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VERBATIM REPORT
(Hansard)

Speaker: Honourable James Russell

Thursday

6 December 1984

The House met at 3:00 p.m.

MR. SPEAKER (Russell):
Order, please!

Statements by Ministers

MR. SPEAKER:
The hon. the Premier.

PREMIER PECKFORD:
Mr. Speaker, the following is the text of a Telex sent at 1:00 p.m. today to both the President of Newfoundland Telephone Company and the President of Local 410 of the Communications Workers of Canada:

"The strike of employees of Newfoundland Telephone Company which has gone on for twenty-two weeks, with no apparent solution in sight, is a matter of concern to government. Every prolonged work stoppage, especially where large numbers of workers are involved, raises concerns for government, particularly for the welfare of the families affected, and also for the impact on the economy of the Province.

"Nevertheless, in this particular case, I am mindful that the withdrawal of service by the union is legal and, of course, the action of the company in refusing to accede to all of the demands of the union is also legal. Under these circumstances, it would be improper for government to take sides or favour the position of either of the parties to the dispute. I believe it would be equally improper for government to interfere with the legal rights of either of the parties in any manner other than to endeavour to assist in resolving their differences by making available to them the services provided under

the labour relations act which is administered by the Department of Labour.

"The last attempt at settling this dispute was back in mid October when the parties participated in a series of meetings arranged by a conciliation officer. I understand that considerable progress was made during these negotiations but the talks broke off without a resolution of all the issues.

"My purpose in communicating with you at this time is to respectfully suggest that both parties carefully reassess their positions and reconvene negotiations with the assistance of the conciliation officer and make a meaningful effort to resolve the differences and end the conflict."

End of Telex and end of statement. I hope, Mr. Speaker, that we can see that both parties get back at the table as soon as possible.

MR. BARRY:
Mr. Speaker.

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

MR. BARRY:
Mr. Speaker, we are happy to see the Premier issue this statement, weak as it may be. It does not go very far, but presumably it should help a little to bring public attention on this strike again and hopefully it should cause both sides to reconsider just where they are going in this dispute. It should be noted, Mr. Speaker, that Christmas is soon upon us; this has been a long strike and I fear that it is going to be a sad

Christmas for a large number of families who will be affected and have been affected very adversely by this strike. I believe it should be made clear that, while everybody is cognizant of the need for restraint and the need for companies to bargain firmly to ensure that the cost of their operations do not get out of line, neither does the general public of this Province, I believe, feel that the workers should be treated unfairly, that employees should be dealt with harshly or that unions should be crushed in the course of resolving a labour dispute. I might suggest to the Premier that he might consider fairly shortly another statement dealing specifically with the point of whether the Premier believes that as a matter of principle a company is entitled, or should be encouraged, to take the position that workers in Newfoundland should be paid less than the workers of other Provinces.

MR. SPEAKER (Russell):

I would like to take this opportunity to welcome to the galleries the Royal Canadian Sea Cadets from the Burin area with Miss Millicent Pardy from the Burin Branch of the Navy League of Canada. It is a pleasure indeed for me to welcome you here today.

SOME HON. MEMBERS:

Hear, hear!

Oral Questions

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I would like to address a question to the Minister of Municipal Affairs (Mr. Doyle). I have had representation from a group of citizens who were elected as a committee to represent the citizens of Jerseyside, Placentia, where the council recently resigned and where an administrator has been appointed. Now, these individuals, who were duly elected, I understand, at a meeting of concerned citizens in the town of Jerseyside have been attempting to get a meeting with the Minister of Municipal Affairs. I understand that they have received the response, 'Write me a letter.' Mr. Speaker, it would seem that this is not the way that a Minister of Municipal Affairs or any minister should deal with concerned citizens who have some mandate - they are not an elected council, but they do have a mandate - and I wonder if the minister would give a commitment to meet with these citizens to discuss the problems of the town of Jerseyside?

MR. SPEAKER (Russell):

The hon. the Minister of Municipal Affairs.

MR. DOYLE:

Mr. Speaker, with respect to that particular committee that was elected in Jerseyside for the purpose of coming in to meet with me approximately three weeks ago to discuss the problems that Jerseyside was having at that point in time, I did meet with the committee. I met with the committee roughly about two weeks ago, Mr. Speaker. We had a very extensive discussion on the problems connected with Jerseyside. Subsequent to that my department appointed a

commissioner to look after the affairs of the town of Jerseyside and that has been completed. After that the committee approached me again for a second meeting. I informed the committee that a commissioner had been appointed in Jerseyside to look after their affairs and it was going quite well until such time as we have had the opportunity to have an election called. We could not call an election, Mr. Speaker, at this point in time because we wanted to wait until the Christmas season was over. In any event, I indicated to the committee that we already had a meeting, discussed fully the concerns of the people of Jerseyside, and if they required a second meeting I would be happy to meet with them. But in the meantime I also instructed the committee that I would like to have their concerns placed on paper and if any further clarification was necessary with respect to the issues that they were raising that I would be happy to meet with them. For the second time to this point in time I have not heard back from the Committee, neither have they sent me any correspondence in that regard.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

A supplementary, Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the Leader of the Opposition a supplementary.

MR. BARRY:

Mr. Speaker, the four members of this committee, the four citizens of Jerseyside, took time off from their employment today to drive into St. John's to meet with me to express concern and request assistance in seeing if a meeting

could be arranged with the Minister. Now the minister has indicated that he is setting a condition that the committee submit a letter to him. Mr. Speaker, these citizens of Jerseyside wish to have a face to face meeting with the minister to discuss matters of concern, legitimate matters of concern and I would ask the minister if he would reconsider and give them that meeting that they are looking for.

MR. DOYLE:

We had a meeting.

MR. BARRY:

He had a meeting some time ago, but he did not give them any answers, Mr. Speaker, that is the problem.

Mr. Speaker, I would like to ask the minister, since he has indicated that there will be an election, whether he would give some commitment that there will be an election of a new Town Council at Jerseyside within a reasonable period of time? Because that is another very grave concern that this committee has that they have been unable to get any commitment from the minister with respect to a time frame. Will the minister give that commitment, and will he give a time frame in which that election will be set?

MR. SPEAKER (Russell):

The hon. Minister of Municipal Affairs.

MR. DOYLE:

Mr. Speaker, I have already given that commitment, even in the press. The hon. gentleman apparently was not listening. I have given the commitment to the Committee in Jerseyside and to the administrator as well that we

would within a very reasonable period of time, have an election called. Now the problem that we have with it is when you call an election for a municipality, Mr. Speaker, you have to go through at least a thirty day period; a ten day period in which notice of nomination has to be filed, first of all, and then you have to go for a three week period which is notice of an election. When all these problems came about approximately three weeks ago, we felt that if we called an election at that point in time it would bring it up to roughly the middle of the Christmas season, so we indicated to the committee that this election would be called shortly in the New Year. And we still intend to proceed along those lines, Mr. Speaker. An election will be called roughly around the middle of January sometime.

With respect to the committee, I will say now exactly what I said a couple of days ago to the committee. We have already met with the committee. We have outlined to the committee what we intended to do in Jersey side. We have done it. We have appointed the commissioner. Anybody who wishes to make any representation regarding the people of Jersey side or the Town of Jersey side should do so now through the commissioner. I indicated to the committee as well that we would be happy to give them a meeting but only after they had submitted their concerns to me in writing. I still say that we will be happy to give them a meeting but only after that is done.

MR. BARRY:

A final supplementary, Mr. Speaker.

MR. SPEAKER (Russell):

A final supplementary, the hon. Leader of the Opposition.

MR. BARRY:

I must say I do not understand what the minister is saying now. Is he saying that he is prepared to meet or is he saying that they have first to make representation to the administrator or to the commissioner who has been appointed? Would the minister clarify that? Would the minister give some assurances to the people of Jersey side that because of this delay in the setting of the new municipal election that the debt of the town is not increasing in the meantime? Are there sufficient funds being obtained in order to maintain and cover the operating costs of the operation of the town from day to day? Has the department issued any additional funds by way of loan, grant, or otherwise to the town? And is the minister satisfied that expenses are being reasonably minimized and the number of employees and so forth kept to a minimum until there is a newly elected council out there?

MR. SPEAKER (Russell):

The hon. Minister of Municipal Affairs.

MR. DOYLE:

Mr. Speaker, I have met with the commissioner a couple of different times. As a matter of fact, I am in constant contact with the commissioner to make sure that everything is going quite well in Jersey side. The commissioner realizes that right now he has to maintain the status quo in Jersey side. He is not allowed to make any appointments or he is not allowed to hire any additional staff in Jersey side until a council is put in place there. We have also indicated to the

commissioner that we will be in continual contact with him on a daily basis, that if any further assistance is needed from my department through officials or staff we would be happy to provide them with that assistance.

I have also been informed by the commissioner as well that the people of Jersey side have responded and are coming forward with their tax arrears, which is one of the things that cause the problem in the very beginning. That people were waiting until the end of the year before payment of taxes thereby causing a cash flow problem for the Town of Jersey side. So the Commissioner has informed me that people have been coming forward over the last three weeks to a month, that these taxes are being collected and that from day to day he finds himself in a better position to meet some of the current debt that the Town of Jersey side was experiencing.

MR. NEARY:
Mr. Speaker.

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

MR. NEARY:
Mr. Speaker, I wonder if the hon. Premier could tell the House briefly, in about thirty seconds, what the guidelines are for ministers using helicopters?

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

PREMIER PECKFORD:
Mr. Speaker, I do not think I am going to be bound by a thirty second rule that the member for LaPoile (Mr. Neary) comes up with. The regulations regarding that, Mr. Speaker, are quite clear and the member for LaPoile knows

that as well as I do. He is just trying to ask some kind of a leading question or something there. If he has a more substantive question, well, I would be only too prepared to answer it.

MR. NEARY:
A supplementary, Mr. Speaker.

MR. SPEAKER (Russell):
A supplementary, the hon. member for LaPoile.

MR. NEARY:
The hon. gentleman anticipated, I suppose, that I did have a follow-up question and that is why he was so careful. In these times of restraint, when so many people are unemployed and sick people cannot get beds in hospital, student aid is being cut, widows are without fuel, children are going to school half hungry and cold and, Mr. Speaker, people are being forced on social assistance, would the hon. gentleman tell the House two ministers taking a helicopter to go to Baie Verte to cut a ribbon for a beauty culture course at the Vocational School, namely his Minister of Careers Development (Mr. Power) and his Minister of Recreation, Culture and Youth (Mr. Rideout), if he would consider this to be a top priority item for the use of government aircraft and helicopters?

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

PREMIER PECKFORD:
Mr. Speaker, the preamble to the hon. member's question left something to be desired. This year, talking about trying to help those people who are unemployed, the Minister of Social Services (Mr. Hickey) is in the process of

spending \$22 million to create 7,000 jobs for people who are unemployed and do not qualify for unemployment insurance. As far as those who are in hospitals are concerned, there has always been an increase in the health care budget. We are in the middle of a year capital construction programme on health. We are building a brand new hospital in the hon. member's district costing \$14 million, that government, when he was in, did not see fit to build, and while PCs had to build for the member, the Liberal member LaPoile (Mr. Neary). We proceeded even before that to build a medical clinic in Forteau in the hon. member's friend's district, which is another Liberal district, to help give the people that part of Newfoundland proper health care. When the member of the Strait of Belle Isle (Mr. Roberts) was Minister of Health did not do it so we were those who had to provide improved health care services for the people of his district. That member, by the way, never turns up in this House and then claims he does. Then we proceeded to build a new modern facility in Clarendon, valued at about \$15 million to provide additional health care for the people of that whole area of the Province. We are in the process of building a new one in Burin. I take exception to the hon. member for LaPoile suddenly saying this government is not doing its part as it relates to the social welfare of our people. We are doing both in Social Services and in the Department of Health with the construction of new facilities.

MR. NEARY:

How much did the helicopter cost?

PREMIER PECKFORD:

From time to time the ministers of the Crown in order to be in their districts to do other work in their districts have to take helicopters or planes in order to get their to meet that commitment and get back to the House that afternoon. If the minister was not in the House that afternoon or the next day the first thing the hon. member for LaPoile (Mr. Neary) would be saying, where is the Minister of Culture, Recreation and Youth (Mr. Rideout), he is not in the House? Where is the Minister for Career Development (Mr. Power) he is not in the House? So you are damned if you do and you are damned if you do not.

When ministers have to go to various parts of the Province they use aircraft and they use helicopters and in the future they will continue to do so in order to carry out the functions of government and the functions of the ministry for which they were appointed.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

A final supplementary, Mr. Speaker.

