. One of the frustrating things about it is that you get thirty seconds on the television news,

and most of the television news that night was whether or not John Shaheen was a fly-by-night. For two and a-half hours I tried to give the House and the people of Newfoundland information on this project. The C.J.O.N. news broadcast, the main item was - did I say John Shaheen was a fly-by-night or did I not say John Shaheen was a fly-by-night. Now that was a really important fact to put before the public, after two and a-half hours. The C.B.C. were a bit better but of course television news is limited in the time they can give you anyway, and there was not much more in the newspaper.

Now I gave all the reasons two days ago, why the start up the beginning of February instead of October and I can do it all again now. The honourable Leader of the Opposition asked. The general reasons were these, there were poor work habits and lack of discipline by the supervisory personnel that had been picked up during the Javelin days. That was difficult to correct.

There was a lack of enthusiasm for the project among the workers because of unfavourable press reports, because it involved the takeover and the whole thing was a crisis all last winter. During the latter stages of the project when the work force was decreased, the more skilled men were hired from the construction force to help staff the Labrador Linerboard; that caused lost productivity.

There were several wildcat strikes, just short lived but they affected productivity. There were problems in procuring British equipment and particularly obtaining specific information for the commissioning of some of the British equipment. As the members know, there is British equipment in that mill, from Wamsley's. Nearly all the equipment is British because the financing was arranged over in the United Kingdom.

I mentioned the chemical additive building. This was not in the Javelin's plans. Now I want to correct the honourable

the House Leader of the Opposition on this point, there were no chemical additive facilities in the plans done by E. and B. Cowan. They were not in the plans because apparently the Javelin people thought the building was not necessary, Mr. Charbonneau I think it was.

Last May, when we took over the project, Mr. Dicks started to ask questions about this - whether or not there should be a chemical additive building, why had one not been provided? Was it really not necessary? He started to go behind and ask some questions about that problem. It was then discovered that a chemical additive building was needed and Javelin had made a mistake in not providing for one. That building is completed now but the plans had to be done for it then and construction had to start on it and it was only completed in January or February, and there are other reasons.

So all you can say about why there was no start up in October - the construction companies gave us a wrong forecast last May. Of course, they were in no rush.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: McAlpine, their contracts were cost-plus. McAlpine's was cost plus 10.4 per cent. We got that changed during the year but the change to that was agreed upon in July, it was signed in September and they went on cost-plus, a fixed fee. That saved the project we thing \$2 million at least in the last year. But of course, when you are on cost plus, a fixed fee, or cost plus, a percentage, there is no incentive to finish early. When you are on cost plus, a fixed fee, there is no great incentive to finish early although you save more of your fee the quicker you are. So there are a number of reasons for that.

The Leader of the Opposition asked why - I think I will come to that when I speak about the honourable member for Labrador North. The honourable Leader of the Opposition was concerned

about Henderson Lumber Company and Trans Trade, There is nothing mysterious about those matters, Mr. Speaker. It was discovered during the year that this mill could not get all the wood it needed from Labrador. Imagine, it was discovered last year after we took over the project that there was not sufficient wood up in Labrador to supply 550,000 chords for this mill. When we started out last May we thought that in four years time we would build up to taking 550,000 chords from Labrador. I remember I mentioned it in the House.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: 450. But when the results of the studies done by the Lussier Company came in and were checked, it then became obvious last summer that you could not take 550,000 chords a year from that 24,000 square miles because if you did you would run out of wood in twenty years. In other words, the study shows 13 million chords of merchantable wood at this time, out of the 40 million chords of wood in the area, so we had to get wood from Newfoundland.

It was then thought that the mill would be starting up in the fall, October or November, and it was going to be a real problem to have enough wood if the mill started, until June of next year, so they commenced to buy wood in Newfoundland. Henderson did not act in any way for Labrador Linerboard Limited. He is not an agent for Labrador Linerboard Limited, all he did was sell Labrador Linerboard Limited some wood.

I have the amount here somewhere. Yes, he is a broker himself and he buys wood from small logging contractors here in Newfoundland and sells it. Yes, here it is right here, the Labrador Linerboard purchased from Henderson in 1972, 10,700 cords of wood. He was not approached by Labrador Linerboard but he sought out Labrador Linerboard. Mr. Henderson buys himself from around the province and he also operates in Eastern Canada. So it is 10,700 cords and he was not acting for Labrador Linerboard. We have no broker acting for Labrador Linerboard. He had wood for export and so did Trans-Trade, that they had bought here in Newfoundland, and their export market went.

As far as Mr. Henderson is concerned, we are planning to buy 20,000 cords from him in 1973, at \$41.00 a cord delivered at Stephenville. The position on Trans-Trade is, in 1972 Labrador Linerboard bought from Trans-Trade 20,833 cords of wood. The contract price delivered to the mill pond was \$42.00. 12,000 cords remain to be delivered in that contract. That wood was originally cut for export as well, around and about Newfoundland. They approached Labrador Linerboard to see if we would buy the wood and of course Labrador Linerboard was glad to buy the wood. There is no arrangement made with them for 1973 at all.

So there is nothing mysterious nor unusual about either Henderson or Trans-Trade. They do not act for Labrador Linerboard and they had wood to sell and we were interested in buying it.

AN HON. MEMBER: A lot of that was stockpiled.

MR. CROSBIE: A lot of it, right, had already been cut and was stockpiled.

MR. NEARY: (Inaudible). Was Dr. Peters the one who made that predication in the beginning?

MR. CROSBIE: Dr. Peters made no such predication that I have ever

seen or heard about.

AN HON. MEMBER: Dr. Smallwood.

MR. CROSBIE: Dr. Smallwood did.

MR. NEARY: No, it was not Dr. Smallwood, it was Dr. Peters.

Dr. Smallwood was the expert on everything. He did not want to listen to anyone. He listened to no-one. He did not want to believe the feasibility studies. He would not listen to reason. He just wanted to have a mill and because he wanted to have a mill we are now in this House discussing another \$95 million and so on over the next four years. That is the Doctor, that is the gentleman who said we can get 550,000 cords of wood from Newfoundland.

MR. NEARY: Dr. Peters should be trotted into this House and made explain.

MR. CROSBIE: He has cost the province a couple of hundred million dollars, Dr. Smallwood and the people who were with him and let him do it.

MR. NEARY: Dr. Peters should be trotted into this House.

MR. CROSBIE: Dr. Peters is not in the picture. He has nothing to do with it and he advised against it and he advised against the third mill and the onerous terms and conditions that are in the old agreements on the third mill. Not a thing to do with it, and he was drummed out of the government and thrown out in 1968.

MR. NEARY: Dr. Peters is the culprit.

AN HON. MEMBER: Vilified and fired.

MR. NEARY: Yes, vilified all right, for incompetence.

MR. CROSBIE: Vilified, dragooned, slandered and insinuated about.

MR. NEARY: He should be fired.

MR. CROSBIE: The hon. gentleman should not get me all upset.

MR. NEARY: When you tell the truth, you will not get upset.

MR. CROSBIE: This whole project started because the last Premier, Mr. Smallwood, would listen to no one, would listen not to economists.

The feasibility study was done by the Government of Canada on this and they refused to go and dredge the harbour up at Goose so it could take 50,000 ton ships. Remember how the chip mill was going to go in Labrador and then it did not go and Dr. Smallwood ignored all of that and not Dr. Peters.

MR. NEARY: Did DREE not say it was good project and it was feasible?

MR. CROSBIE: We know who is responsible for it. DREE never said it was a good project.

MR. NEARY: DREE said it was feasible.

MR. CROSBIE: DREE, Mr. Speaker, refused to give a cent to this linerboard mill, a cent. ARDA would not give it, ADA would not give it, Pierre would not give it, DREE would not give it, not one cent of federal help for this because they knew it was a monster from the start.

MR. NEARY: They said it had a better chance of survival than the oil refinery and now we are getting a second one down there. The hon. minister knows it.

MR. CROSBIE: Not a dollar, not a NICKEL.

