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VERBATIM REPORT
(Hansard)

Speaker: Honourable James Russell

Friday

7 December 1984

The House met at 10:00 a.m.

MR. SPEAKER (Russell):
Order, please!

Statements by Ministers

MR. SPEAKER:
The hon. the Minister of Fisheries
(Acting).

SOME HON. MEMBERS:
Hear, hear!

MR. GOUDIE:
Mr. Speaker, today I wish to
announce that the Department of
Fisheries has provided a grant of
\$25,000 to the Canadian Sealers
Association.

SOME HON. MEMBERS:
Hear, hear!

MR. GOUDIE:
This funding will assist the
Sealers Association in a number of
their ongoing sealing industry
revitalization activities,
particularly those activities
related to test marketing and
craft development projects.

This is the second year that the
Department has financially
supported the activities of the
Sealers Association. We are
pleased to be able to do this,
because we feel the Sealers
Association is playing an
important role in both the
short-term survival of the
industry and efforts aimed at the
long-term revitalization.

As most are aware, this government
is on record as unequivocally
supporting our seal fishery and,
we will continue to work with
those involved to develop it to
maximum potential.

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

MR. BARRY:
Mr. Speaker, until recently, I
believe that government was
whole-heartedly trying to do what
it could for the seal fishery. I
fear, however, that it may now be
slipping into a form of tokenism
and I say this because of the lack
of any protest made to the federal
government with respect to the -

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

MR. SPEAKER:
Order, please!

A point of order, the hon. the
President of the Council.

MR. MARSHALL:
Mr. Speaker, the hon. gentleman is
making a speech.

MR. BARRY:
To that point of order, Mr.
Speaker. Are we permitted to
respond to Ministerial Statements
or are we not?

MR. SPEAKER:
The rule is, of course, as all
hon. members are aware, that the
spokesman for the Opposition is
permitted one half the time it has
taken the minister to make his
statement and, I suppose, those
comments should be confined to the
content of the statement made by
the minister.

MR. BARRY:
Mr. Speaker, I am referring
specifically to the statement that
the government is on record as
unequivocally supporting our seal
fishery, and I am suggesting and
submitting to this House that
recent events have indicated that

it is not unequivocally supporting the seal fishery because of its lack of protest and representation to the Government of Canada on the way in which the Government of Canada permitted Greenpeace to join the World Wildlife Federation when, if the Canadian government had made representation and pointed out how Greenpeace was attacking a traditional industry in this Province, the Canadian government could have blocked the entry of Greenpeace into that organization.

Oral Questions

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

MR. NEARY:
Mr. Speaker, I have a couple of question for the Minister of Municipal Affairs (Mr. Doyle). The minister has had an opportunity now to assess the mess that he inherited from his predecessor, and he has had a chance to take a look at the impact of government restraint programmes and cutbacks in municipal grants and the effect that they are having on municipalities throughout the Province; the Jersey side Council, as was indicated yesterday, was forced to resign because they could not balance their budget, and a number of other councils throughout the Province, including the oldest municipality in Newfoundland, Windsor, have stated publicly they cannot make ends meet. How widespread is this problem? How serious is this problem? The minister has been doing a bit of travelling and meeting with the municipalities, and I am sure now that he must feel the brunt of the criticism

that is being levelled at the administration for the way that they have treated the municipalities. How widespread is the problem? How serious is it?

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

MR. DOYLE:
Well, Mr. Speaker, over the last two month period I have had the opportunity of meeting with approximately seventy-five municipalities in their own -

SOME HON. MEMBERS:
Hear, hear!

MR. DOYLE:
- in their own respective communities, and, also, approximately another forty or forty-five in my office. So, over the last two months we have met with approximately 100 municipalities and during that time, Mr. Speaker, I have had the opportunity to speak to several of these municipalities regarding some of the cutbacks that government had been forced to implement during the last budget. I must say that the municipalities are coping quite well with the problems that they have had, and, Mr. Speaker, because we have such good, responsible councils and councillors around the Province, they have done a tremendous job in addressing the problems that they are having. I indicated to them at the Federation of Municipalities meeting, approximately two months ago, that hopefully some of these cutbacks that they have been forced to live with will be short-term cutbacks and some measure of relief will be afforded these municipalities in the future.

MR. NEARY:

A supplementary, Mr. Speaker.

MR. SPEAKER (Russell):

A supplementary, the hon. the member for LaPoile.

MR. NEARY:

Mr. Speaker, we are hearing reports through the media every day now of criticism being levelled at the administration for cutbacks, for imposing hardships, for forcing the municipalities to increase taxes. For instance, today we learned that there had to be a tax increase in Corner Brook as a direct result of the policies of this administration.

Now, would the minister tell the House what action he is going to take to help these municipalities, to save a lot of these municipalities from going bankrupt? The hon. gentleman indicated in his answer to my first question that a lot of them are having problems. What will the minister and the administration there opposite do to save a lot of these councils from going bankrupt?