MR. SPEAKER (Russell):

A final supplementary, the hon. member for LaPoile.

MR. NEARY:

Mr. Speaker, is the hon. gentleman saying that it is moral and it is proper in these times of restraint for two ministers to take a helicopter, probably at an expense of a minimum of \$3,500, to go down to Bay Verte to cut a ribbon for a beauty culture course? Is he saying that is proper? Is that the priority? Is that the

guidelines for the hon. Premier -

MR. SPEAKER (Russell):
Order, please!

MR. NEARY:
- to do no other business than to cut a ribbon?

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

MR. SPEAKER (Russell):
Order please!

The hon. member for Career Development on a point of order.

MR. POWER:
Mr. Speaker, I would not want anyone to deliberately mislead the House. The member for Baie Verte, the Minister for Culture, Recreation and Youth (Mr. Rideout) and myself went to Baie Verte yesterday for several purposes and was to cut a ribbon for a beauty culture course, because it is the first time that it has been offered, because there is a demand in that area for that given course. And in order to accommodate the needs of the people in all parts of Newfoundland, we have a course in Baie Verte teaching beauty culture.

We also went to discuss with the principal and the administration of the Baie Verte District Vocational School the kind of programmes in a five year plan that they have in place so that we can accommodate the needs of rural Newfoundland. Unfortunately, yesterday the weather was very bad and Mr. Rideout and I did not have time enough to spend there to discuss with the people involved all of the their concerns because we were trying to get back here to the House. But certainly, Mr. Speaker, if not deliberate, it is

certainly misleading the House to say we went there just to cut a ribbon. We did a very valuable function. If the weather had not been so bad, then we certainly would have been able to do more work there.

MR. NEARY:
Mr. Speaker, is that a point of order?

MR. SPEAKER (Russell):
Is the hon. member for LaPoile speaking to that point of order?

MR. NEARY:
To that point of order, Mr. Speaker. The hon. gentleman did not raise a point of order, merely a difference of opinion. The two hon. gentlemen did go to Baie Verte. All they did was cut a ribbon and they browsed through a report that was prepared showing the progress of the vocational school for five years and told the principal they did not have time to stay because Bill 37 was on in the House and they had to get back to the House that afternoon because there might be a vote on Bill 37. That is the real reason. Now, Mr. Speaker, that is inexcusable, that is no excuse for taking a government helicopter at the expense of \$3500 or more to go to Baie Verte merely to cut a ribbon for a beauty culture course because that is the only business that was transacted while the two ministers were in Baie Verte.

MR. SPEAKER:
To that point of order raised by the hon. Minister of Career Development (Mr. Power), I feel it is not really a valid point of order but he rose to make a point of clarification and again it is a difference of opinion between two hon. members.

MR. NEARY:

So, Mr. Speaker, my question to the hon. gentleman is is this a number one priority? Does this fit in the guidelines for ministers using helicopters? And could the hon. gentleman undertake to get the House the cost of that trip of two ministers going out to Baie Verte to cut this ribbon for the beauty culture course? Could the hon. gentleman tell the House if in these times of restraint that is moral, is decent, is right and proper for them to do that?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, we will also get the cost when members from both sides of the House go away on parliamentary excursions that are part of the budget of this House from time to time, when members from the Opposition as well as members from this side go. When was the last time a number of members were away in these times of restraint?

MR. SIMMS:

The member for LaPoile (Mr. Neary) went to British Columbia a couple of years ago.

PREMIER PECKFORD:

He was to British Columbia a couple of years ago but that was not in times of restraint. Who came back yesterday? Where was the member for Bellevue (Mr. Callan) yesterday? He was in Ottawa on government expense, I suppose. In times of restraint, is this moral? You know, talking out of both sides of their mouth at the same time, Mr. Speaker.

MR. CALLAN:

That was public.

PREMIER PECKFORD:

Oh, it was public, sure. It is not right for the Minister of Career Development and Advanced Studies to go and meet with the principal of the vocational school in Baie Verte to talk about the curriculum for the next five years, but it is justifiable for the member for Bellevue (Mr. Callan) to have a little leisurely trip to Ottawa.

MR. SPEAKER (Russell):

The hon. member for Menihek.

MR. FENWICK:

Thank you, Mr. Speaker. Just to change the tone of the debate for a few seconds, my question is for the Minister of Social Services (Mr. Hickey). It has become apparent over the last couple of days, or the last couple of weeks, that certain individuals who are in receipt of social services and unemployment insurance are sometimes having difficulties in cashing the cheques that they exist on. In many cases these individuals have to pay a surcharge and have to have their cheques cashed, or have to spend a portion of their cheques in a particular operation in order to get them cashed. It has been suggested that perhaps an identification card might be issued by the Department of Social Services with a picture of the recipient on it and a specimen signature and so on. I was originally going to ask the minister if this could be done but after thinking about it it seemed somewhat questionable whether there should be an identification card for social service recipients. But nevertheless the problem still does seem to exist and it seems to me perhaps that some modification to the MCP card, which is a little bit more general

in use, may be available for these people who have difficulty getting this kind of identification and who are penalized when they have to cash their cheques. I was wondering if the Minister of Social Services (Mr. Hickey) would investigate this particular matter and see if some action could be taken in this matter?

MR. SPEAKER (Russell):

The hon. Minister of Social Services.

MR. HICKEY:

Mr. Speaker, I thank the hon. gentleman for providing me with the information. I have not been aware or made aware of any problem in this regard. The issue is new to me and I will certainly endeavour to get the details and check it out. I hope he can accept what I say in the spirit I offer it, I do not mean for a moment to be frivolous about the thing, I think it is very critical and I will look into it; however, let me say to him that I would certainly reject outright any suggestion of providing identification cards to recipients from my department. I think that the least amount people have to do with my department the better insofar as perpetrating dependency and labelling people is concerned, which, of course, we are totally against and indeed most of the recipients would be totally against. So I think that would be retrogressive, certainly that would be counterproductive. I will certainly have my staff look into the issue immediately to find out how serious it is and in what areas it might be a problem and to, as quickly as possible, find some solutions.

MR. SPEAKER (Russell):

The hon. member for Port au Port.

MR. HODDER:

Mr. Speaker, a question for the Minister of Finance (Dr. Collins). I understand that Newfoundland Hydro has borrowed some 7 billion yen, I believe, from the Tokyo bank, a Japanese bank, to pay for hydro equipment. My question to the minister is, is this to pay for equipment which is already installed or new equipment or for both?

MR. SPEAKER (Russell):

The hon. Minister of Finance.

DR. COLLINS:

Mr. Speaker, the Newfoundland Hydro Corporation does not report through me but I will be glad to take the member's question under advisement and look into the matter.

MR. SPEAKER:

The hon. member for LaPoile.

MR. NEARY:

Mr. Speaker, while we are on the subject of Baie Verte the people down there are very concerned about what is happening with the mining company. They thought yesterday, when they saw a helicopter coming in, that it was either Santa Claus arriving or somebody coming to talk about the problems with the mining company in Baie Verte. Now could the minister who is responsible - No, I will ask the Premier. He likes answering questions and he is up now trying to get in with Mulroney to get in the Senate because he heard about the poll and he would like to nail down that Senate seat for himself.

MR. SPEAKER:

Order, please!

Surely the member for LaPoile (Mr. Neary) is aware that he is

wandering somewhat into the realm of debate and perhaps he should pose a question.

MR. NEARY:

Mr. Speaker, I will ask the hon. gentleman what is happening in Baie Verte? Did the recent ship that arrived solve the cash-flow problems? The layoff notices have gone out. Will the layoffs still take place or will the entourage that is now in the Orient be going on to India to try and nail down more markets for absestos? What are the problems?

MR. SIMMS:

Good suggestion. They should go to India.

MR. NEARY:

Well, they have 7 billion yen in their suitcases so they can go on to India now if they want. But what is the problem in Baie Verte, could the hon. gentleman tell the House?

MR. SPEAKER (Russell):

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, first of all I am sorry that the hon. member for LaPoile (Mr. Neary) is jealous about the vacancy in the Senate. He was supposed to fill it before the government changed. There was a meeting here in St. John's at one time as a matter of fact among four or five prominent Liberals, one of whom is on the opposite side of the House, which the hon. member for LaPoile did not attend, where there was a fight over whether they were really going to give that seat to the member for LaPoile (Mr. Neary) or not. There was a real fight on and the conclusion to the meeting, which was at about two or three in the afternoon, was that they could not

reach any consensus because they knew that the member for LaPoile was going to kick up an awful fuss if he was not appointed. And because they had such a fuss over it the election occurred and was over before they could make any decision on it and by that time, of course, the vacancy was gone from the Liberal Party. And now we find the member for LaPoile has lost his opportunity to become another great Canadian statesman. I regret that that has happened, Mr. Speaker, and I understand the tone in which the hon. member for LaPoile made his comments. I am very sorry, I regret that, but as a matter of fact I am not interested in the Senate seat at all, Mr. Speaker. I am interested in the seat I have here right now, which the member for LaPoile tried to get and did not get, which the hon. present Leader of the Opposition (Mr. Barry) is eager to get and will not get -

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

- and which the present High Commissioner to London tried to get and could not get, which the present Open Line co-host on VOCM tried to get and could not get, which the former member for Bonavista North, now back in insurance, tried to get and could not get. And when we are finished with the present Leader of the Opposition, the same will also apply to him and all the rest on the other side who try to get it but will not get it.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

The only comment I make on the member for the Strait of Belle

Islé (Mr. Roberts) is he was around too at one time - that was when he used to attend the House - and he tried to get it and could not get it. What a long list of casualties, Mr. Speaker. Talking about Senate seats, we need a whole range of vacancies in the Senate. The next time I meet the Prime Minister I am going to ask him, 'Would you please enlarge the Senate because we have five or six former leaders of the Liberal party who are looking to get somewhere in politics in Canada and take them off of our hands will you, please?'

MR. BARRY:

A point of order, Mr. Speaker.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (Russell):

The hon. the Leader of the Opposition on a point of order.

MR. BARRY:

Mr. Speaker, I have heard of whistling as you go past the graveyard but it is the first time I have seen anybody do it in midday.

PREMIER PECKFORD:

Mr. Speaker, to that point of order.

MR. SPEAKER:

The hon. the Premier to that point of order.

PREMIER PECKFORD:

Mr. Speaker, I must say the hon. member is speaking a foreign language to me, I know nothing about graveyards, I take it he must.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (Russell):

Order, please!

I only wish that all the decisions that the Chair had to make was as easy as this one because obviously that was not a point of order.

The hon. the Premier.

PREMIER PECKFORD:

Now, Mr. Speaker, to stay alive unlike the Liberal party, which is half dead and now passing the graveyard, let me get on with the question on Baie Verte. Let me say this on Baie Verte, Mr. Speaker, which I will also say on a number of the fish plants on the South Coast, which I will also say about a number of the fish plants on the Southern Shore and St. Mary's Bay, which I will say for a number of fish plants in Conception and Trinity Bays as well as in Notre Dame Bay, that unless Bill 37 passes, in its present form, the Baie Verte mines as well as a lot of other industries in this Province are going to go down the drain.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

A supplementary, Mr. Speaker.

MR. SPEAKER (Russell):

A supplementary, the hon. the member for LaPoile.

MR. NEARY:

Mr. Speaker, the hon. gentleman can be as smart as he wants. The hon. gentleman is rather testy and crooked today, Mr. Speaker, but he will be alright when they bring him back their fortune cookies as a little present from the Orient.

Now, will hon. gentleman inform the House if the layoffs in Baie

Verte are going to take place, how long will the people be laid off, have they overcome their cash flow problem down there with that mining company, and could the hon. gentleman assure the House that the mining operations in Baie Verte have a long-term future?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, the long-term future of the Baie Verte mines depends upon continued markets - some of the more important ones are in India - it depends upon modern mining techniques being used in a number of parts of the pits, and it depends upon the Liberal party of Newfoundland taking their responsibility seriously and supporting the government on Bill 37.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the member for Menihek.

MR. FENWICK:

The first thing I would like to do is thank the Premier for not including me in that list of people after his job.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

I assume therefore he is reserving it for me.

Mr. question is to the Minister of Fisheries (Acting) (Mr. Goudie). In view of the cutbacks that have been going on in the Wilson minibudget, I have been led to

understand that by 1986 the federal insurance programme that covers a lot of the boats in this Province between seventeen and thirty-two feet will no longer be getting the kind of coverage that they have been used to in the past. The question I have is what kind of representation is being made to the federal government in order to get this reversed? Because I have been led to understand that it is very possible that the insurance premiums they will have to pay with private companies maybe two or three times as high?