The Bay St. George Committee, the Leader of the Opposition brought that matter up again. We produced the names, the facts on the employment at the Labrador Linerboard in Stephenville. Since my visit on November 22, we had them printed and published in the Stephenville Area. I am not going to go into it all again. It showed that over ninety per cent, I think it was even higher than that since November 22, were hired from the Bay St. George Area, and the figures speak for themselves. Now the hon. Leader of the Opposition, everything has been quiet about that for the last month or two, We had the management and everybody out in Stephenville straining to get this mill through start-up to get some money coming in, and the issue was raised again. I have no intention of recommending and I do not think the government has any intention of having any

Commission of enquiry into the employment practices of that mill at Stephenville. Are we going to continue trying to destroy the morale and the efficiency of the people who are out trying to make this thing operate or are we going to grow up and let them get on with the job and stop this picayune quibbling about whether this man or that man is from Bay St. George or not? There were some mistakes made and admitted with respect to hiring in the early phases. Since November they have paid particular and scrupulous attention to try to give priority to people in the Bay St. George Area. That is only sensible and it is only right and that is what is being done and there is no point hashing over and going into all the details again.

The Leader of the Opposition mentioned a Mr. Hugh Kerr who was out there in connection with construction and whose two sons got jobs with the mill. Well, they were not born in Newfoundland there is no question about that but they had resided in the Stephenville Area for several years and they got jobs. Well, perhaps people from the Bay St. George Area should have gotten jobs ahead of them. How can we afford to lay down these standards that no one who is not born and lived in an area for a number of years is going to get a job there? We are the people who can least afford to do that. How many Newfoundlanders are up working on the Mainland?

MR. NEARY: (Inaudible). How many Newfoundlanders?

MR. CROSBIE: When the hon. yapper was in office, the French-Canadians took over up in Labrador, while the hon. gentleman was in office.

Mr. Speaker, so that matter is being looked into and what is now needed in Stephenville, what I have suggested before, is a committee, a liason committee with the representatives of the mill management, the municipalities and the Boards of Trade in the area, a committee that will co-operate together in attempting to get the public services developed out there that are needed particularly the

harbour and wharf facilities. That is the kind of approach that is needed not this continuation of all of this fuss about the hiring. That is now being straightened out.

MR. NEARY: Time will tell.

MR. MURPHY: (Inaudible).

MR. CROSBIE: Yes, the money in the project in any event is money of all of the people of Newfoundland not just money of the people of the Bay St. George Area, but they are getting preference. It is in their area and wherever it can be done they have preference.

The sales contract with International Forest Products was questioned by the Leader of the Opposition. Mr. Speaker, it is really strange to me. We have seen in this province in the last eighteen or twenty years some pretty peculiar characters come in

They did not even have companies with sales of a dollar a year but they were welcome. The wilder the idea, the wilder the scheme, the sillier, the more imaginative, the more inventive, the more fantastic, the more they got from the government. There was a light bulb manufacturer, the con man came down in 1966. The honourable former Leader of the Opposition knows that. He came down, saw Mr. Smallwood, got loans and guarantees to start a light bulb factory out in Stevenville. This is the kind of crazy thing went on continually.

There were companies like Linton and Grace, the great multi, multi, multimillion-billion dollar corporation, and the Newfoundland Government paid every cent for their operation and they established the fish plant that went bankrupt over in Stevenville last year.

MR. NEARY: Tell us about this company. Forget about the past.

MR. CROSBIE: I am comparing this. Yes, forget the past.

MR. NEARY: Do not be living in the past. It is a smoke screen, a cover up.

MR. CROSBIE: We would like to just think of it every now and then. Here is a company, Mr. Speaker, this Rand Whitney, started in the 1930's by Mr. Haitt, a refugee from Europe, which is a very, very successful manufacture of boxes, cartons, packaging. It employs altogether, in companies that they directly own, five to six hundred people and in other companies that they do not own one hundred percent, a thousand.

There sales altogether, of the various companies, are in excess of \$20,000,000 a year. I have been through two of their plants. It is a manufacturing operation. It is an excellent operation, a money-making operation. There is nothing wrong with these people. They are private companies. They are not on the stock exchange, so the information they have given us is confidential. There is their financial statement. We have been through them.

The Rand Whitney Corporation, for example, makes a profit in excess of seven figures every year. That is in excess of one million dollars. That is what they make and the companies network, I can assure honourable gentlemen, is in the seven figures, a very healthy, successful company. Now, that company has guaranteed the performance of International Forest

Products Corporation, which is a separately incorporated company, to undertake the sales marketing contract. If they do not perform, if for example they could not sell 200,000 tons of our product when we are in full production in a year, and had to make good on that guarantee, they have the money to do it. If they did not have the money to do it, they are taking the risk of losing a very remunerative company and a business that they are now engaged in. They were prepared to put that on the line to give us this additional security.

Now, it does not matter if we had a claim for \$20,000,000, whether they could pay a \$20,000,000 claim. We know that they could not. The fact that they have guaranteed that they will take sixty per cent of the production means that they will darn well do it because they are not going to risk the loss of this company which returns to them and makes a profit in excess of a million dollars a year. Now, no other company would take that risk, that discussed with us any sales agency contract.

The honourable Leader of the Opposition asked about their shares or who the companies were owned by. Well, we know who the company is owned by, Rand Whitney Container Corporation. It is owned by Jacob Haitt and his son-in-law Robert Kraft. That is who owns it. That is who holds the issued shares. International Forest Products Corporation is owned by the same people. They are associated companies and Mr. Allan Miller also has an interest in International Forest Products Corporation.

Now, the honourable Leader of the Opposition mentioned that the Rand Whitney had no experience in marketing linerboard. This is true - no experience in marketing linerboard but lots of experience in purchasing it. They buy between fifty and a hundred thousand tons a year to use in their own plants. The point is, in addition to that they have associated with them Allan Miller who is under contract to the company. That was one of the conditions we made. We brought the same point up to them. You know, we are not all that dumb. We said to them, "look here, you do not have experience in marketing

linerboard. Why should we give you a contract? We will not give you a contract unless we know you have people, experienced people with you." They have Mr. Allan Miller under contract with the company and with an interest in it to do their marketing in the states, and with them to do their European marketing, Meade Pulp Sales Limited, the sales organization of the giant Meade Corporation which has a European sales force and which is doing their sales in Europe. They have a contract with them. We have seen the contract. It is the same term as this contract. This is four years. The contract with Meade is four years.

Meade has also obligated itself to them to take a certain tonnage every year. I will not give the figure because that is their own private business.

So, we know that they have experienced people with them and that they can perform.

Now, I notice in the paper tonight - I do not know if it is a correct quotation - that the Leader of the Opposition is quoted as saying that the Premier and I had suggested that they were committed to take equity in the Linerboard Mill. That has never been stated. They are not committed to take equity but they are the people who have satisfied us, that are genuinely interested in taking this mill or taking equity in it once all the facts about it are known, because they are ambitious. They have reached this stage now. They want to go on to greater things. They want to have their own. They buy fifty to a hundred thousand tons of linerboard a year. Now they want their own linerboard mill. Kraft is only a young man, in his early thirties. I presume he wants to end up one of the billionaires or something or with a billion dollar business. Mr. Shaheen has a long way to go to catch up on Mr. Kraft. However, he may do that in the next couple of years.

So, they fully intend to get a linerboard mill. Now, if it does not work out here, if the Linerboard Mill at Stevensville turns out to be a mill that cannot make an operating profit at all, if it just will

not operate at a profit even if we forget the debt, then they will go somewhere else. They will look elsewhere or they will build their own mill but this is an opportunity for them to get into a linerboard operation. They are genuinely interested.

Have they got the money? Could they pay us anything for it if it turned out to have some value? They have the money themselves and they are associated with firms and companies of very substantial resources. They can get the money when it becomes necessary. Otherwise, it is just a question of opinion, Mr. Speaker. Our opinion is that it is a good contract but only time will tell. It is certainly better than we could have had with MacMillan and Bloedel. As I say, we have seen their other contracts.

The salary of Mr. Ingram, I have dealt with that. I checked it out again this morning, Mr. Speaker, Mr. Ingram is to get a salary of \$75,000 a year and fringe benefits. There is nothing extraordinary about that. It sounds like a lot of money perhaps but the range of salaries in the industry for presidents of comparable companies, and this industry across Canada ranges from \$75,000 to \$125,000. Now, the manager of Bowaters here in Newfoundland may get less. He probably does but he is the manager of an established pulp and paper operation at Corner Brook. This is a new concern at Steenville. We all know the problems it has, and to attract a capable, experienced man from another established company, you have to pay more.

Now, originally we had made an offer to Mr. Ingram, for example, of less money than this and the company he was with, Meade, thought so much of him that they went and offered him considerably more than he was going to come with us for. So, to get him, we had to match their offer.

AN HONOURABLE MEMBER: Inaudible.

MP. CROSBIE: I will come to that. It is going to be. The formula is being worked on.

His salary is \$75,000. If he does better than the standard, as we expect, he will make more.

MR. NEARY: What is the formula? Let us hear it. Tell us what it is.

MR. CROSBIE: The honourable gentleman will hear all about it next year.

MR. NEARY: I want to hear it now.

MR. CROSBIE: Now, Mr. Speaker, there is nothing at all wrong with the salary. It is remarkable that we are getting a man of Mr. Igram's capability for this salary. It is not an exorbitant salary.

MR. NEARY: He must be some man.

MR. CROSBIE: You have to be some man to leave a job with an established billion dollar corporation, with chances to go to the top in that corporation, and come to

Newfoundland. To take on the challenge of the mill, you have to have a lot of courage and determination.

MR. NEARY: That is right.

MR. CROSBIE: And you have got to have inducement.

MR. NEARY: You have to find a milch cow too.

MR. ROWE, W.N. Does the honourable minister know if this man Ingram has any interest in the Kraft one or the Meade Corporation? Does he have any share equity of any kind?

MR. CROSBIE: I have never asked. I could find out. He is not connected with them any longer, He has no interest in them, as far as I know. I can ask about that.

The Leader of the Opposition brought up a point I should explain.

MR. NEARY: What about the other then, on planning out there - what would be their salaries?

MR. CROSBIE: Their salaries are adequate but I will give you the range of them.

MR. NEARY: Is this the trend \$75,000, is that going to set a trend there?

AN HON. MEMBER: The new minimum wage.

MR. NEARY: The new minimum wage, but not for people in the low income bracket or welfare recipients.

MR. CROSBIE: The other managing personnel, Mr. Speaker, range from \$19,200 a year up to \$35,000 a year.

MR. NEARY: What would he be, the sweeper?

MR. CROSBIE: I am not giving names.

MR. NEARY: I do not want names. I just want their positions. Would he be a clerk, grade III, a sweeper, or what?

MR. CROSBIE: I believe I have the floor, Mr. Speaker.

MR. NEARY: Yes, go ahead.

MR. CROSBIE: Now the managing personnel, and I describe the positions who were management personnel, the eight or ten management personnel, their salaries range from \$19,200 a year to \$35,000. I am not going to identify who they are. The Leader of the Opposition said he did

not want to know their names. He wanted to know the range of their salaries and those are the ranges.

MR. SPEAKER: Order, please!

MR. MARSHALL: On a point of order, the honourable member for Bell Island is constantly interrupting in the course of the debate.

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

AN HON. MEMBER: Keep quiet.

MR. MARSHALL: He had his opportunity to speak and he did not. I would ask, Mr. Speaker, that the honourable member for Bell Island be directed in very strong terms to keep quiet.

MR. NEARY: Sit down.

MR. SPEAKER: The point of order taken by the honourable government House Leader is well taken, There has been some latitude given for asking questions of the honourable Minister of Finance. But again I remind all honourable members that he does have the right to be heard in silence.

MR. CROSBIE: Ordinarily, Mr. Speaker, I can endure the honourable member for Bell Island as everybody else has to endure him but this is a different matter, I am just trying to give some information.

Now the point is -

MR. NEARY: Inaudible.

MR. SPEAKER: Order, please!

MR. CROSBIE: Perhaps he should be removed from the House, Mr. Speaker, if he is not going to pay any attention to you.

MR. NEARY: Is the honourable minister going to suggest that?

MR. CROSBIE: I just suggested it. If the honourable blue jay or magpie cannot keep quiet, the Wabana warbler cannot restrain himself.

MR. NEARY: Now who is start the name-calling in this House, Mr. Speaker?

MR. SPEAKER: Order, please!

MR. CROSBIE: Mr. Speaker, if I may continue.

MR. NEARY: Inaudible.

MR. SPEAKER: Order, please!

MR. CROSBIE: Now tonight we will have on the television news the Wabana warbler.

MR. NEARY: Throw him out, Sir.

MR. MARSHALL: Mr. Speaker, please!

MR. SPEAKER: Order, please! I have been just reminding honourable members that the honourable Minister of Finance has the right to be heard in silence.

MR. CROSBIE: I just want to answer the questions that were asked by the honourable Leader of the Opposition, now if I cannot answer them

it is because of reasons beyond my own powers and controls. I am showing remarkable restraint and patience in the face of this inflexible niggling opposite. Now if I can get on with the bill.

The honourable Leader of the Opposition referred to this bill which amends sub-section (3) of last year's legislation. Now last year's legislation approved the agreement to take over the project and in Section (7) (iii) it approved, the government not to exceed \$50 million for certain purposes. The purposes are set out in Sub-section (1) of Section (7), to furnish the cost of the completion and operation of the project.

Now last year we had \$50 million authorized to be spent under the legislation to complete and operate the project, in addition, the legislation approved the agreement with Javelin. It approved our assuming liabilities of the project and paying them. It approved the payment of \$5 million to Javelin for its equity in the project. In addition, it approved our spending \$50 million to complete and operate the project. So we were not restricted just to spending \$50 million, it was to spend up to \$50 million to complete

and operate the project.

So we were not restricted to just spending \$50 million. It was to spend up to \$50 million to complete and operate it, to assume liabilities, to pay under the McAlpine contract and so on, all that is set out in the agreement. Now this year the amendment simply makes that clear. We are now being authorized to spend an additional \$40 million to complete and operate the project, but in addition the agreement itself authorizes us to pay the liabilities that were assumed in the McAlpine contract and the Wamsley contract and the \$5 million to Canadian Javelin.

Now the \$40 million which, if the House approves this agreement, we do not need the authorization. That will be sufficient authorization to make all the necessary payments for the next four years, as far as we know now. So we will be authorized to spend up to \$90 million in completing and operating the project and in addition the House last year approved our entering into the agreement with Javelin assuming certain liabilities and paying Javelin, \$5 million.

MR. NEARY: Mr. Speaker, would the honourable minister permit a question?

MR. CROSBIE: Yes.

MR. NEARY: What if the arbitration board awards say \$4 million to Mr. Doyle, as final settlement, is that included in the amount?

MR. CROSBIE: If we had to pay any more monies to the Javelin Companies under arbitration or otherwise, then the agreement approved last year already approves paying that. No, it is not included. We would naturally report to the House if that happened. I checked with the draftsman of the bill and that is the legal position on the bill the Leader of the Opposition was asking about.

I made the point last night but just once again; there has been no great cost escalation on the mill as compared to last year.

Now the honourable the member for Labrador North talked about the situation in Labrador. He mentioned matters like

thirty or forty men arrived to load a ship and the ship never arrived and they were still paid, instances like that or stories like it that may or may not have happened, I do not know. The position was given in my opening remarks as to what happened with the shipping there last year. Because it was thought in May that 200,000 cords of wood at least would have to come down from Labrador, three ships were chartered. It was discovered later during the summer that we could not get 200,000 cords of wood, we would have to buy wood on the island of Newfoundland and we could not need to move 200,000 cords and we did not need three ships to move 120,000 cords, so one of the ships was then laid off.