MR. SPEAKER (Russell):

The hon. the Minister of Fisheries (Acting).

MR. GOUDIE:

Mr. Speaker, the information which the hon. gentleman referred to is basically correct in that there is some concern about the insurance of fishing vessels at some point down the road. That, in my opinion, has not been clearly established yet as to what time that will occur and exactly what role the federal government or the provincial government or the private insurance agencies will play in this particular matter. But in terms of representations being made, I have already corresponded with Mr. Fraser expressing concerns about that particular matter along with a number of others and, as the Premier suggested yesterday, I will meeting with Mr. Fraser, the federal Minister of Fisheries, on Sunday. It is slated for noon. I will be presenting him with a complete overview of the fishing industry as it is today in the Province and the factors related to the fishery in general and that will certainly be one of them.

MR. SPEAKER:
Order, please!

The time for the Question Period has expired.

Answers to Questions for which
Notice has been Given

DR. COLLINS:
Mr. Speaker.

MR. SPEAKER (Russell):
The hon. the Minister of Finance.

DR. COLLINS:
The hon. the member for Port au Port (Mr. Hodder) in Question 59 requested information on revenues on the tobacco tax and on gasoline tax from last year to this year. The answer is here: In terms of tobacco tax there is an increase of over \$600,000 in the period from April 1 to August 31; and in regard to gasoline tax revenues, the increase is \$1.86 million during the same period.

Orders of the Day

MR. MARSHALL:
Order 19, Bill No. 52.

MR. SPEAKER:
Order 19, Bill No. 52.

Motion, second reading of a bill, "An Act To Ratify, Confirm And Adopt Certain Agreements Entered Into Between The Government Of The Province, Kruger Inc. And Other Parties Respecting The Future Operation And Modernization Of The Corner Brook Newsprint Mill." (Bill No. 52).

MR. BARRY:
A point of order, Mr. Speaker.

MR. SPEAKER (Russell):
Order, please!

The hon. the Leader of the Opposition on a point of order.

MR. BARRY:

Mr. Speaker, we find it necessary to point out that we have not yet received any copies of the agreement which is supposed to be attached, the agreement which is to be ratified. Now, we understood and I received a letter from the Government House Leader (Mr. Marshall) to the effect that agreements would be delivered, Mr. Speaker. Now, first of all to have the debate proceed on a matter of this significance and importance when we have not been supplied copies of the agreements is highly irregular. I do not know if it has even been done in this House before but, Mr. Speaker, to say the least, it is an insult to this House of Assembly and to the people of the Province to expect that we in the Opposition can be in a position to debate a bill when we have not even been supplied copies of the agreements. Now, Mr. Speaker, we have given indications to the Government House Leader, and we live up to these, that we do not intend to delay the agreement between Kruger and the government or the passing of The Government/Kruger Agreements Act provided what is in these agreements is reasonable. We have been given an outline by the Government House Leader as to what is contained in these agreements and from what is contained in the Government House Leader's letter we believe that we will have difficulty in supporting it. However, we object, Mr. Speaker, to being forced to have debate commence in this House of Assembly before we have copies of the

agreements. Now it is no excuse, if this is in fact the case, that one of these agreements or even two of them may have been completed only as of yesterday evening or early this morning, but one of the agreements is dated September 18 and we are not supplied a copy of that agreement. There is no excuse for that, Mr. Speaker. It is an example of the arrogant course that the this government has embarked upon that it would send us a letter and say, 'We must have this bill passed by 6:00 p.m. on Monday', when they have not given us a copy of the agreement which has been signed since September 18. Now, Mr. Speaker, we have given assurances that we will expedite debate on the Kruger bill, there are no assurances, Mr. Speaker, as far as Bill 37 is concerned in its present form, with its retroactive provisions. That bill is not necessary in order for the Kruger deal to go ahead and at this point in time, Mr. Speaker, there is no commitment as to when that Bill 37 will pass.

MR. MARSHALL:
Mr. Speaker.

MR. SPEAKER (Russell):
The hon. the President of the Council.

MR. MARSHALL:
Mr. Speaker, I want to reply to that and make it quite clear that I sent to the Leader of the Opposition (Mr. Barry) and the member for Menihek (Mr. Fenwick) this morning a detailed letter outlining what was contained in this bill. I also informed the hon. the Leader of the Opposition that the final drafts of all of the agreements were not concluded until this morning. As a matter

of fact it was within a half -

MR. BARRY:
What about the agreement signed September 18?

MR. MARSHALL:
The loan agreement and the put agreement to be described by the hon. the Premier were not available until this morning. I wrote to the hon. gentleman a detailed letter which said, 'The preparation of the agreements with Kruger has been the subject of intensive activity by government since the announcement of a successful buyer on September 18. The government's role in the sale and the modernization of Corner Brook is critically important. We have applied our resources both human and financial to the maximum extent possible to facilitate the transaction.'

I also said, 'The scale and complexity of the various agreements to be negotiated have narrowly circumscribed the time framework within which we must finalize this transaction.' And I said, 'As a matter of fact, it has only been within the past few hours that the terms of all of the agreements are settled.'

I then asked Her Majesty's Loyal Opposition to co-operate 'to ensure that the legislative requirements associated with the sale of Corner Brook mill are finalized.' And I said, 'These legislative requirements, of course, include the Labour Standards Act Amendment.' I also pointed out and made it clear that these bills should be passed all stages and enacted into law before the House rises on 6:00 P.M. on Monday to accommodate the closing.'

Now, Mr. Speaker, if we could have

gotten these bills to the hon. gentleman before the agreements, we most certainly would have. I also advised the Opposition today that we will be calling the bill, the Premier would be getting up to explain the bill and explain all of the terms of the agreement. Momentarily the agreements as soon as they come from the printers, will be circulated so that hon. members will be versed with them. I then said to the Opposition if it is your wish we will then adjourn the debate until tomorrow on this bill to give you an opportunity to read the bill, consider what the hon. Premier has said in introduced it, then we will go into the Labour Standards Act Amendment.

In addition to that, Mr. Speaker, there is all the weekend for the hon. gentlemen to engross it. But let me say this, that we have always dealt fairly in this House, but this is the people's House and surely, Mr. Speaker, the people's House can accommodate the people of Newfoundland and most especially the future of the people of the West Coast of this Province in Corner Brook.

SOME HON. MEMBERS:
Hear, hear!

MR. MARSHALL:

That is what the House exists for. And let us not forget the hon. gentleman said in his reply a moment ago that they do not agree with Bill 37. Now the hon. gentleman may want to right the situation, but let us not play little games with the rights of the people in Corner Brook as the hon. gentleman has been doing all week. The future of the people of Corner Brook and the West Coast are at stake in this matter. We have dealt with the hon. gentleman

fairly. We have given him notice. We have explained the bill. We have given them quite adequate time to do it.

MR. BARRY:

The amendment to the Labour Standards Act is not necessary.

PREMIER PECKFORD:

It is not necessary, but without it things are made more difficult.

MR. SPEAKER (Russell):

Order, please!

MR. MARSHALL:

The hon. gentleman wants to describe what he thinks is necessary. The hon. gentleman is a supreme opportunist, Mr. Speaker, but he need not spread his opportunism to the people of Corner Brook. This bill has to pass and the Labour Standards Act Amendment has to pass by 6 o'clock on Monday for the sake of the people of Corner Brook.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (Russell):

Order, please!

To the point of order raised by the hon. Leader of the Opposition (Mr. Barry), certainly it is the responsibility, I suppose, of the Government House Leader (Mr. Marshall) to call whatever Order of Business he chooses to call. From a procedural viewpoint there is certainly nothing wrong with that. I have to rule that the point of order raised by the hon. Leader of the Opposition is not indeed a valid point of order.

MR. BARRY:

One further brief point of order. I do not want to delay the Premier making his point.

MR. SPEAKER (Russell):

The hon. Leader of the Opposition.

MR. BARRY:

But with respect to Bill 37, it should be clearly understood that the Premier himself, both here today and earlier to the media, has indicated that Kruger is not requiring the amendment to the Labour Standards Act that is contained in Bill 37 as a condition of this agreement. It is not required by Kruger and it is not necessary in order for the Kruger deal to go through.

PREMIER PECKFORD:

To that point of order, Mr. Speaker.

MR. SPEAKER (Russell):

The hon. Premier, to that point of order.

PREMIER PECKFORD:

The point of it all is and the hon. member can, as he so often does, try to split hairs on a very important matter. It is not and it will seem to be not a condition of any of the agreements that will be tabled in this House and all of the agreements will be tabled.

However, may I go on to say that in bringing a new investor into this Province, dealing with a bankrupt situation and having, as we will explain in a few minutes, to put in \$200 million, we do not want to bring a new investor into this Province to take over a very difficult situation and not know whether they are going to be liable for another \$6.7 million. That is not the way we would like to do business, even though it is not a requirement of the agreement.

SOME HON. MEMBERS:

Right on!

MR. SPEAKER (Russell):

Order, please!

Again it is not a valid point of order. It is a matter of opinion between two hon. members.

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, it is with a great deal of pride that I stand in my place today and speak to the bill that has just been introduced in this House. This is a very, very important day for the people of Corner Brook and to the people of the West Coast generally, all the way, I suppose, from Lewisporte district through to Parsons Pond on the Great Northern Peninsula, and South to Codroy Valley, because all of these people are affected by what happens to the Corner Brook mill and its operation in the second city.

We this morning about half past eleven or twenty-five minutes to twelve finalized the last part of the agreements I am now going to describe and which will be presented to this House today and given ratification under the bill that we have before us. And it was only done then, and I have to say off the top, Mr. Speaker, that I owe a great deal of gratitude to a lot of people both within and without government who have assisted us in finalizing the agreements to make possible what we consider to be a significantly improved situation for the people of Corner Brook and the West Coast as we begin to see a company go into Corner Brook which is committed to the long-term viability of that newsprint mill which is such an important part not only of Western Newfoundland but of the Province as a whole.

Mr. Speaker, The Government/Kruger Agreements Act will enable us, once it is passed by this hon. House, to finalize arrangements for Kruger Incorporated of Montreal to purchase Bowater Newfoundland Limited and all of its assets. This piece of legislation is the result of one and a half years of effort by many people, all of whom had a single purpose, to ensure the continuing operation of a pulp and paper operation on the West Coast of our Province and the future prosperity of thousands of men, women and children.

Before describing the details of this act, Mr. Speaker, I want to provide some background information in order to illustrate in clear terms the magnitude of the problem originally faced by government and the unions and the people of Western Newfoundland. Rumours about the closure or sale of the Corner Brook mill had been circulating for some time last year. On Tuesday, August 2, 1983 the rumours turned out to be true. On that day the government was informed by Bowater that the company had been attempting for the past two years to sell the Corner Brook mill and all of its other assets in this Province but had not been able to find a buyer.

We were informed that Bowater intended to leave this Province altogether and if the mill could not be sold as a going concern it would be shut down when the company left. Our initial reaction was to try and find some way of persuading Bowater to stay in Corner Brook and to continue to operate the mill. When this approach proved unsuccessful, the government appointed a team of officials to meet with Bowater on an urgent basis in order to

identify measures which would be taken to safeguard the long-term future of Corner Brook, and indeed the entire Western Region of the Island. On the basis of information put together by this team, we approached Bowater with a comprehensive proposal whereby Bowater and the government would undertake a joint divestiture process to find an acceptable buyer for the Corner Brook mill.

All this was happening, Mr. Speaker, at a time when the pulp and paper industry was still suffering from the effects of the recent international recession. Our proposal was that the divestiture package be ready for presentation to potential investors during the recovery phase of the business cycle. The package would include detailed engineering and other studies relating to the future development of the Corner Brook mill.

We also proposed that Bowater carry out a short-term capital programme to bring the mill's production capability more in line with modern technology. This would have ensured the mill's future and also would have made it more attractive to potential investors. The plan was that a \$38 million capital programme would be financed by the federal and provincial governments and the company itself. However, Bowater rejected this proposal and decided instead to sell the mill and its other assets on an "as is, where is" basis.

While these negotiations were going on, Mr. Speaker, Bowater was continuing to try to sell the mill on its own. The company's attempts to find a buyer proved unsuccessful and in early December 1983 Bowater agreed to our

original proposal to enter into a co-operative divestiture process with the government.

We retained the services of Woods Gordon to work with Bowater and its consultant to prepare a divestiture package and a financial computer model to present to potential investors. About 150 companies throughout the world were approached to determine their potential interest in buying the mill and other Bowater assets.