The point is, none of this would have happened had there been proper planning and arrangements done by the Javelin Organization when they were doing the project, but none of this was arranged. There were many problems up there last year moving wood from the Goose Bay Area down. For example, you can only store, adjacent to the wharf, some 8,000 cords of wood. So after that 8,000 cords of wood were gone, you would have to bring wood there from four miles away, from the place where they strip the bark, or wood would have to be trucked there directly from where they are operating in the woods, that delayed the loading of the ships, naturally. Because of this you had ships waiting, a long time expensive time, to be loaded. This was another problem caused by the lack of planning and the lack of forethought that had been done originally. So there were many problems there last year.

Now many of the things that the honourable the member for Labrador North mentioned, you know there is no detail on and I put them in the category of rumours. For example, this is the kind of things that happen. I was told of a rumour six or eight weeks ago that a company in which the member for Labrador North was involved had a contract to build roads for Labrador Lumberboard, at \$12,500 a mile, and

that this was far more than the work and the cost of the roads should have been. I was told that this is fact. When I check into it, it is not fact. But these stories circulate all of the time. Now the same kind of stories circulate about the Labrador Linerboard or about the woods operation and so on. When a lot of these things are checked into, they are not facts.

MR. NEARY: Inaudible.

MR. CROSBIE: Now as far as wood from Labrador is concerned, the honourable member for Labrador North said that he knew private contractors who would be prepared to work and deliver wood at \$36 a cord to the wharf at Goose Bay. Well fine, have them come forward, let us see if they have a sensible proposal. We have no objection to working out with private contractors their operating up in Labrador. If they can deliver wood at what we consider to be a proper cost to the wharf in Goose Bay, fine, there is nothing wrong with that, but they have not come forward yet. We are waiting and anxious to hear from them. Of course a lot of that will depend where they

cut the wood, whether it is close to the wharf, what the density is and the rest of it.

The hon. member for Labrador North does not have to worry as to whether we are going to carry on the woods operation in Labrador or not. This is certainly going to be carried on and will be carried on. I simply point out the fact that these costs have to be brought down, if it is to continue past the next three or four years. We have every reason to believe that they will be brought down. Our people say they will be. We know the shipping costs can be lowered. We know these costs can be brought down. The question is, can they be brought down enough? They certainly can be brought down from what they were last year when only 120,000 cords were moved down. We think that with the proper work this can be accomplished. We would not continue the operation up there now, if we were not being advised -

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Yes, there is this chance that wood can be gotten at a reasonable cost from Labrador. We are hoping to get from Labrador this year 250,000 cords. The idea is to bring down 250,000 cords of wood from Labrador each year, yes. It had to drop because there is not enough wood up there.

MR. WOODWARD: They were surveying within a radius of fifty miles, not the twenty-five miles you are talking about in this particular instance.

MR. CROSBIE: Whether I have the mileage mixed up or not is immaterial. Of the 40,000,000 cords, only 13,000,000 of them are merchantable today.

MR. WOODWARD: The 25,000,000 cords in an area of twenty-five miles -

MR. CROSBIE: No, forty.

MR. WOODWARD: The initial surveys said that there was a production of 450,000 cords within a radius of fifty miles.

MR. CROSBIE. I can only give the honourable gentleman what I have here. The total area of the Goose Bay timber concession that Javelin Forests had was 24,000 square miles. Now forty-two per cent of that was forested. In 1972 an inventory study showed that the quantity of wood within a twenty-five mile radius of Goose Bay was 40,700,000 cords. Of that, 27,700,000 was uneconomical to harvest according to the present state -

MR. WOODWARD: Is this Forestal?

MR. CROSBIE: Pardon.

MR. WOODWARD: Is this Forestal who made the report?

MR. CROSBIE: No, no. See, nobody listens. I spoke for two and a half hours the other day and nobody listened.

AN HON. MEMBER: You spoke extremely well. I listened.

MR. CROSBIE: Well you are the only one. It was the firm of Dorveau, Renee Lussier and Associates. They were retained by Javelin originally.

MR. WOODWARD: What comprehensive report did they make?

MR. CROSBIE: They are from Quebec.

MR. WOODWARD: Yes but what comprehensive report did they make? Did they do it in a week or ten days?

MR. CROSBIE: No! No! My dear man they were taken on by Javelin before we took over the project and spent about a year. This is their report. So the available merchantable wood supply is 13,000,000 cords.

MR. NEARY: Would the honourable minister permit a question, Mr. Speaker? Does this mean now that the reduction in the number of cords of wood cut in Labrador will reduce the number of employees necessary? Will it be a seasonable operation? How many men will be employed? Will it not be on a year-round basis?

MR. CROSBIE: The number of men to be employed up there next year will be the same as last year. It will be around 600 men.

MR. NEARY: All year around.

MR. CROSBIE: Yes.

MR. NEARY: It will not be a seasonable operation?

MR. CROSBIE: Well it is still seasonable. I mean certain times of the year you cannot have as many on as other times. It depends on the weather and the rest of it. The number up there employed at the moment is not 600. It is because of the shipping and the rest of it that it goes up in the summer.

We are not giving up on the Labrador wood operation. We are advised that the costs can be reduced. The only question -

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Right, last year's cost was not a true cost. Last year's costs include the extraordinary shipping expenses. They include the extraordinary capital expenses. They include all the equipment that was bought originally and is no good. We expect there will be quite a change this year and next year in the wood costs. We have no intention of giving up on it.

Now the hon. member for Labrador South asked whether the mill should continue. "Maybe pouring money into it, is pouring money into a white elephant." Maybe. The point is that we will not know for another three or four years yet. I see no reason, argument nor sensible argument that we should not continue this project because if it operates and gets in the position where it requires no further advances from the people of Newfoundland, if it stands on its own feet that way, then we are getting returns for the money that went into it. We will have 1,100 employed directly. There will be wages and salaries of \$8 million to \$10 million a year. We will be buying wood around the Island of Newfoundland. There will be people employed by logging contractors to log that wood, so that is so many more hundred people working. There will be several millions of dollars spent every year on maintenance and repairs. That will go into the economy. It will earn for Canada foreign exchange earnings of \$25 million, \$30 million, \$35 million a year.

MR. NEARY: Could the honourable minister give us the information that I asked him for the other day on cutting wood?

MR. CROSBIE: Oh, I am going to give you that. They will pay those employees, we estimate, up to \$1 million and \$1.5 million. In income tax and so on, we will be getting a return from the money. If we gave up now and said, " , we will close it down," No with \$166 million, we would be getting no return on that whatsoever and it would not be sensible to do. In addition, we already have to meet these debt payments anyway. I believe that the hon. member for Labrador South, the answer to his question there is; this is worth carrying on. The next three or four years will tell the tale, as to whether it can meet its operating costs and stand on its own feet.

He asked about whether we were harvesting our forest products rationally. The answer is, we are not. Sure, the government are convinced of that, I hope. Is that not right, boss? The government are well aware and agree (unless I gave you the wrong interpretation) with the hon. member for Labrador South, We have a forestry task force now examining the whole wood situation and the forest situation and what should be done about it because we agree that it is not being done rationally here in Newfoundland. Is that not right? Much of what the honourable member said yesterday we can agree with. The recommendations he gave, these are being considered now by the forestry task force. He asked: "Is the Canada Land Inventory scrapped in Labrador?" The answer to that is no, it is not scrapped in Labrador. The Canada Land Inventory is to continue in Labrador. They have completed the island and they are going to continue in Labrador. He advocated putting control of the forests in the government. It seems to me to be a very sensible thing to do. The difficult part is how you do it. Of course, the task force is working on that and will be reporting within the next month or two.

MR. SPEAKER: Order please! The Chair is willing to allow honourable members of the opposition a reasonable amount of questions providing the minister is willing to yield to such questions, but it feels that

there have been too many unnecessary interruptions and would ask the honourable members to refrain from such a quantity in future.

MR. NEARY: I would like to ask the honourable minister if he could give us a clarification of the Reid holdings, this controversy which is raging up.

MR. CROSBIE: Mr. Speaker, this is irrelevant to this issue and the Reid claim is irrelevant as far as I am concerned. It is quite irrelevant. It is not a pressing matter of urgency for this government or any other government. It is not germane to this at all.

Mr. Speaker -

MR. MOORES: Would the honourable minister permit a question please? There is just one point, Mr. Speaker. It seems fairly obvious that - the minister and I were talking over various things the other day that applied to the Linerboard Mill and other things and we decided that the hon. member for Bell Island was in fact a "wit." Would the honourable minister agree with me that we were only half right?

MR. SPEAKER: Order please!

MR. CROSBIE: Mr. Speaker, this is a disgrace how you are being ignored by the honourable gentlemen.

Now, Mr. Speaker, the hon. member for Labrador North asked about the chip mill in Labrador, what was the position. Now as the House knows, the wood chipping operation is in Stephenville. It cannot be duplicated in Labrador. Wood would have to go down to the mill from the island and we would have been in a bad spot.

had the chip mill been in Labrador and we discovered there was not sufficient wood because there would have been nothing to chip the wood with down at Stephenville, that came from the Island. So the position on a chip mill in Labrador is that that is not possible now. The chipping facilities are in Stephenville and they have to be there because wood is now coming to Stephenville not just from Labrador but from around the Island, and to build a chip mill in Labrador itself would cost some \$8 million and that is not possible now.

AN HON. MEMBER: (Inaudible).

MR. SPEAKER: Order please!

MR. CROSBIE: I understand that the chip mill never went ahead in the first place partly because the federal government would not do the dredging work necessary for large ships. Apparently the people who were going to finance it wanted a mortgage on the timber rights and this they did not want to give, and I do not know what other problems. They had a problem perhaps with the bark. So it went in Stephenville. So another problem in the Goose Bay Area, I think, with the chip mill was that you would need quite a bit of power for the chip mill. That was another problem there, but it will not be when the Lower Churchill is developed.

So I do not want to keep the House much longer, just a few final bits of information. Now the hon. member for Bell Island wanted to know what contracts Labrador Linerboard has for the purchase of wood up in the great Northern Peninsula. There are five contracts let to these five following people: 1,000 cords to Wallace Maynard, Hawkes Bay; 1,000 cords to Ken Parsons, Hawkes Bay; 1,000 cords to Edmund Payne, Parsons Pond; 1,000 cords to George Payne, Parsons Pond; 1,000 cords to Art Offrey, Hawkes Bay. The three contracts for the Hawkes Bay Area are for \$26.00 a cord delivered to the water in Hawkes Bay. The two for the Parsons Pond Area, the wood there has to be delivered to the

water in Hawkes Bay and they get \$29.50 a cord and it is planned to truck to a holding boom in Hawkes Bay. Mr. Wallace Maynard has been paid \$3.00 a cord to look after the booming arrangements, off loading the trucks into the holding boom and he will be responsible for ship loading next summer. He has experience with the Northern Regional Development Association for supplying pulp to Bowaters and Newfoundland Forest Products, and Labrador Linerboard has arranged with him to look after this. The other alternative would be to have one of our own people go there and set up a temporary position in the area and that is not necessary.

So there is nothing unusual and I can say this, Mr. Speaker, and there is no-one can contradict this: There has been no political interference at all with employment in the mill at Stephenville or Goose Bay and no interference in what contracts they give out or what supplies they order or whom they deal with. There has been no interference.

MR. NEARY: It is just a coincidence -

MR. SPEAKER: Order please!

MR. CROSBIE: When the member for Bell Island tries now to infer that say Mr. Wallace Maynard, who is the brother of the Minister of Forestry, that there was some influence got on this, he is one hundred per cent incorrect and that inference should not be made. Neither I nor the Minister of Forestry knows who they buy wood from. That is decided by the woods manager and the people in Labrador Linerboard. We are not going to not buy wood from Wallace Maynard or anyone else because their brother or relatives are in politics. We do business with the member for Labrador North or he does business with Labrador Linerboard. He will not be discriminated against because he is in politics and in another party and we are not going to discriminate against our own sympathizers either. Everybody is treated equally, it is a business and we are not interfering.

MR. NEARY: Would the hon. minister permit a question?

MR. CROSBIE: What is the question?

MR. NEARY: Is he aware that the hon. member for Labrador North is in this business, but Mr. Maynard is not in the business as he runs a motel down in Hawkes Bay?

MR. CROSBIE: Whatever business Mr. Maynard is in, he is also in the business of having wood cut on the great Northern Peninsula and selling it. He has done it before and he is doing it again and other people there are doing it. It is silly, it is so distasteful, it is so vicious, it is so improper, it is so mean, and that is what I do not like about these sly little imputations, they are so mean and they demean the House by having them suggested. Anyway that is the situation. The member asked about it and that is the situation on it.

MR. NEARY: (Inaudible).

MR. CROSBIE: Yes, that was a tremendous rumour. Now another thing, I am going to end up now because I am getting really worn down here.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: I know that, I am losing weight. But last year one of our problems was we had to use British bottoms and anybody that used a British bottom knows that it is not easy. One of the problems in this shipping is that the vessels have to be British bottoms or at least they have to be British registry, British Commonwealth registry, to go coast to coast in Canada. So that restricts the ships you can use. Then ships had to have their own loading and unloading gear, and I described all the problems of that the other day. So there are a hundred reasons why there were problems in moving wood from Labrador last year. I have a whole lot of things to answer that I have not even answered yet.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: That is right, but I think that is the most of what

questions were brought up. I hope I have satisfied the hon. gentleman opposite.

MR. NEARY: It is not what I want at all.

MR. CROSBIE: There is no satisfying the hon. gentleman as he is such an indefatigable campaigner and crusader.

I should just clarify the situation of the affluent system at the linerboard mill in case I gave a wrong impression the other day. Apparently there was a report on the radio that was not correct. The affluent from the linerboard mill has never escaped directly into the waters of St. George's Bay. It goes through the treatment system before it is discharged. During December 1972 an attempt to perform remedial work on the outfall pipe, there was a failure of the pipe. Now there have not been any claims made against the contractor nor against the manufacturers but there are discussions going on as to how this is going to be corrected, with the contractor and the manufacturer. The installation that is there now is approved on an interim basis by both the federal and provincial authorities and it will be corrected and the pipe will go out the required 2,500 feet during the spring or summer.

Now I think I have answered most of the points and I hope the hon. gentlemen opposite are going to approve this bill on second reading. To end up, Mr. Speaker, this is a very, very difficult problem. It is very, very complicated. The facts and figures are complicated. Next year we should be in a position, after it has operated under its own management for a year, to be able to have a much clearer view of how it is doing and what the situation is. There is no question in my mind but that we are justified in proceeding on with any additional monies that are required to get this under way. There is not much point now in this year in going back over who is responsible for what. It was a problem that this administration inherited. It has been handled, I think as well as it could be.

There have been no major mistakes since we took it over. No matter who was operating the project from the time we took it over, all these problems would still be there and these costs would be there and it was just a situation that was beyond belief. Most of these problems have now been overcome so I think we can expect a bit better saving.

On the bright side, this mill does mean a lot to the Island of Newfoundland just from the point of view of the wood that is going to be purchased and that kind of economic activity. I therefore hope that the members of the House will all agree to authorize this additional up to \$40 million. This does not mean to say this is all going to be spent. This is what might be required to be authorized for the next four years for the purposes I have explained. Hopefully it will not all be required. They were instructed to be careful and pessimistic and we hope that it will not all be required. We know that the debt part and the interest part will be. I can only say that the members of the Cabinet Committee have done their best, together with everything else, of course, that ministers have to do to give this general supervision. We had to leave the detailed work to

the consultants and the management. We are not interfering in their internal affairs, they have a large leaway. We just set the general policy and hold them accountable and responsible. I hope that next year we will be able to report a brighter picture.

A bill, An Act To Amend The Stephenville Linerboard Mill (Agreement) Act, 1972." read a second time ordered referred to a Committee of the Whole House presently by leave, carried.

MR. MARSHALL: Mr. Speaker, perhaps we could move now into Committee of the Whole to consider certain bills. I might say that the Chairman of Committees has to leave about 5:30 p.m. so perhaps, Mr. Speaker, you might like to designate in his absence when he does go, that the honourable the member for St. John's South take his place as Chairman in Committee.

On motion that the House resolve itself into Committee of the Whole, Mr. Speaker, left the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN: Order! Bill no. (63).