Detailed, face-to-face presentations were made to thirty companies and ten of these were sufficiently interested to visit Corner Brook and to undertake an on-the-spot investigation of the physical assets.

Late in March, those potential investors who had expressed an interest were requested by Bowater to submit offers to purchase on or before April 16, 1984.

Mr. Speaker, the government's position right from the start was that any purchaser of the Corner Brook mill would have to agree to keep it in operation. In line with that position, we asked each of the bidders to submit a detailed development plan with their bids to Bowater on April 16. These capital development and financial plans were the basis for government's subsequent assessment of the proposals. Our assessment placed major emphasis on the following factors: (1) Impact on employment; (2) Long-term capital programme; (3) Value added to the Provincial economy; (4) Forest management plans; (5) Financial viability of the proposal; and (6) Marketing strategy.

Mr. Speaker, the primary factor,

the most vital factor considered in this assessment was the long-term viability of the development plan for the Corner Brook mill and the long-term commitment of the new operator. An essential part of this long-term commitment was the proposed capital development plan and the bidder's financial capability and management background to bring its proposals to reality.

We had to make sure, Mr. Speaker, that a new operator would be willing to remain in Corner Brook for a long time and would be capable of bringing the mill up to modern standards.

As we know now, Mr. Speaker, five proposals were submitted to government and to Bowater on April 16. During the assessment process which followed, a lot of time and effort was spent by a team of government officials and outside consultants in determining the financial capability of each of the bidders to complete both the purchase and the capital development plan.

In addition to Woods Gordon, which was retained by government for the entire divestiture process, we obtained input on the evaluation of the financial aspects of the proposal from McLeod, Young and Weir of Toronto. Technical advice about the proposed capital programme and products other than newsprint, particularly coated paper for the Corner Brook mill was obtained from the firm of Andover Associates of Boston, Massachusetts.

Mr. Speaker, the relative strengths and weaknesses of each proposal were painstakingly evaluated and the successful

bidder, or numerous talks between her and government, was Kruger Incorporated of Montreal.

Mr. Speaker I want to mention in passing while there were five proposals submitted, they were presented a confidential basis and I not at liberty to describe a put forward by the four unsuccessful bidders.

Before going on to describe the agreement September 18, 1984 between her and government for the purchase of Bowater Newfoundland Limited, I would like to provide an overview of the company.

The company is a privately held corporation engaged in the production and marketing of newsprint, coated paper, paper board and corrugated containers. It ranks a major producer of newsprint.

Kruger Incorporated is a company which has a record of success in buying pulp and paper operations and turning them into successful business units by redevelopment and modernization. Kruger's present newsprint mills in Canada are both in Quebec, at Trois Rivieres and the other Bromptonville. The company's four packaging facilities in Quebec and Ontario and the other family also owns tissue mills in Venezuela, Colombia and Italy.

Kruger performed well in comparison with the industry, maintaining profitable operations during recent recession and despite newsprint markets.

The Sept 18 Agreement: Mr. Speaker, September 18, 1984,

agreements covering the purchase and sale of the Corner Brook mill were signed in Corner Brook between government and Kruger and between Bowater and Kruger. These were not final agreements but were dependent on certain conditions being fulfilled before closing of the transaction, which we are hoping to do next week, and which this bill has to ratify. A period of forty to sixty days was agreed upon for fulfilling these conditions. These conditions were as follows: (A) There had to be negotiation of collective agreements with all of the unions involved; (B) there had to be approval of the transaction by the Foreign Investment Review Agency of the federal government; (C) confirmation of the availability of grants to undertake the Capital Modernization programme.

Mr. Speaker, particular recognition must be given to the unions representing the mill and power plant workers and the loggers for the responsible attitude taken by their members in voting to accept new wage and working agreements. Successful negotiation of these essential agreements was due in no small part to the strong determination of the workers to provide a sound economic future for their families and their communities.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

On the second condition, Mr. Speaker, the approval of the Foreign Investment Review Agency was received by us and by Kruger on November 22, 1984, not very long ago.

Capital Grants: Mr. Speaker, Kruger has agreed to carry out a

five year modernization programme at the Corner Brook mill estimated to cost \$200 million. The September 18 agreement between Kruger and government provided that government would confirm the availability of grants within forty days.

Accordingly, Mr. Speaker, on October 28, 1984, government confirmed to Kruger the availability of grants aggregating 20 per cent of the actual amount of expenditures in the capital modernization programme up to \$33 million. The amount then available under the pulp and paper modernization agreement was only \$33 million. Twenty per cent of \$200 million, of course, would mean \$40 million, but we only had \$33 million at that time.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

The Minister of Regional Industrial Expansion, the Hon. Sinclair Stevens, subsequently confirmed in writing that he is prepared to extend the pulp and paper modernization agreement by two more years, to December 31, 1989, and to inject the additional funding necessary to accommodate Kruger's \$200 million modernization programme, which meant going from \$33 million to \$40 million.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

This means, Mr. Speaker, a maximum of \$40 million will be available to Kruger thanks to the re-negotiated pulp and paper modernization agreement between this government and the new government in Ottawa. We went

from \$33 million to \$40 million in a matter of a couple of days. So \$40 million will be available to Kruger under the amended agreement and this will enable grant contributions of the full 20 per cent for Kruger's total modernization programme and will mark the first time, I think, in Canada that a pulp and paper company with the Government of the Province has reached the 20 per cent level. In every other pulp and paper modernization agreement it has been up to 20 per cent and they have never reached it. The average usually comes out to somewhere between 15 per cent and cent but in this case we were successful, as the Government of Newfoundland, in persuading the Government of Canada that this was such an important project that there should be no consideration of up to 20 per cent that it had to be 20 per cent. I am pleased to report that they agreed with that.

SOME HON. MEMBERS:

Hear, hear.

PREMIER PECKFORD:

The actual federal/provincial agreement to provide for the additional funds and to extend the time period for the pulp and paper modernization agreement is expected to be signed at the closing of the sale next week when all the other agreements will be signed between Bowater and Kruger and ourselves.

Now, Mr. Speaker, how about the Government of Newfoundland? The Government of Newfoundland is obligated, under the September 18 agreement, to provide a loan to Kruger of up to \$11 million if needed. This provision for a loan was put into the agreement because of the potential for a shortfall

in the amount of grants required by Kruger and the actual amount available under the pulp and paper modernization agreement.

The agreement says that, to the extent possible, that 20 per cent of the expenditures on the capital modernization programme exceeds the grant money available to Kruger, the Province must make available a loan of up to \$11 million. The money is to be advanced to Kruger in the form of a ten-year, unsecured subordinated loan at a subsidized interest rate.

We were able to, during the negotiations in the last two or three months, Mr. speaker, in trying to put some financial support in in addition to the pulp and paper modernization agreement, because we were not sure at that time we were going to get the 20 per cent plus there could be items that they would apply for and not receive under the pulp and paper modernization agreement because of the criteria used, so a particular piece of machinery may not necessarily qualify; everything that qualifies automatically gets 20 per cent but there still could be some that would not qualify but was still essential for the upgrading as we saw it and we would provide some assistance. Now, of course, the first thing was, Mr. Speaker, I would like to put on the record, now that we are getting up to \$33 million and perhaps \$40 million, if you are successful with the new government in getting the extra \$7 million and are grants, then you, as the government of Newfoundland, should also provide some additional grants. We know that of the \$40 million, \$7 million or \$8 million is yours but you should provide some extra ones. Through the negotiating process we are

able to change that grant to a loan to ensure that we would not have to provide a grant but that it would be a loan, a loan unsecured and with a preferential interest rate but still it is much better than if we had to provide an outright grant on which we would not be able to get back any money for the Government of Newfoundland and Labrador and to the people of Newfoundland and Labrador. We were able to negotiate out of a grant into a loan situation, albeit a preferred kind of loan.

Furthermore, Mr. Speaker, any loss of grants to Kruger arising from failure to comply with the terms and conditions of grants under the pulp and paper modernization agreement requires that loan financing from the Province be available to finance the shortfall and that is still up to \$11 million. The interest rate for this loan is to be 50 per cent of the Government of Newfoundland ten year rate, plus one per cent.

Mr. Speaker, I want to make it clear that the total amount of loans to cover one or both of the two categories of shortfall that I have just outlined will not exceed \$11 million under any circumstances. So the total amount of loans under either category that they can apply for to us, together under both categories, cannot be any more than \$11 million. And it is a loan and not a grant.

The second area of financial support this time was not to Kruger really directly but to the banks. The banks, as we all know, need to have some security if they are going to provide massive amounts of money to Kruger, or to whatever the company was, so they

needed security. The next part of what I have to say deals with security that the Government of Newfoundland was willing to provide to Kruger around banks to ensure that they have some protection if, in which we do not think will happen, Kruger was unsuccessful and a bankruptcy did ensue that is called the put option.

Mr. Speaker, there are provisions under the September 18 agreement for a first loan security known as a provision that refers to the Deer Lake plant.

This provision provides that Newfoundland and Labrador Hydro would be the Deer Lake power plant the bank at a stipulated price in the event of a bankruptcy of the Corner Brook mill. If this is done, again, as I say, to protect the money that is being lent by the banks which is going far more than what we have that we would be paying them. In the event of a bankruptcy of the Corner Brook mill, the minimum price that would be paid to the power plant would be \$3 million but the actual price to be determined by a formula is related to the capital expenditure commitments by Kruger. I will come back to that put option later in my statement and explain in more detail.

The points reached with Kruger, Speaker, I would be remiss if I did not elaborate upon the details which Kruger has agreed in the September 18 agreement.

Capital programmes: The most significant item is Kruger's agreement to undertake the five-year \$200 million capital

modernization programme that I mentioned earlier.

The programme will see the modernization of the four paper machines that are now operating in the Corner Brook mill. This modernization will be carried out during the next three years with the aim of improving the quality of newsprint to a level that will be fully acceptable in the United States market. The capital programme also provides, I am very delighted to say, for a technical evaluation of No. 7 machine and if the evaluation shows it is feasible to re-activate No. 7, the machine will be brought back into production by the end of the five-year period.

SOME HON. MEMBERS:

Hear, hear.

PREMIER PECKFORD:

Mr. Speaker, it will be necessary for Kruger to shut down one machine while carrying out the much needed improvements to the pulping systems during the initial phase of the modernization programme. Kruger has given an undertaking to keep this period of shutdown time to a minimum and to examine all possibilities for eliminating it completely, if possible. Moreover, Kruger has agreed to use its best efforts to reduce the period of time required for modernization of the four existing machines to less than three years if humanly possible to do it. The only thing that will stop them is if there is a strike in a supplier's factory somewhere so that the parts that they ordered do not arrive, and they have no control over that. But anything they have control over, they are going to try to get it to less than three years to do the full modernization. That is the

only thing that will stop them. They want it done just as fast as we do, of course, because the higher quality paper will return to them a higher price for that product.

Mr. Speaker, we were anxious to ensure, as much as possible, that downtime be kept to a minimum at Corner Brook. Consequently, we sought an undertaking from Kruger that the company would guarantee an equitable sharing of downtime amongst all its Canadian mills.

I am pleased to say, Mr. Speaker, that the September 18 agreement provides such an undertaking. Kruger has agreed to make sure the Corner Brook mill is operated at a rate that is at least equal to 90 per cent of the utilization rate of their other newsprint mills. This is the same provision, by the way, that is contained in the agreement with Abitibi-Price regarding the operation of the Stephenville mill.

SOME HON. MEMBERS:

Hear, hear.

PREMIER PECKFORD:

Therefore, we have a firm guarantee that only 10 per cent of reduction in production can be allowed at Corner Brook in relation to the other mills that Kruger owns in the rest of Canada so that we are not somehow being discriminated against in this Province if there happens to be a downturn; we do not take any more of the downtime than does Bromptonville, we do not take any more of the downtime than does Trois Rivières, the two mills that Kruger owns in Quebec.

MR. BAIRD:

Who said that we cannot negotiate?

MR. BARRY:

Four hundred have been laid off in Corner Brook already.

MR. BAIRD:

If you had your way they would all be laid off.

SOME HON. MEMBERS:

Hear, hear.

PREMIER PECKFORD:

As additional protection for the workers of Corner Brook, the government negotiated a provision which ensures that production is directed towards markets which will provide the mill with a good return.

Mr. Speaker, our recent experience of seeing Corner Brook production sold into the Third World markets at relatively low prices reinforced our position that this must not occur in the future. Kruger has agreed to use their best efforts to ensure that the Corner Brook mill will receive a fair share of all their markets so that the market price received at Corner Brook will be in line with that flowing into other Kruger mills. In recent days I have been informed about new markets that the Kruger company has picked up in the United States which will be directed at Corner Brook as soon as they take it over in the next couple of weeks.