A bill, "An Act To Amend The Stephenville Linerboard Mill (Agreement) Act, 1972."

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

A bill, "An Act To Amend The Health And Public Welfare Act."

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

A bill. "An Act Futher To Amend The Agreement Ratified, Confirmed And Adopted By And Set Forth In The Schedule To The Commodore Mining Company Limited (Agreement) Act, 1968, And To Make Certain Statutory Provisions Relating To That Agreement."

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

A bill, "An Act To Amend The Tobacco Tax Act."

MR. HICKMAN: Clause (3), Mr. Chairman, it is not an amendment but the side note should be changed to read "addition of new section" I

simply draw that to the attention of the Committee although it is not really an amendment.

On motion, clause (3), carried.

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

A bill, "An Act To Make Certain Provisions Respecting The Reorganization Of The Government And The Public Service Of The Province And Respecting Matters Connected Therewith Or Arising Therefrom."

MR. HICKMAN: In clauses (2 and 3), Mr. Chairman, I would like to direct the Committee's attention to a misspelling in (2a) and then in (3) the word "the" on the date of the coming in. I do not think that warrants an amendment.

On motion, clauses (2 and 3), carried.

MR. HICKMAN: Clause (11), Mr. Chairman, the fifth line from the bottom at the end of that section, it should read; "the coming into force of this section" rather than "act." Again I think that that does not require an amendment.

On motion, clause (11) carried.

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

"An Act Further To Amend The Elevators Act."

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

"An Act To Amend The Adoption Of Children Act, 1972,"

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

"An Act To Establish An Electoral Districts Boundaries Commission To Report Upon The Delimitation Of The Province Into Districts For Which Members Shall Be Returned To The House Of Assembly."

On motion Clauses 1 through 15 carried.

MR. W. MARSHALL: With respect to Clause 16, Mr. Chairman, there is an amendment of some substance to this we would like to propose, in relation to the statements made while the matter was in debate. This is to add a new sub-clause (C) of paragraph 16, which will read as follows; 'With respect to Labrador (comprised of the Coast of Labrador within the meaning of the Labrador Act together with the islands adjacent to the said Coast of Labrador) the commission shall proceed subject to such adjustments that are necessary in order to give effect to the population of Labrador being entitled to at least (a) being apportioned among three districts all of which are completely in Labrador plus (b) an equal entitlement in conjunction with the population of some part of the province outside of the Labrador to another district in the province except as may be necessary to give effect to this paragraph (c) shall the portion of any district in the province as a result thereof depart from the quotient established in Section (14) to the greater extent than twenty-five per cent more or twenty-five per cent less.'

And of course then the existing paragraph (C) would be relettered as Paragraph (D). The effect of this, Mr. Chairman, would be to provide at least three and one-half seats in the area for Labrador.

MR. ROWE, W.N. On the amendment, Mr. Chairman, it is the first time I have heard the amendment read, so it was a little hard to follow since it had some technical elements to it. The amendment as I understand it says that the Labrador portion of the province shall have at least three and perhaps three and one-half or three and three-quarters seats or districts or members coming.

AN HON. MEMBER: Not less than three.

MR. ROWE, W.N. Not less than three. Now then there was some reference to the quotient and the twenty-five per cent leeway up and down. Was that a condition of it? Or was it in spite of that? I just did not quite understand it when the minister was reading it out.

MR. MARSHALL: I think, Mr. Chairman, really what has happened is that I have inadvertently read a carry over of subclause (d) when I talked about the quotient, so I could change that amendment to paragraph (C) which is as I read out, and to amend paragraph (D) by inserting after the words "case" and shall except as may be necessary to give effect to Paragraph (c) in new Paragraph (D). I presume this makes it a bit clearer, does it not?

MR. ROWE, W.N. So the effect now is the quotient really does not apply, with the present population ratio it probably does apply but it does not necessarily apply. In other words, if the population of Labrador were to go down to 10,000 tomorrow, we are still entitled to three seats. Is that the substance?

MR. MARSHALL: Yes that is the effect.

MR. ROWE, W.N. Yes, I think I was misled somewhat by the reference to the twenty-five per cent.

MR. MARSHALL: I apologize to the committee on that, Mr. Chairman, I was continuing on from one page to the other. So the amendment is then a new paragraph (C) and in Paragraph (D) there is an amendment between the words "case" and "shall" to insert the words "except as may be necessary to give effect" to paragraph (C). I think the amendment is already before the committee.

On motion Clause (16) as amended, carried.

On motion that the committee report having passed the bill with amendment, carried.

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

MR. STAGG: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report bill No. 25 with some amendment.

On motion report received and adopted.

On motion amendments read a first and second time,

On motion bill ordered read a third time on tomorrow.

MR. STAGG: The committee of the whole report having passed bills no. 63, no. 47, no. 59, no. 64, no. 66, no. 65, and no. 77 without amendments .

On motion report received and adopted.

On motion bills ordered read a third time on tomorrow.

On motion that the House go into Committee of the Whole on Supply to Consider Certain Resolutions Concerning the Granting of Interim Supply to Her Majesty. Mr. Speaker left the Chair.

MR. CHAIRMAN: Head (13), Tourism.

MR. DOYLE: Mr. Chairman, the total amount of Interim Supply for the Department of Tourism as stated is \$1,400,000. It is broken down as follows:

Subhead 13-01, Minister's Office, \$6,400.

Subhead 13-02, General Administration, \$15,800.

Subhead 13-03, Division of Tourist Services, \$209,000.

Subhead 13-04, Parks Division, \$416,000.

Subhead 13-05, Wildlife Division, \$296,500.

Subhead 13-06, Historic Resources Division, \$105,800.

Subhead 13-07, Cultural Affairs Division, \$324,400.

A new subhead 13-08 which is to cover the Silver Anniversary Committee, \$20,000.

In the event that any honourable member should be interested in or wonder under which subhead Mr. McLean will be paid his public relations fee of \$7,000 per month, as I stated in this House, it is subhead 13-03-03-05.

MR. W. ROWE: Wildlife? Which heading is it?

MR. DOYLE: I just gave it twice.

MR. W. ROWE: Well, I do not have the subheads. I only have them by Division of Tourist Services.

MR. DOYLE: Right, that is it. The exact title of the subhead, for the benefit of the member, is Advertising, Newspaper, Television, Magazine, etc.

I would be pleased to answer any questions, to the best of my ability.

MR. NEARY: Mr. Chairman, could the honourable minister tell where Mr. Nutbeam and Company are located under this subhead?

MR. DOYLE: I just told you.

MR. NEARY: Oh, under Silver Anniversary. I am sorry. Well, would the honourable minister tell us how big that staff is now? Is it still Mr. Nutbeam and a lady, I think for \$10,000 per year? Are there any secretaries, any clerical staff? Is there anybody else involved now in this, under this subhead? What is the total number of staff there now?

MR. DOYLE: The total number of staff under the Silver Anniversary Committee right now consists of Mr. Nutbeam, Mrs. Williams and a part-time secretary, on a week to week basis, which will be replaced by full-time secretarial help when the offices of that committee are amalgamated with the offices of my department, in this building, which we hope will be within several weeks.

MR. NEARY: What is the anticipated staff for this Silver Anniversary Affair?

MR. DOYLE: I have no exact answer for that for the simple reason that we are hoping when the two prime people on the committee right now, Mr. Nutbeam and Mrs. Williams, are moved within my department that they will be able to draw on regular people in the department to do the day to day work.

but there are no specific plans to hire anybody else at this time for that committee.

MR. NEARY: Has Mr. Nutbeem's salary been set yet and what fringe benefits does Mr. Nutbeem get in addition to his salary?

MR. DOYLE: If he gets any fringe benefits, I wish I knew about them, I would like to go after them myself.

MR. NEARY: What is the salary?

MR. DOYLE: The salary as announced is \$20,000 a year.

MR. NEARY: That is agreed on now, is it? That was negotiable there a few weeks ago.

MR. DOYLE: No I beg your pardon, it was announced as of February 19.