Mr. Speaker, the \$200 million to be spent on the capital development plan will, by itself, generate substantial employment and other economic activity in the Province. When you look at that figure of \$200 million, that is a pretty substantial figure. They are going to try to do it all in three years, if at all possible. So you can see, talking about loss of jobs, there is going to be an

increase in construction jobs in the Corner Brook area as soon as this gets off the ground. And may I also add that equipment has already been ordered for the modernization so that it can start as soon as Kruger takes over. The equipment has already been ordered for two machines.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

Government insisted besides that local preference be adopted, not only with respect to the capital programme, but also in the day to day operation of the mill. We want to ensure that every single job on the capital construction goes to Newfoundlanders, that every single job in the day to day operation of this mill goes to Newfoundlanders.

I am pleased to report to this hon. House that Kruger has agreed to adopt a local preference policy and that this policy will be applied during normal operations, as well as during the capital improvement programme.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

On the question of the Bowater Act, Mr. Speaker, Kruger has agreed, over the next two years I think it is, in the agreement, to review the provisions of the Bowater Act (1938) to improve the provisions, especially relating to the forest management part of that Bowater Act which are, at this point in time in our history, very obsolete and outdated. And we will be working over the next two years to renegotiate that Bowater Act to bring in modern provisions which will ensure that the company

takes its responsibility seriously as it relates to forest management, as well as government taking its responsibility seriously. But it is a joint effort by both government and Kruger to ensure that silviculture, reforestation, access roads, spraying and fire protection are all part of the new Bowater act, so that they will be obligated under that new act to do these kinds of things which, under the act as it now exists, they are not obligated to do.

Mr. Speaker, this brings me to the Government/Kruger Agreements Act, which relate to the following agreements for ratification, confirmation and adoption, which I have already referred to. One is the agreement between Kruger and government which was executed on September 18; number two is the put option agreement with Kruger's banks which I referred to and will come back to; and number three is the loan agreement between government and Corner Brook Pulp and Paper Limited, which provides a loan facility in the amount of up to \$11 million. Now, Corner Brook Pulp and Paper Limited is what the new company in Corner Brook is going to be called. It will not be called Kruger Incorporated, it will be called Corner Brook Pulp and Paper Limited. So, in future, hopefully from today, Newfoundlanders can all get used to forgetting the name Bowater and start using the name Corner Brook Pulp and Paper Limited in their vocabulary.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

So there are three agreements: One is the agreement we signed on September 18 and there are two

more which are in this bill today, Mr. Speaker. One is to provide up to \$11 million in loan to Kruger under certain conditions and also, in the event of default somewhere in the future, to provide security to the banks to the tune of \$30 million that we would purchase back the power plant from the banks. That would give them \$30 million, but we would get something in return called the Deer Lake power plant, which is of equal capacity to Cat Arm, which has a replacement value of anywhere from \$200 million to \$400 million, and we would get it for \$30 million while, at the same time, the banks would be satisfied.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

That is very reasonable.

PREMIER PECKFORD:

Mr. Speaker, I feel that it is essential to expand upon the put option as referred to in the agreement. The put option agreement provides an option to Kruger's banks that would enable them to sell the Deer Lake power plant to Newfoundland and Labrador Hydro, in a bankruptcy situation, at a price of up to \$30 million. This put option was accepted by government in the September 18 agreement as a less onerous alternative to a loan guarantee. If we were to give them a loan guarantee of \$30 million, if and when they went bankrupt we would have to pay over the \$30 million, and what would we get back? Nothing, zero. We would just lose the \$30 million. So by being able to purchase back from them the Deer Lake power plant, we give them \$30 million but we get back a facility which is equal to Cat Arm and which would cost to replace

somewhere between \$200 million and \$400 million. So the bank is getting security on \$30 million and we are being covered so that, if we pay \$30 million, we have back something far more valuable than \$30 million for the people of Newfoundland and Labrador.

In accepting this security arrangement, government insisted that provision be made so that if a bankruptcy occur, there could be a concerted effort by the banks with full participation by government to sell the paper mill and power plant as a going concern. Mr. Speaker, it is important for all hon. members to understand that only after such a full-scale divestiture programme has taken place can the put option be exercised. So, if some time in the future there is a bankruptcy situation in this new operation, the bank cannot realize their \$30 million immediately. They have had to agree that before they get one copper of that \$30 million and before we get back the power plant, they have to join with us in a major divestiture effort the same as we have just completed now. And only after we have done that can they exercise that put option which is to give us the power plant back and we give them the \$30 million.

Mr. Speaker, the put agreement establishes a formula furthermore, it is more complicated than that, they do not get the money that easily either. Even after they have done the joint divestiture effort, they have to do a few other things. Mr. Speaker, the put agreement establishes a formula for the calculation of a purchase price to be paid by Newfoundland Hydro for the Deer Lake power plant. This price will be tied to the amount of money

which is committed to the capital expenditure programme. The first \$5 million of such commitments must be directed specifically to the mutually agreed capital modernization and upgrading programme and the put price shall not exceed \$5 million until the \$5 million in capital commitments is actually spent.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

So the company would have to have spent \$5 million in capital improvement before they could even exercise \$5 million of the put option; otherwise, it would not be available to them, they could not get a cent.

The purchase price shall increase beyond \$5 million based upon 75 per cent of the amount by which the aggregate of capital expenditures and capital commitments exceed \$5 million. And after that time, it only gets up to \$30 million as they spend more money, and we will take 75 per cent of that total amount and apply it. The maximum purchase price, as I mentioned earlier, is \$30 million, so they cut it off at \$30 million anyway, but the \$30 million is not operative until they have spent well over \$20 million on capital improvements. So we have a modern plant anyway. So they get the \$30 million, or the \$22 million or \$23 million, if we are in a bankruptcy situation, but that would have had to be spent on capital improvements in the mill in any case. So we would then have, even in that worst case scenario, a modern mill on our hands to sell, not like we had this time, an antiquated, run-down mill with inferior paper to sell. So we cannot lose because we still

have a new, modern asset there to then divest again. It is too bad that was not done in the past in some deals that we have seen, Mr. Speaker.

Mr. Speaker, it must be clearly understood that this type of security arrangement by the government was essential to enable Kruger to obtain the necessary long-term financing for the Corner Brook project from a consortium of banks led by the Mercantile Bank of Canada. And I have to add here, Mr. Speaker, that the Government of Newfoundland owes a great deal to the untiring work of Mr. David Vardy, the Clerk of the Executive Council, who chaired the committee on the divestiture and reported directly to me, to Mr. David Norris, former Deputy Minister of Finance, now Vice-President of Finance with FPI, to Mr. Hal Stanley of the Department of Forest Resources and Lands and to Mr. Herb Clarke of the Department of Development, all of whom have given yeoman service and who are largely responsible with the Minister of Education (Ms Verge), the former Minister of Forest Resources and Lands (Mr. Power) and the Minister of Development (Mr. Windsor) in putting this particular put option together.

MR. SIMMS:

Excellent! Exemplary!

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

But, the more you look at this put option, Mr. Speaker, the more I think Newfoundlanders and all members of this House can be proud of the type of public servants that we have serving us in this Province, who have worked so hard

to ensure that, even to the point where a loan guarantee would not have been an outlandish thing for the government to do, given this kind of bankrupt situation, this major industry in the Province, we were able to negotiate, even when we did not have too many cards to play, such an arrangement, which can stand the light of any scrutiny by any economist or financial analysis that we never gave anything away. As a matter of fact, we have an old, bankrupt, antiquated pulp and paper mill which we are going to have \$200 million spent on and all we are giving them is a loan, and if it ever goes bankrupt, we get back a power plant for \$30 million which would cost us \$200 million to \$400 million to build. So a deal is a deal is a wonderful deal, this deal!

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

Furthermore I must emphasize that the put option, Mr. Speaker, applies only in the event of a default situation and is, therefore, only a final security arrangement for the banks. It is not the first security it is the final security. We did not come in early on with an early security to help the banks out, it is a final security. Everything else has to fail before they can realize on that, and then only realize it if they spent almost as much money as that in the mill, and then only realize on it if they have had a joint divestiture effort with the government to try to sell the mill to somebody else.

The agreement also commits the banks to preserve the mill and the power plant and to allow access by the government for inspection

purposes. We have another provision in there which says, 'Now, banks,' and it is also in there for Kruger, 'this plant must be maintained after you do the modernization, it must be kept in excellent condition all the time, and we have the right to enter the premises and have it inspected to ensure that it is kept up to date and modern. The option will terminate if either the paper mill or the power plant, or any major part thereof, is sold independently by the banks. So if this is sold, and, of course, it will have to be sold with our okay because we own the trees, but if it were sold, then, of course, that put option, which is still not a bad security arrangement, would no longer apply. The new owner would have to renegotiate something with us before that would apply. It cannot be transferred to another owner.

Mr. Speaker, in the unlikely event that the government is ever obliged to purchase the power plant, the \$30 million or less on the price tag would be considered an extremely good deal given that the value of that plant is so much higher, as I have already said and as we all know.

Mr. Speaker, as I mentioned earlier the loan agreement was put into place to cover any possible shortfall between the amount of grants required for Kruger's entire modernization programme and the total amount available under the pulp and paper modernization agreement. This amount has subsequently increased to \$40 million from \$33 million.

Before concluding, I would like to outline some further details of the arrangements that would allow Kruger to avail itself of all or

part of the \$11 million because they cannot get that easy either.

As I explained, the September 18 agreement provided that the government will make available a ten-year unsecured, subordinated loan at a subsidized interest rate of up to \$11 million. They do not automatically get \$11 million. This loan is intended to cover the amount by which the 20 per cent of the actual expenditures under the company's capital programme exceeds the total amount of grants available. However, the amount of the grants and the principal amount of the loan will not be permitted, under the agreement to go beyond \$44 million and we already have \$40 million. Well, really, \$39.6.

The total amount of grants available now under the pulp and paper modernization agreement is \$39.6 million. They can only get a total of \$44 million. This represents 20 per cent of an expenditure of \$198 million. So it can be seen, Mr. Speaker, that the total value of the loan could be limited not to \$11 million but to \$4.4 million which is quite likely to be all we will have to put in by way of loan, \$4.4 million. This then, added to the pulp and paper modernization grants of \$39.6 would come to the \$44 million which is the ceiling we have on it in the agreement. So the only way they can go above the \$4.4 million to get to the \$11 million that we have offered is if they have a piece of machinery that does not qualify under the pulp and paper modernization agreement. We have gone through that with a finetoothed comb, our experts in and outside of government, and it is our best estimate that just about every last item that they have said they

are going to apply for will qualify for the full 20 per cent, so that it is highly unlikely that we will have to go above a \$4.4 million loan for the company. We will leave the \$11 million there and give them the benefit to use it, from \$4.4 million to \$11 million, down the road just in case they might need it if some piece of machinery does not qualify under the pulp and paper modernization agreement. However, the September 18 agreement also provides that in the event of failure by the Corner Brook mill to comply with the terms and conditions of the grant made available under the pulp and paper modernization agreement, the loan facility, that is to say, the company's right to obtain access to the money, if in fact some piece of machinery does not qualify, is not available. That is why we are not putting the \$11 million down to \$4.4 million, just in case, so we do not have to do something quick at that point in time, although our best guess is that the \$4.4 million will be sufficient for them.

In conclusion, Mr. Speaker, I think that all parties involved in this transaction, Kruger, Bowater, the unions, ourselves and the federal government, can take some measure of pride in having accomplished a major salvage operation.

What we did, through co-operation and by aiming our joint efforts at a single goal, was to ensure the economic stability of Western Newfoundland for as much of the future as we are humanly capable of seeing.

We did it in an orderly and measured way, we did it without panic, we did it without unseemly

and disruptive public argument, and we did it with a lot of hard work.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

There was, of course, a great deal of concern and fear in Corner Brook, fear of the future, fear of being left without the means of putting bread on the table. Sometimes this worry manifested itself in sharp comments by various people, but this was understandable and it is certainly not worthy of any greater comment.

Mr. Speaker, it is generally accepted that government should not get involved in private enterprise unless the public good is in danger of being adversely affected. In the case of Bowater, the company had decided that its corporate strategy called for a withdrawal from Newfoundland. It must be remembered that Bowater tried unsuccessfully for two years to sell its Newfoundland operations before government became involved last December. That should tell some people of the measure of the success that this government has had. Here was a major pulp and paper corporation in the world, a world-wide global multinational corporation who went out for two years and could not sell their pulp and paper facility, could not get a buck for it. And it was only when we got on our hands and knees and finally said to them, 'Look, you have to let us come in here and help you on this,' and then through our help we were able to divest of that mill and provide them with tens of millions of dollars that they could not provide for themselves.

We can tell you now, from hindsight, that it was good that we became involved when we did, Mr. Speaker. Although we had to commit substantial financial and personnel resources to this effort, we were able to take a lead role in selecting a buyer who will upgrade the mill and keep it in operation.

We now are undertaking to provide substantial financial support to the new operator of the Corner Brook mill. This, Mr. Speaker, is a clear demonstration of our confidence in the workers and residents of Western Newfoundland.

If we had not been able to show our confidence in this way, by providing this financial support, I doubt very much if the deal could have been worked out. In fact, I would go so far as to say that the required financial package could not have been put in place without the provincial government's involvement.

The one major task remaining now, Mr. Speaker, is to approve the legislation that is now before this hon. House giving effect to the financial arrangements negotiated with both Kruger and the banks as contained in The Kruger-Government Agreements Act. We have that act before us today and its passage will enable us to strike the final note and the closing of the sale to bring a modern pulp and paper facility to the people of Corner Brook and to the people of the West Coast of the Province.

Mr. Speaker, it is with a great deal of pride on behalf of a awful lot of people, both in and out of Cabinet, that I move second reading of this bill and request that it be passed with the Labour

Standards Act by 6:00 on Monday. I say that for a whole range of reasons. We only have until the end of December on this bill, and the accompanying Labour Standards Act could make Kruger incur another \$6.7 million debt. All of these agreements are negotiated to take effect in 1984 so that the company can take advantage of tax measures which are available to them in 1984. If we go any later than next week to try to get all the formal signings done, get all the people together - the Bowater people, the federal people, the Kruger people, the lawyers and all the rest of them - we are into Christmas, and between December 20 and 30, as we all know, it is going to be very difficult to get everybody together to get all this formal signing done. It has to be done, - completed, stamped - not just signed - but stamped and legally done by all of these legal people and Kruger has to be in before the end of December. Now if we had been able to we would have brought this bill in a week or two weeks or three weeks ago so that we have more time to debate it. The long and short of it - just to give you not only the enormity and the complexity of it all, the difficulty of it all - is that most of the people who have been working on this with me over the last week have been up night and day, they have hardly slept an hour, especially since about a week and a half ago. Then as of Friday, Saturday, Sunday, Monday, Tuesday, Wednesday and up to today, when it was finalized, at about 11:34 p.m. to be exact, but up to two or three or four days ago we had between fifteen and twenty items still on the table to negotiate, mainly for the loan agreement. It was only in the last day or so that we had gotten these issues down to three or four

or five points and last night down to one and early this morning to negotiate that one. So, Mr. Speaker, there are a lot of people involved in this and it has all to be finalized this year. Kruger has to be in before the end of December in order for this whole package to fly so that they can take advantage of certain tax measures that are available to them. It is also important because we do not want the company to come into the Province under a cloud of suspicion or uncertainty that they are still going to have to pay an additional \$6.7 million, which in the way some people have interpreted Bill 37, they would have to pay.

So we want to see the passage of these two bills. The agreements will be presented to the Opposition. If they wish to not continue with this bill today so that they can study it tonight, so that they will be in a better position to ask questions tomorrow, that is fine with us. Then they will have the weekend to further study it and then further debate it on Monday. It is very important for the whole Province and I am very proud to move second reading.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

Mr. Speaker, bring in the violins.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER (Aylward):

Order, please! Order, please!

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I think the members opposite have been watching the parliamentary news channel too often. Mr. Speaker, maybe it is time we got television in this House as well so that we could employ these techniques.

Mr. Speaker, I would like to make it clear that the Opposition will cooperate in the passage of Bill 52, which is The Government-Kruger Agreements Act. We will bend over backwards, Mr. Speaker, do everything we can to assist, to make sure that this is passed by Monday at 6:00 p.m., even though, Mr. Speaker, we believe that government should have and could have given us the information necessary to permit informed debate on this much earlier. They could have supplied a copy of the agreement of September 18, even if it were only supplied a week ago or two weeks ago. When government saw that they were getting close to a deadline, that could have been done. It was not done, Mr. Speaker, and that shows arrogance on the part of the administration. Mr. Speaker, let there be no misunderstanding, there is no commitment with respect to the passage of Bill 37. We will have full and complete debate on that. The Premier has said nothing to indicate that there should be passage of this, that this is necessary, that Bill 37 is necessary. The Kruger Corporation are big men and women, grown up, knowledgeable, and if Bill 37 was something that was necessary for this transaction then Bill 37 should have been a term of the agreement. I would go further, Mr. Speaker; the claim that might arise under the Labour Standards Act should have been a clause of the collective agreement negotiated between Kruger and the

joint mill unions. In fact, Kruger attempted to have it negotiated with the joint mill unions and the joint mill unions refused to waive their rights under that act and Kruger acquiesced, Mr. Speaker. I am sure that Kruger got something else from the unions, from the employees at Corner Brook because of their willingness to acquiesce and have the employees still entitled to pursue any claims that they might have. Kruger knew the situation, they knew the Labour Standards Act was there, Mr. Speaker, when they negotiated a collective agreement. What nonsense is this now that this government comes in and says that it wants to make a donation to this company, which the company did not negotiate in its collective agreement, which the company has not insisted upon in negotiation of the agreement with government? Government is saying that we are going to force the employees of the Corner Brook mill to make this donation to Kruger. Does it amount to anything else? Now, Mr. Speaker, we have a copy of The Western Star dated December 3, 1984 quoting the Premier as saying that Kruger had not said it would not take the mill over if the amendment did not pass, that is the amendment proposed in Bill 37, but he said they do regard it as important. Well, we should all stand right up and take notice. Kruger thinks that amendment is important, Mr. Speaker.

Mr. Speaker, in The Evening Telegram Kruger said they were not very familiar with the provisions of Bill 37. That shows how important they consider it. Mr. Speaker, what we have going here is a sneaky, devious attempt to ram this retroactive

legislation through this House using Kruger as an excuse, and it does not wash.

Now, Mr. Speaker, I am only going to take a few minutes here this afternoon. As part of an agreement with the Government House Leader (Mr. Marshall), we agreed to have the Premier kick off debate here this afternoon, and even though we had not received copies of the agreements, it was understood that I would say a few words and then adjourn the debate to continue it tomorrow. Mr. Speaker, it is good to see a deal being concluded to ensure the continued operation of a paper mill at Corner Brook, but let us not all get carried away. What we have here, Mr. Speaker, is a salvage operation which unfortunately is going to see a considerably reduced work force, as the member for Humber West (Mr. Baird) knows. Now I have had meetings with the -

MR. BAIRD:

Could you have done any better?

MR. BARRY:

Well, we will never know, will we, Mr. Speaker, as far as this agreement is concerned?

MR. NEARY:

He did better on ERCO.

MR. BARRY:

We might get an idea if there could have been a better deal if we were able to see the other proposals and I think, Mr. Speaker, that government should table these other proposals. We will want to know who it was that put in the confidentiality clause. Was it government that required that these other proposals be kept confidential? Is this a continuation of this

secrecy game which government is engaging in lately?

MR. TULK:

If it involves public documents it should not be confidential at all.

MR. BARRY:

That is right. Government should have refused to accept bids that would require bids being kept confidential. It is government that wants to keep them hidden so that nobody will ever be able to see in this House of Assembly whether there were other proposals that might have seen a better deal, that might have seen the salvaging of the jobs that will be lost at Corner Brook. Now, we will be happy to hear the member for Humber West get up and confirm how many there are. I have met with the president of the joint mill unions and the information that we were given would indicate that he expected I think it was 196 permanent employees would be laid off at that point in time and it could go as high as 400 if casual employees are included. This, Mr. Speaker, does not have anything to do with the numbers that will be laid off in the logging operation. And again we would like to get some figures as to the extent of layoffs that might result among the loggers.

MR. BAIRD:

That will be increasing..

MR. BARRY:

Well, we would hope so. We hope so that they would be increased. That was not our understanding, that the numbers of loggers would be increased.

MR. TULK:

Well, I do not suppose it would. If they use less wood, how will the number of loggers be

increased?.

MR. BARRY:

Well, the member for Humber West (Mr. Baird) says he thinks the number of people employed in the logging operations will increase.

MR. TULK:

We will wait and see.

MR. BARRY:

Yes, we will wait or we will hopefully get the minister -

MR. NEARY:

There will be ninety-six laid off for ten months on January 1, and 197 casual workers will be laid off.

MR. BARRY:

Mr. Speaker, it is sad to see these numbers of jobs being lost. We are happy to see a deal that will see security for the people of Corner Brook and the continued operation of the mill, but, as I say, we are going to see a reduced work force there.

Now, Mr. Speaker, it should also be commented upon that we believe that the employees in the course of collective bargaining were treated viciously by government in the way that they were hung out to dry and put completely at the mercy of Kruger and had the full weight of whether or not that mill started in operation based upon whether or not they accepted what Kruger proposed. And even then, Mr. Speaker, they had the courage to hang in there to protect the position of their membership and their employees and they were not prepared to accept things such as is now being required of them by government in this Bill 37. And we really do not think that government should continue this vicious exercise which it started

when it hung these employees out to dry in the course of collective bargaining.

Now, Mr. Speaker, I at this time would move the adjournment of the debate until tomorrow morning's sitting of the House and continue my remarks after I have had an opportunity to study the agreement more closely.

MR. SPEAKER (Aylward):

Order, please!

Is it agreed that the hon. Leader of the Opposition adjourns the debate until tomorrow?

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER (Mr. Aylward):

Agreed.

Motion, second reading of a bill, "An Act To Amend The Labour Standards Act". (Bill 37).

MR. SPEAKER:

I must check to see who adjourned the debate the last day.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please!

I understand the debate was adjourned by the hon. member for Port au Port.

The hon. member for Port au Port.

MR. HODDER:

Mr. Speaker, back to the infamous Bill 37, and the bill is infamous. But, Mr. Speaker, listening to the sequence and watching the sequence of events unfold on the other side, there is no doubt that the government has

tried to link the Kruger Bill with Bill 37. We have already heard statements by the Chairman of the Joint Mill Unions saying that the workers who are represented throughout the Joint Mill Unions did not want to give away their rights but would be making no claims under the old legislation. We have observed in the press that Kruger has not said anything. As a matter of fact, a very weak statement from Kruger saying they did not really understand the bill, they were not too familiar with it, and it could have some effect, but just an offhand statement.

We then heard the Premier in a statement made, I believe in a press statement or a press conference, say that it might make it 'sticky,' I believe was the Premier's words. And again today the Premier gave an offhand statement which did not stand the light of day here in the House.

But, Mr. Speaker, I will point out that the Minister of Energy (Mr. Marshall), the Government House Leader, his statement was just a little bit different. He tried to convince the people of Newfoundland and Labrador that these two bills were linked together. He is playing the role of the hatchet man in this scenario in trying to keep the Premier clean.

But, Mr. Speaker, I am very suspicious of the linking of these two bills by the government. There is obviously a reason why they want Bill 37 to be passed. We do not know what the reason is yet, but I suspect very strongly that there are other reasons for Bill 37, reasons which in time will no doubt unfold because these things usually get out but it

usually takes a little time before we find them. Mr. Speaker, we have seen this government, during the constitutional debate, link the Labrador boundary and the church schools to the constitution and subsequent events showed that these arguments were unfounded but it was an attempt to arouse Newfoundlanders in a fight which the Premier happened to have with the Government of Canada at that time. And we have noticed on a number of occasions where the government can link something that will scare people in some part of the Province or people in all of the Province that they will link these two together. I submit, Mr. Speaker, that the attempt to link Bill 37 with the Kruger Agreement is nothing more or nothing less than an attempt to get this bill through the House.

MR. BARRY:

A cynical deception.

MR. HODDER:

'A cynical deception.' The Leader of the Opposition's (Mr. Barry) phrase is quite correct. The government has attempted to link the Kruger Agreement with Bill 37, because they want Bill 37 through for some reason which they have not admitted to the House at this present time.

We know that there are a number of companies throughout the Province who have claims under Bill 37, but we just do not know which one the government is favouring, and there is no doubt that the government is favouring one of them for reasons which they have not disclosed.