MR. NEARY: Mr. Chairman, I wonder if the Minister of Tourism would tell us why it was necessary to increase the budget of his department for the fiscal year ending March 31, 1972, give us a breakdown of the subheads and the items under which this -

MR. DOYLE: I thought we were talking about supply for April and May.

MR. NEARY: Well that is right and we have a right to know why the budget of the minister's department had to be doubled last year.

MR. DOYLE: I would like to know who said it was doubled last year.

MR. NEARY: The honourable minister announced it publicly.

MR. DOYLE: I did not, Sir, I beg to differ with you.

MR. NEARY: Well, Mr. Chairman, can I ask the honourable minister if it was doubled last year?

MR. DOYLE: No it was not.

MR. NEARY: Did it go up by twenty-five per cent, fifty per cent, seventy-five per cent, eighty per cent, what was the increase and why?

MR. CROSBIE: No department's spending went up twenty-five per cent or any such amount, if it had of course you would see it under supplementary supply. We are expecting that one week from

today we are hoping that the budget will be brought down, if it is not then, it will be two or three days later, at which time the estimates will be tabled and the revised estimates. It is quite obvious, Mr. Chairman, no minister can answer these detailed questions now; we are simply asking for authority to go on and spend some money in April or May. The detailed estimates will be coming before the House in two weeks and then of course all that information will be available.

MR. NEARY: I am satisfied to wait, I will have a go at the minister when the budget is brought down. But, Sir, there are a few questions that I want to get answered by the minister. My next question involves the jaunts that are being taken by the Deputy Minister of Tourism and by certain employees of the Department of Tourism, accompanied by certain employees of McLean's Public Relations, the jaunts that they are taking all over North America, showing this film, "Come and Paint and Photograph Us," Is there any provision in here to take care of the expenses that are being incurred on these jaunts? If so, how much? Would the minister give us a progress report on what is happening, how many capitals they have visited so far, Do they plan on going overseas to Europe or behind the Iron Curtain? Give us some information on this spending.

MR. DOYLE: I would be happy to, Mr. Chairman. I will start off by saying I have already tabled all the information once but I will be glad to go through it again.

MR. NEARY: No it is not tabled, no it is not.

MR. DOYLE: I tabled it on March 7.

MR. NEARY: I read what the minister tabled.

MR. DOYLE: However, I would be glad to take advantage of every opportunity I can get to speak on behalf of the newly created Department of Tourism. As far as the jaunts are concerned, to which the honourable member refers, the film (and for his

benefit) the correct title is "Come Paint And Photograph Us," I have not heard him use it right yet.

The film so far has been shown in Halifax, Montreal, Toronto, Boston and New York. The Halifax and Montreal showings were accompanied by Mr. Manuel, my Deputy Minister, and Mr. Henley, the Director of Tourist Services Division. I attended the one in Toronto and Mr. Henley attended the ones in Boston and New York. Those were the only other expenses over and above any expenses Mr. McLean's people entailed which came out of the \$7,000 per month figure he is getting for his public relations overall programme.

The reason why Mr. McLean's people, two and three in number, went to each of these showings was, quite obvious, either he went or we sent more people. Somebody had to run the projector, somebody had to be at the door

take the names of the people and the organizations they represented. There is no other expenditure other than ordinary travelling for myself, deputy minister or the director of our Tourist Services Division. That came out in the general travelling vote.

MR. ROWE (W.N.): Mr. Chairman, \$7,000 a month, is that the correct figure for Mr. McLean.

MR. DOYLE: Yes.

MR. ROWE: What does he do for that?

MR. NEARY: Takes names on the doors.

MR. DOYLE: Mr. Chairman, if I am permitted, I will simply read what I tabled in this House on March 7, which every member has copies of. It detailed the whole thing. I can keep you here until seven o'clock reading this. Is that what the honourable member wants?

MR. ROWE: I would like to know what Mr. McLean is getting paid \$7,000 a month for, Mr. Chairman?

MR. DOYLE: Fine. I will start right now. This is page four, the document I tabled in this House on March 7 past. Heading II, Public Relations. "The McLean group had been retained by this department to carry on a programme of general public relations throughout Canada and the eastern United States of America. The programme is taking many forms: (a) the publication of a quarterly newsletter distributed to all those in the travel industry in the above areas; (b) the inviting into the province and working with them after they are here of prominent sports and outdoor writers to publicize such activities as tuna fishing, salmon, trout fishing, hunting etc.; (c) the release of feature stories to the news media throughout Canada and the eastern United States of America about Newfoundland; (d) a series of local and international releases and feature stories on fishing and other events which capture the interest of potential tourists; (e) a programme of working closely with large tour operations to Canada and the eastern United States of America in promoting special group travel in Newfoundland in 1973; (f) the McLean group work closely with members of the Parliamentary Press

from Ottawa who visited here last summer; (g) the McLean group have taken a large number of black and white and colour photographs for use with various releases, local, national and international. As an example of the above activity, some fifty senior executives from the C.F. Motor Company in Italy are coming to Newfoundland this summer to go fishing. Another example is that as a result of stories released by the McLean group, a well-known Scandinavian sports writer, Bill Thorenson, plans to bring a group of other writers to Newfoundland. These are all paying groups that have been motivated by the public relations programme of the McLean group. The McLean group work closely with the Federal Tourist Bureau in assisting the national Japanese television network in preparing a special television series on Canada, which includes extensive shooting in Newfoundland. All of these activities come out of McLean's present tourist budget and are good examples of the important contribution this company is making and of the terrific amount of their budget which is spent in a promotional way."

For the information of honourable members of this House, I am tabling herewith, as attachment to this original copy, a sample of the quarterly newsletter referred to in (a) above and also a cross-section of clippings from various newspapers throughout Canada and the United States of America. I tabled those on the 7 March.

"For the time and out-of-pocket expenses of the above described public relations efforts, McLean's are paid by my department at the rate of \$7,000 per month. This is not a fee nor an outright payment to McLean's but rather their total budget and their fee and all of their expenses involved in all of the above activity. To the end of January, 1973, the company will have been paid \$70,000 during the fiscal year, 1972-1973. Of this amount \$9,000 was spent in bringing outside press to the island, providing accommodations and assisting them with their stories; \$6,000 has been spent in the taking, printing and releasing of colour, black and white photographs; \$5,000 has been spent

on out-of-pocket expenses relating to the obtaining of pictures, stories in various parts of the province; \$5,000 has been spent in printing, writing and art work for the tourist news letters which have been sent out. In addition \$3,000 in mimeographing and mailing photographs and news releases sent out to the media and \$3,000 has been spent in pre-arrangements regarding the showing of the tourist film. Long distance phone calls, telegrams, etc., to contact various writers all over the world amounted to \$4,000. Miscellaneous expenses such as production of special radio tapes, working with television editors concerning special television programmes, etc., \$3,000. Copies of colour slides including distribution \$2,500. This brings the company's fee to under \$3,000 per month. "

MR. W. N. ROWE: How is the \$3,000 per month arrived at, Mr. Chairman. It seems to be a strange type of arbitrary

figure. It does not seem to be related to either expenses entailed or pay for the number of hours put in or anything. The honourable minister says three thousand dollars was left apparently after expenses on the items that he read to us.

MR. DOYLE: Right.

MR. W.N. ROWE: This represented the fee? How does it work? How was the figure arrived at? It seems to be a strange way to do things, just to make an arbitrary figure and then hope to get something in return for it. I just do not pretend to follow it. How was it arrived at?

MR. DOYLE: It was settled on a figure and Mr. McLean is providing what he figures he can provide within the limits of that figure and still make a profit himself, as everybody else wants to make. I have just gone through the detail of what he did for the money.

MR. NEARY: Could the minister tell us if other presentations were invited? If so, from whom? Would the minister be prepared to table these other presentations in the House? What was the cost of the other presentations? Did the minister have a choice or did he just have to pick McLean, period?

MR. MARSHALL: If the minister would permit.

MR. DOYLE: Yes, certainly.

MR. MARSHALL: Mr. Chairman, I move that the Committee rise, report progress and ask leave to sit again.

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

Motion, report received and adopted.