Well, Mr. Speaker, this bill is not typical of legislation that has been passed in this House at least in the past ten years since I have been in this House. I

heard the Minister of Finance (Dr. Collins) yesterday say that sometimes the Department of Finance passed retroactive legislation. But, Mr. Speaker, in all cases where retroactive legislation has been passed, from the time the legislation was retroactive companies or people concerned were always notified that this would come in and the bill was passed sometime later. This is the first time in my experience in the House of Assembly that we have had a bill which goes back, affects workers, affects court cases and will actually cause the loss of payment to workers who, acting in accordance with the law and legislation passed in this House of Assembly, made legitimate claims, now find that through this Bill 37, the rug has been pulled out from under their feet and the legislation has been changed.

Mr. Speaker, we have heard arguments in this House of what sort of problems this type of legislation can cause and why this type of legislation is very, very bad legislation. It is like, Mr. Speaker, imposing a sales tax on people and making it retroactive back to five years and then saying and then every citizen must pay it back to them. I mean, that is the type of legislation. The Evening Telegram used the example of making the death penalty, if it were to be brought in - which I hope it will not - retroactive back to the time when the legislation was passed. All of those arguments have been brought forward in this House. But I think, Mr. Speaker, it bears speaking of again because this is a new departure for this government. It is a departure that I think the people of this Province should fear. This type

of move on behalf of government is something that every citizen should take note of.

Mr. Speaker, we have noted as well that there is a strategy within the country. We saw this unfold back about a year ago or a year and a half ago when the Premier of British Columbia (Mr. W. R. Bennett) brought in a number of restraints and cutbacks, and we know that all the Premiers in Canada were looking on with great interest to see if they could do it in their own provinces. We now see an even more insidious movement within the country where we have a federal government in conjunction with a large number of provinces working together to see how they can keep wages low, how they can keep labour at bay. We see it happening in every province with great regularity. Where it is successful in one province it is adopted by other provinces. We saw that same sort of thing happen in the extra billing in health care, we saw provinces in cahoots at that time, this Province as well, trying to save money on the backs of poor people. And at the present time we see it. I believe I saw an article in the Globe and Mail which was called, 'Tory Strategy Analysed,' and that strategy is to keep wages low and to bring in repressive measures on the backs of the working people in order to benefit and to help these governments carry out their aims. Mr. Speaker, it is a conspiracy which is deliberate, which every citizen of the country should look at with some interest, and, Mr. Speaker, I feel that it is almost criminal. Mr. Speaker, the people of this Province have obviously started to understand the tactics of the Premier and this government as reflected in the polls which were published just the other day,

which I believe, Mr. Speaker, are low.

MR. NEARY:

They are hurting.

MR. HODDER:

The government is certainly hurting. I would suggest, Mr. Speaker, that if a poll were taken today the government would be even in a worst position than they were shown to be in in early October.

MR. PATTERSON:

Want an election?

MR. HODDER:

Mr. Speaker, I would love to see an election. I would even go down and run against the member for Placentia (Mr. Patterson) because I would not even have to campaign. But, Mr. Speaker, the government made the law and labour acted on it. It was the law of the Province, it was a law that was passed in this legislature and now the people of the Province must pay for it. Mr. Speaker, it is a threat to all Newfoundlanders. Six years after the fact we make a law which makes redundant all claims to this particular piece of legislation since 1978. The Leader of the Opposition (Mr. Barry) when he spoke the other day, which I must say was one of the finest and learned speeches I have heard in this House of Assembly for some time, referred to the fact that this piece of legislation may very well be in violation of the Charter of Rights. And, Mr. Speaker, I have no doubt if this legislation is passed, if it is rammed through this House, if it is forced down our throats, if it is forced down the throats of the people of Newfoundland and Labrador, that it will go to the courts and I have no doubt that it

will be ruled against. But, Mr. Speaker, the other aspect to this particular piece of legislation is the problems which the government has talked about. We have heard two stories on this. We have heard about the Wabush Mines case, which is now before the courts and has not been decided, and this particular piece of legislation comes at a very inopportune time as far as these cases are concerned. That was put forward by members on the other side as the reason for this legislation, but a little later, when someone got of flash of insight and realized that the Kruger bill was coming up and that it could be linked with this piece of legislation, that is the tactic then that the government took. But, Mr. Speaker, I agree with those who have said that if the government wants to cure this situation, if government wants to do this, then they should bear the brunt of the cost since it is the government and not the unions and their members who have perpetrated this particular piece of legislation in 1978 on the people of Newfoundland and Labrador. The Premier has said that the new legislation will be one of the most forward pieces of legislation in Canada. I have not had time to check that, but I believe that on checking, Mr. Speaker, we might see that there is a little bit of an exaggeration there as well. But, Mr. Speaker, there are 1500 workers in this Province, that is a large number of workers, who will lose their rights if this legislation, Bill 37, is passed. As well the Labour Standards Act already has a safeguard incorporated in it which can be interpreted widely. The safeguard is that factors beyond the control of companies, like power outages, like other emergencies that may

happen with a company, there is a clause which can be interpreted to make this legislation not necessary. Mr. Speaker, sooner or later, as I said before, we will find out which company this legislation is aimed at and we will find out what the real reason is. Secrets of this kind can never be kept for a long time. But, Mr. Speaker, one thing that this legislation will do, and has already done, is it will alienate labour against this government such as labour has never been alienated before. Mr. Speaker, this type of legislation can cause labour unrest in this Province for generations to come and labour in this Province has already been ill done by. We saw the Premier today at a very opportune time, I suppose, for the first time mention the telephone workers in this Province. It is a terrible disgrace that the telephone workers have been on strike for I believe it is twenty-two weeks. The government has done very little and the type of statement which we heard from the Premier in this Province today was merely an attempt by the Premier to try and let labour know that he is on their side. But, Mr. Speaker, standing in the middle on a tight rope and doing nothing is certainly not going to impress labour in this Province, particularly when there has been a series of legislation brought into this House which is anti-labour and can do nothing. We see a Coalition for Equality in this Province with a number of labour unions who have joined forces in order to protect their rights. This Coalition for Equality has been brought about by the repressive legislation of this government and to top it all of the government has now brought Bill 37 into the House of

Assembly. I do not know, Mr. Speaker, how anyone on that side of the House can stand and defend a bill which has so many far-reaching implications because of the fact that it is retroactive. Mr. Speaker, this bill is a form of intimidation, it is another prong in the government's attack on organized labour, and it is couched now in terms of being good for the Province. But, Mr. Speaker, this type of legislation and the type of precedent that this legislation brings to this House and to this Province is something that no person in the Province, regardless of where they live in the Province, should have anything to do with. I believe, Mr. Speaker, that everyone should oppose this type of legislation.

MR. SPEAKER (Dr. McNicholas):

Order, please!

I must interrupt the hon. member for a moment to inform the House that there are no questions for today at 5:30 p.m.

The hon. member for Port au Port.

MR. HODDER:

Mr. Speaker, there are a number of questions that should be asked that I would like to see members on the other side ask. There have been few members who have spoken on this bill. By and large, Mr. Speaker, I think the fact is that this particular bill must be repugnant to an awful lot of members on that side of the House. We have only seen a token number of ministers who stand to defend this bill. The largest defence has been by the Premier's hatchet man, the Government House Leader (Mr. Marshall). Mr. Speaker, I would like to know when members stand on the other side -

and if the member for Humber East (Ms Verge) is going to speak - what representations have been made by the various companies, Transpacific Asbestos in Baie Verte, Fishery Products International, Wabush Mines, the other fish processing companies and I believe some of the hospitals, to the government concerning this and what they are? I would like to hear the numbers of workers who will be laid off and I wonder, Mr. Speaker, whether the government has received any negative responses from non-Newfoundland investors because of the present situation, because of layoffs? If they have seen representation we would like to see those as well.

Mr. Speaker, we have heard nothing positive from members on the other side. We have heard of all kinds of scare stories and things like that but we have not heard one positive fact dealing with Kruger or dealing with any of the other companies which I mentioned or any companies, for that matter, which I did not mention. We have nothing from those companies in the public press or we have heard nothing from the government as far as problems are concerned, negative responses from these companies or from investors, we have heard nothing at all because of the present situation concerning the layoffs.

Mr. Speaker, I would also like to know what indication does government have that jobs would be lost if Bill 37 is passed? I have not heard anything specific although I have been listening. I have sat in the House throughout 90 per cent of this debate and I have read the public press on the rest of it - perhaps all of it, Mr. Speaker - but I have not heard

anyone mention any concrete figures whatsoever as to the number of jobs that will be lost or what would happen in this case. As a matter of fact, Mr. Speaker, there has been no statistics, no figures, no representations, no papers, no nothing. This bill appeared on the Order Paper and was given first reading in this House without any public cry whatsoever, and that is just another thing that makes people wonder. We, on this side of the House, wonder just what it is that is behind this bill, what it is that caused the Premier lately to link it with the Kruger bill? I dare say, Mr. Speaker, had there been another more important, pressing bill on the Order Paper it probably would have been linked with that.

Mr. Speaker, these are a couple of questions which I would like to hear the members on the other side address when they speak. I would also like to know whether the contract talks between Fishery Products International and the union are dependent on the passage of this bill. No one has got into any specific details such as that on it, Mr. Speaker. Also, if the matter of the Wabush Mines appeal is to be heard in court in January, does not Bill 37 interfere with the case and prejudice it? I would like to hear an opinion on that from members on the other side. This bill has a lot of implications, Mr. Speaker. It has a lot of ramifications not only for the future of legislation in this Province and the type of legislation that we will be enacting in the future, but it sets a very dangerous precedent and there are a number of such questions. Government members have attempted to ram it through,

to get it through as quickly as possible. Mr. Speaker, I predict that for whatever reason - and that reason has not been given; it certainly was not given by the Premier today, it certainly has not been given Kruger, it certainly has not been given by any member on the other side - government will use brute strength as they have so far to pass this bill. I predict that this government will go to any lengths to pass this bill and we, of course, Mr. Speaker, will go to any lengths to see that the bill is not passed.

Mr. Speaker, to conclude I would just like to say that this is a very, very dangerous piece of legislation and it is a piece of legislation which is appalling in its magnitude and in the precedent which it sets in this House. Mr. Speaker, I will not be voting for it and neither will anyone on this side of the House. If there is anything that we can do to stall passage of this bill or to defeat this bill, we certainly will.

MR. NEARY:
Mr. Speaker, a point of order..

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

MR. NEARY:
I know the hon. minister wants to speak, but I want to make a point of order or a point of information or something.

We have half an hour to spare this afternoon because there are no questions on the Late Show. In view of that, we can give the hon. the Minister of Education (Ms Verge), who is going to speak on this bill given time, we can borrow her time now and give it back to her. I was wondering if

the Minister responsible for the offshore (Mr. Marshall) would care to make a statement about evacuating two rigs out on the Grand Banks because the icebergs are dangerously close to the rigs. Would the hon. gentleman care to inform the House exactly what is happening concerning the evacuation of these rigs and so forth?

MR. MARSHALL:
I do not know anything about it.

MR. NEARY:
It is a very important matter. Would the hon. gentleman care to make a statement? We can give him the time?

MR. MARSHALL:
Mr. Speaker.

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

MR. MARSHALL:
I can say, Mr. Speaker, just to try to cooperate with the hon. gentleman, but I am not going to entertain all sorts of supplementary questions and all the rest of it, that there is an iceberg within some fourteen miles of the SEDCO 706 and the iceberg is under tow at the present time. There have been precautionary - and I underline the word - precautionary procedures under the guidelines implemented whereby non-essential personnel have been taken from the rig. Search and Rescue is fully alerted and fully in position and the situation is being very closely monitored.

MR. TULK:
You did not even know anything about it.

MR. TOBIN:

This man is on top of everything.

MR. MARSHALL:

I did not do too badly for not knowing anything about it, Mr. Speaker. I do not know why the hon. the Leader of the Opposition (Mr. Barry) put the hon. gentleman in as House Leader (Mr. Tulk), honest to heavens I do not know. All he does is sit down and make cliché little remarks back and forth.

Anyway, that is the situation.

MR. NEARY:

I thank the minister, Mr. Speaker.

MS VERGE:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Minister of Education.

MS VERGE:

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MS VERGE:

Mr. Speaker, I sit in this Legislature to represent the people of the district of Humber East which takes in quite a big part of the city of Corner Brook as well as the municipality of Massey Drive and shortly will include the municipalities in the Lower Humber Valley. Now, Mr. Speaker, this is an area in which is physically located the Corner Brook pulp and paper mill, it is a region of the Province where just about every resident is directly dependent or indirectly reliant upon the operation of that mill. Mr. Speaker, on behalf of those people I want to say to all hon. members that this bill, An Act To Amend The Labour Standards Act, including the final clause which

refers to the retroactive application of the measure, is necessary for their economic well-being. This measure is crucial to the continued successful operation of the paper mill in Corner Brook, it is a necessary bill for the protection of employment, as the Premier has styled it.

Now, Mr. Speaker, this bill, including clause 4, simply reaffirms the intention of the government, which initiated the existing act back in about 1978, I think it was, simply clarifies and repeats the intention of the legislators who sat in these seats before us and enacted the current law in 1978. It was assumed by those lawmakers, many of whom are still here today, that the word 'terminate' in the existing act meant for good, 'terminate' as the word is defined in the dictionary. Mr. Speaker, this was not only an assumption of those lawmakers, those members of the House of Assembly, it was also the assumption of unions, of workers, of managers, and employers throughout the Province. In the years following the coming into force of the present law, in the four or five years after that, dozens of employers around this Province, major employers as well as smaller employers, took cold shuts, they closed down for short periods of time in response to adverse market conditions, because of raw material shortages, or because of financial difficulties. There are all kinds of examples that any one of us can recite, and it has to be remembered that this was a period which coincided with the economic downturn right across North America.

Bowater, which has been operating

the pulp and paper mill in Corner Brook, had to shut that mill for intervals over the past couple of years. This measure also had to be taken in other newsprint mills in Canada. The Corner Brook mill was closed for short periods of time over the last couple of years because there was a surplus of paper in the storage sheds because there were not enough orders to warrant continued manufacture of newsprint.

Now, Mr. Speaker, the people at the mill, the workers, their union leaders, the managers, the owners of Bowater, they all had no inkling whatsoever that in closing for those short periods of time they had to give their workers any more notice or pay in lieu of notice than they actually gave. That was a common outlook shared by worker and manager alike in that mill in Corner Brook.

Now, Mr. Speaker, much to the surprise of all of us the current law was the subject of interpretation by a Labour Standards Act Tribunal in a matter referred to then by a union and workers associated with Wabush Mines in Labrador West. That tribunal interpreted the act in a way which was quite different from the common assumption I have referred to. That tribunal ruled that 'terminate' does not mean 'terminate,' does not mean 'forever,' 'for good,' but that 'terminate' may mean a short-term shutdown of just a couple of weeks duration. I understand more recently a labour/management arbitrator, in looking at a matter involving St. Clare's Mercy Hospital in St. John's, similarly ruled that 'terminate' does not mean 'terminate' as we had all assumed.

Now, Mr. Speaker, the first decision, that of the Labour Standards Tribunal has been appealed. And, Mr. Speaker, it is quite possible that an Appeal Court will overturn the tribunal interpretation and decide that 'terminate' means 'terminate' as had been intended by the legislators back in 1978.

But, Mr. Speaker, as everyone knows that court appeal process takes time and the people in Corner Brook do not have time on their side. It is absolutely essential that the sale of the newsprint mill from Bowater to Kruger which has been negotiated, be finalized, be closed this month before the end of 1984.

Mr. Speaker, part of the arrangements that have been worked out between Kruger and Bowater include the assumption of certain liabilities, which had been incurred by Bowater, by Kruger, in such a way that if the tribunal and arbitrators' interpretation of 'terminate' is not over-turned either by this legislation going through or by an Appeal Court decision, then Kruger will have to pay out to workers in Corner Brook some \$6 million or \$7 million. Now, Mr. Speaker, these workers never expected to get that kind of a windfall or bonanza.

MR. NEARY:
Who told you that?

MS. VERGE:
Now, Mr. Speaker, that possibility-

MR. TULK:
Has Kruger said they will not pay up or will not buy the Bowater mill?

MR. SPEAKER (Aylward):
Order, please!

MS VERGE:

- if it is allowed to continue, just may jeopardize the take over of the Corner Brook mill by Kruger. And, Mr. Speaker, we cannot afford to take that risk. We are talking about a matter of \$6 million or \$7 million, a substantial risk, one which the people of Corner Brook cannot afford take.

Mr. Speaker, if Kruger did go ahead and close the deal without this amendment to the Labour Standards Act, including the retroactive clause becoming law then, Mr. Speaker-

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (Aylward):

Order, please!

MS VERGE:

- Kruger would have to pay out the \$6 million or \$7 million. Now where is Kruger going to get that \$6 million or \$7 million? Obviously, Mr. Speaker, it would have to be diverted from the funds which Kruger has lined up for the modernization programme for the mill. So, Mr. Speaker, at best if this act does not go through and if the uncertainty about the meaning of 'terminate' in the Labour Standards Act is allowed to continue, at best the deal will close, but Kruger may have to change their mill modernization programme, take \$6 million or \$7 million that have been lined up for that programme and pay it out to workers who never expected payment. Mr. Speaker, as far as the people of Corner Brook are concerned Bowater acted properly in giving notice and pay in lieu of notice with respect to the taking of downtime over the past couple of years.

Mr. Speaker, if any of us had the luxury of detaching ourselves from the actual situation in Corner Brook, if we could remove ourselves from this real world and philosophize, if we could indulge in some of our intellectual bents, we might find it easy to argue against retroactive legislation. However, Mr. Speaker, obviously that is not a responsible or a realistic alternative; we have to grapple with real problems in the actual province with our present state of affairs. And, Mr. Speaker, the only responsible and realistic alternative is the one that has been adopted by the government in putting to this Legislature Bill 37, including the final clause which reaffirms the original intention of our predecessors back in 1978, when they enacted the present Labour Standards Act, which says definitively that 'terminate' means terminate forever, for good, and that that meaning has effect for sure from August 1, 1978.

In conclusion, Mr. Speaker, I would urge the members opposite to search their souls and to think about what is at stake here for the people of Corner Brook and for the other parts of the Province whose economies are tied to the operation of the mill in Corner Brook and to acquiesce in the effort of the government to clarify the original law that was made in 1978, and to make this possible before next week when it is planned to finalize the takeover of the mill in Corner Brook by Kruger. Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

Mr. Speaker.

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

MR. NEARY:
Mr. Speaker, the hon. minister who just participated in this debate raised an awful lot of questions. I believe the hon. minister may have let the cat out of the bag. Because I was watching the Government House Leader there (Mr. Marshall) following very closely what the minister had to say and I saw him shrinking in his seat. Because, Mr. Speaker, first of all, the member for Humber East (Ms Verge) used, I suppose, about twenty-five 'ifs', about thirty 'maybes' and about fifty 'mays'. There was nothing definite in what the hon. the minister was saying, which led me to believe, Mr. Speaker, that -

MR. SIMMS:
Do you want to take that chance?

MR. NEARY:
Take what chance?

MR. TULK:
What chance?

MR. SIMMS:
The chance the minister referred to .

MR. NEARY:
But I believe the most significant item, the new dimension added to this debate by the minister was the fact that if this House did not pass the bill that the government are trying to ram through the House, that they put a deadline on - it reminds me of the pipeline debate in Ottawa when they brought in a piece of legislation and put a deadline on it and then invoked closure - that if this was not done and if that was not done, then Kruger may have to take some of its money that

would be used for the modernization of the mill and pay the workers. The hon. the minister cannot deny that she said that.

She is admitting it, nodding yes. Now, Mr. Speaker, no wonder the government House Leader (Mr. Marshall) shrunk in his seat when the minister said that.

Now, Mr. Speaker, so far the administration there opposite have put forward a very weak case for having this bill rushed through the House, and it was further weakened today when the Premier introduced the bill and the agreement. We have gone through the agreements. The first thing we looked for in the agreements was a clause dealing with Bill 37.

MR. TULK:
And nothing there.

MR. NEARY:
And, Mr. Speaker, we discovered that there is no such clause.

MR. TULK:
We were amazed!

MR. NEARY:
To our amazement, there is nothing in the agreements dealing with Bill 37. And Bill 37, Termination of Employment, is not even mentioned.

MR. TULK:
Ask the minister if she can point something out on Bill 37 in the agreement.

MR. NEARY:
Right. I challenge anybody there opposite to point out anywhere in the agreement reference to Bill 37 or Termination of Employment.

MR. SIMMS:

The Premier answered that one.

MR. TULK:

No, he did not.

MR. NEARY:

Pardon?

MR. SIMMS:

The Premier answered that question.

MR. BARRY:

What did he say?

MR. SIMMS:

You heard him.

MR. BARRY:

I did not hear him say anything.

MR. MARSHALL:

Mr. Speaker, may I respond to that question?

MR. NEARY:

Well, providing, Mr. Speaker, the hon. gentleman does not use up too much of my time and I do not lose my right to carry on.

There is nothing in the agreement and the hon. gentleman wants to explain why, so I will let the hon. gentleman answer my question and then I will carry on.

MR. MARSHALL:

I am quite sure the hon. gentleman has heard about pre-conditions because he was mouthing this with the hon. Marc Lalonde, I remember, a few years, so he knows what pre-conditions mean. What is going to happen is next week there is going to be a closing, we hope, of this agreement. Now, there are certain pre-conditions. For instance, one of the pre-conditions, obviously, would be that a mill exists there. That is not there. You do not see in the agreement that the mill is actually there, that there are

forests there and what have you; and another pre-condition, Mr. Speaker, I tell the hon. the member for LaPoile (Mr. Neary), is it is quite obvious that the indebtedness that Kruger is assuming from Bowater be the indebtedness that has been stated to be there and that does not include any liability under Bill 37.

SOME HON. MEMBERS:

Show us that.

MR. MARSHALL

If the hon. gentlemen want to play a game of chance with the future of the people of Corner Brook, they will hold up passage of Bill No. 37.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the member for LaPoile.

MR. NEARY:

I am glad I let the hon. gentleman make that little interjection. Let me remind the hon. gentleman that what we are talking about has not yet been established as a debt on Bowater or Kruger or anybody else. Does the hon. gentleman realize that? There has not been a debt established yet.

MR. TULK:

It is in the courts.

DR. COLLINS:

Should we ignore the question?

MR. MARSHALL:

That is between the two companies.

MR. NEARY:

No, it is not between the two companies. It certainly is not between the two companies. As a matter of fact, the matter that we

are concerned about, Mr. Speaker,
was partly resolved the other -

MR. TULK:
Where is the debt?

MR. MARSHALL:
I will tell you where the debt is
if the hon. gentleman would let me
answer the questions asking
questions .

MR. NEARY:
No, Mr. Speaker.

MR. SPEAKER (Russell):
Order, please!

MR. NEARY:
Mr. Speaker, the matter we are
concerned about was partly
resolved the other day in a
settlement with the employees by
Bowaters -

MR. TULK:
That is right. .

MR. NEARY:
- and the other part that we are
concerned about is still under
investigation by the Labour
Standards Tribunal, so no debt has
been established.
Mr. Speaker, I move adjournment of
the debate. It is getting near
5:30 p.m.

MR. SPEAKER (Russell):
It has been noted that the hon.
the member for LaPoile has
adjourned the debate.

MR. MARSHALL:
Mr. Speaker, I would like to ask
the Opposition if they would like
to go until 6:00 p.m.

SOME HON. MEMBERS:
No.

MR. MARSHALL:
They do not want to. Okay.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER (Russell):
Order, please!

Is there any agreement to go until
6:00 p.m.?

SOME HON. MEMBERS:
No.

MR. SPEAKER:
There is no agreement.

It being 5:30 p.m., there are no
questions for the Late Show, it is
deemed that a motion to adjourn
has been made.

All those in favour, 'Aye'.

SOME HON. MEMBERS:
Aye.

MR. SPEAKER:
Against, 'Nay', carried.

I do now leave the Chair until
tomorrow, Friday, December 7, 1984
at 10:00 a.m.

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Answers to Questions

tabled

December 6, 1984

ORDERS OF THE DAY 52/84 MONDAY, NOVEMBER 26th, 1984

Question 58: Mr. Hodder (Port au Port) - To ask the Honourable the Minister of Finance to lay upon the Table of the House the following information:

- (i) The total amount in revenue his Department has taken as a result of the Tobacco Tax from April 1, 1984 to August 31, 1984 as compared to the same period in 1983.
- (ii) The total amount in revenue his Department has taken as a result of the Gasoline Tax from April 1, 1984 to August 31, 1984 as compared to the same period in 1983.

Answer:

- (i) The total amount of Tobacco Tax revenue:
April 1, 1983 - August 31, 1983 - \$16,684,081.00
April 1, 1984 - August 31, 1984 - \$17,296,140.00
An increase of \$612,059.00
- (ii) The total amount of Gasoline Tax Revenue
April 1/83 - August 31/83 - \$26,470,337.00
April 1/84 - August 31/84 - \$28,335,265.00
An increase of \$1,864,928.00