On motion, second reading of a bill, "An Act To Ratify, Confirm And Adopt An Indenture Made Between The Government, Newfoundland Forest Products Limited, Bowaters Canadian Corporation Limited, Bowaters Newfoundland Limited And Lundrigans Limited And An Agreement Between Government And Bowaters Newfoundland Limited And To Make Provision Respecting Matters Connected Therewith."

MR. MARSHALL: I adjourn the debate, Mr. Speaker, I believe I adjourned the debate the last time. The honourable the Minister of Forestry and Agriculture is not here and there are just a few closing remarks or hopefully closing remarks anyway that may be made in moving second reading of this bill.

AN HON. MEMBER: (Inaudible)

MR. MARSHALL: Obviously, I am not speaking for the minister, The minister is able to speak for himself but I was hoping that we can clear up one or two of the points because the matter was debated and debated thoroughly a while ago, at the last time.

In this particular instance, Mr. Speaker, I think the only real comment that was made that warrants any kind of response was made by the honourable member for White Bay South where he alluded to the fact that promises were made with respect to the opening of the woods operation in the Hawkes Bay Area and that they were not carried out, that these promises were not carried out immediately when the time occurred.

In the first place, with the greatest respect to the honourable member, I would point out that similar promises were made, I believe in 1966, with respect to the opening of the mines at Bell Island. I do not believe that we have seen the mines opening to this date. With respect to this situation, this position which is taken and this observation, this government have and this government intend to implement industrial development in this province, after the greatest protection can be given to the greatest number of people and the greatest security for jobs and the greatest number of jobs provided. To this end, to insinuate or to make an innuendo or a direct statement, for that matter, to the effect that any member of the government attempted to use this

promise for political purposes is a little bit ludicrous and to a great degree really, very, very, extremely childish because obviously when you are going for election you puff out your wares as to what you intend to do and what you hope to do.

I am happy to say, Mr. Speaker, that what the government undertook to do in the District of St. Barbe South has been brought to fruition and is embodied in this very bill itself, to ratify an agreement which was made and forged out after negotiation with the parties concerned, those are Bowaters and Lundrigan's Limited.

The provisions of the bill stipulate that with respect to the \$1,750,000 we have obtained security. We have obtained good security, a first mortgage security over all of the assets of the company concerned, over Newfoundland Forest Products. We have also negotiated with respect to procuring guarantees, limited albeit they are, but they are guarantees of substance from the two principals concerned, that is Bowaters and Lundrigan's. Generally speaking, this bill indicates the type of mode of development of this province which we undertook when we were elected to perform in natural resource development, in development which are forged after indepth negotiations with the parties concerned, and one which we are glad to bring before this House because it provides a great deal of jobs in the area itself.

I compliment the Minister of Forestry and Agriculture for bringing this before the House and also the Minister of Finance, both who worked very hard on this bill. It is an indication of the type of industrial development which we go for. It is an indication that we are going to provide jobs and at the same time protect the people of the province. There are a few terms in it with respect to SSA exemptions but

these were terms that were really precommitted by acts of the previous administration.

We all know it is not the policy of this government to give open-ended concessions to everybody who may wish to go on a business venture, anybody with a good sound scheme or a fly-by-night scheme. The open-ended concessions were given by the previous administration. Any concessions in this act are concessions that we were precommitted to as I say, and the honourable members on the other side of the House can learn a good lesson when another debate comes up soon, of an agreement which we put together, which this government put together with respect to the inadvisability of granting concessions.

So without anything further, Mr. Speaker, I do not know whether any members on the other side have anything further to add, I certainly would hope that they would have a bit more of substance to add than they have already attempted to inject into this debate. I certainly support its second reading and commend it to the study of the members on the other side of the House as an operation of sane, sensible negotiation, which they might study over the next twenty or twenty-five years and they can invoke when and if they every get into power after that time.

MR. NEARY: Mr. Speaker, now we have heard it all, a new philosophy just outlined by the Minister without Portfolio, the policy of the Tory Administration. You go down in Hawkes Bay and you persuade the voters of Hawkes Bay to vote Tory on a firm committment by the Premier, twenty-four hours before polling day, that that mill was going to open within two weeks. That is a far different situation, Sir, than the comparison that the

honourable Minister without Portfolio drew when he referred to the contract on the Premier's desk that had to be signed in order to get the mine opened on Bell Island.

The Premier, the leader of the former administration, merely stated, Sir, there was a contract on his desk. The honourable Premier of that day did

not state that the mine was going to open. The mine would subsequently open, if the agreement were signed. The agreement was not signed, unfortunately. That is a far different situation, Sir, than the situation the minister referred to. The fact of the matter is that the Premier of this Province, the present Premier, the Tory Premier, the absentee Premier, makes a few remarks and then goes out in the Common Room to finish off his Irish Coffee and comes back in the House.

AN HON. MEMBER: (Inaudible).

DR. FARRELL: To a point of order, I refuse having coffee treated in this way by the hon. member for Bell Island. I want a retraction of this remark. The Premier does not like Irish Coffee.

MR. NEARY: Maybe if the honourable minister mixed it, he might like it.

MR. FARRELL: One second, Sir. Pardon.

MR. NEARY: What I said is that maybe if the honourable minister mixed it, the honourable Premier may like it. He might dispense with the coffee.

DR. FARRELL: Thank you very much, Sir.

MR. NEARY: That is a compliment for the honourable minister, Sir. Sir, the honourable Premier did go down to Hawke's Bay and in fact he did tell these people that within two weeks that mill would be open, and it did not open. It is open now, Sir, but the people in that area, the employees, the men who are working in the woods and in the mill lost one year's pay, one year's wages, because of the procrastination of the Tory Administration who seemed to be more concerned, Sir, about the previous administration. They take up their whole time, Sir, - they must go down on the eighth floor in the Cabinet Room and all they talk about is the former Liberal Administration, the previous administration. They are so preoccupied, they are so preoccupied with talking about the former Liberal, Smallwood Administration, that they do not get time to do anything, Sir.

No wonder, we are at a standstill in this province. Does it make any wonder?

AN HON. MEMBER: (Inaudible).

AN HON. MEMBER: You drink too much Irish Coffee.

MR. NEARY: Mr. Speaker, how can you deal with that crowd? How can you deal with them? Mr. Speaker, one day -

AN HON. MEMBER: Sit down!

MR. NEARY: One day I will have to give myself a pat on the back, that I am the only member in this House, when he stands in his place can get a quorum on the other side. The Minister of Finance was putting through a bill today for \$46.5 million. That is a pretty important piece of legislation, Sir. He could not hold a quorum in the House. That is not a very good compliment for the minister - an indictment of that crowd, that administration, Sir, who could not care less about the taxpayers' money. The minister was over trying to struggle his way through without any help, no leadership, and his shirt tail sticking out, Sir, or his tie hanging out through his fly, trying to keep his shorts up. The honourable Premier should be here hanging on to every word or hanging on to the minister's shirt tail, because he might learn something if he did. At least that minister knows what he is talking about. I enjoy debating with the honourable minister in this House. He is the only one over there qualified to do it. He is the only one who knows what he is talking about.

MR. EVANS: What are you looking for, a loan?

MR. NEARY: No, I am not looking for any loan.

On motion debate adjourned.

MR. MARSHALL: Before the adjournment of the House I would like to draw two incidents of great note to the attention of the House. First of all on Monday or this weekend, the Speaker is leaving to attend the annual seminar of the Commonwealth Parliamentary Association and I would like to draw to the attention of the House, His Honour, the Speaker, will

be away for a period of approximately two to three weeks. This is a great honour that has been bestowed upon our Speaker and it is also obviously a great honour to the Province and to the Legislature. Another great event I should like to draw to the attention of the members, particularly on the other side, Mr. Speaker, is that tomorrow is the first anniversary of the great event of March 24, when the honourable members on the other side of the House were really mired down in the mud, which they still find themselves in.

Mr. Speaker, I move that the House at its rising do adjourn until tomorrow Monday at 3:00 P.M. and that this House do now adjourn.

MR. SPEAKER: This House stands adjourned until tomorrow Monday at 3:00 P.M.