MR. SPEAKER (Russell):

The hon. the Minister of Municipal Affairs.

MR. DOYLE:

Mr. Speaker, when you consider the fact that we have approximately 310 municipalities in this Province, and sometimes we do have isolated incidents where municipalities are experiencing problems, I think the number that are doing quite well compared to the number that are experiencing problems is very low indeed.

This government, Mr. Speaker, can be very proud of what they have done for municipalities over the

last four or five years. It was this government which, back in 1980, brought in the new Municipalities Grants Act. Prior to that, municipalities had not been able to provide any decent level of service for their people. Now, because of the grants that we have made available through the new Municipal Grants Act, municipalities, for the first time, are beginning to offer a very high level of service to their respective communities and I think this government can be very proud of the contribution that they have made to municipalities.

We are continuing, Mr. Speaker, to monitor on a daily basis, through the Federation of Municipalities, all councils around the Province. Whenever an individual council is experiencing any problems financially, my department is always ready, willing and able to offer advice on budgetary matters, on the preparation of budgets and what have you, that the councils are in the process of doing right now.

MR. NEARY:

You had better get somebody better than the Minister of Finance (Dr. Collins) to help them.

MR. DOYLE:

So, Mr. Speaker, I think it is fair to say that while some cutbacks have occurred, the municipalities, generally speaking, are doing quite well in this period of restraint in coping with the problems that they are having and, as I said before, my department is always ready to assist in any way in offering advice to the municipalities on how to overcome their problems. And we are working on a daily basis with the Federation of Municipalities in that regard.

On Saturday coming, Mr. Speaker, I am meeting with the Federation of Municipalities. I have already met with them twice, and we have talked about these problems. We will continue to monitor the situation.

MR. NEARY:

A final supplementary.

MR. SPEAKER (Russell):

A final supplementary. The hon. the member for LaPoile.

MR. NEARY:

Mr Speaker, the hon. gentleman just admitted, in the last part of that answer, that there are a lot of problems. Now, will the hon. minister indicate to the House how serious these restraints are going to be on the personnel who man the councils? For instance, will the government cutbacks and increases in payments on loans and guarantees and so forth, discourage people from seeking re-election, or seeking election in next year's municipal council elections that take place in the Province?

MR. SPEAKER:

The hon. the Minister of Municipal Affairs.

MR. DOYLE:

Mr. Speaker, I am not anticipating any problems in that regard. I do not believe we have any more problems getting people to serve on town councils than on any other volunteer organization, whether it is a school board or any other organization. I am not anticipating any great problems in that regard. As I said before, you have to take into consideration the fact that we do have 310 municipalities in the Province, and serving on those 310 councils are over 2000

councillors. So I am not anticipating any great problems in having people coming forward to serve on councils when elections roll around again in November.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, we now have some statistics on unemployment for the month of November and I am wondering if the Premier could indicate whether what seems to be a steady increase in the unemployment rate is predicted to continue throughout the Winter? Does the government have any indications or any predictions as to what level the unemployment rate is likely to reach during this Winter? We see that the unadjusted unemployment rate from October to November has gone from 19.7 per cent to 20.9 per cent, an increase of 1.2 per cent, although the seasonally adjusted unemployment rate has remained the same, that is up from 19.4 per cent, seasonally adjusted. This year it is 21 per cent, seasonally adjusted, an increase of 1.7 per cent, and unadjusted it is from 19.6 per cent to 20.9 per cent, an increase of 1.3 per cent. Is this increase likely to continue over the Winter?

MR. SPEAKER (Russell):

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, as it relates to the fishing industry, as we know now, with some of the new management in place and the employees and the employer back at the table, we hope that they will be able to reach a settlement very soon which will assist in relieving some of the unemployment problems in the

New Year. We are trying to objectively urge the parties back to the table in the Newfoundland Telephone dispute, as my statement yesterday indicated. But, Mr. Speaker, I have to say that if the Opposition continue to oppose Bill 37, then we anticipate that the unemployment rate in Newfoundland, even though we will have the fisheries strike ended, and have the telephone strike ended, and have a new operator in Corner Brook, and have a new mine in St. Lawrence, and all the other things, we would anticipate that these positive steps that the government are taking will be offset by the negative steps taken by the Opposition which will threaten the livelihood of people on the Southern Shore, in all the small plants where there are guaranteed loans, and in Conception Bay and in Trinity Bay where there are guaranteed loans on the fish plants. FPI will have to pay out anywhere from \$10, \$15, or \$20 million which will again affect its viability. It will affect Gaultois, Ramea, Harbour Breton, Grand Bank, Fortune, Marystown and Burin. You will see the Kruger operation, when it starts in January, being less viable than it is now if the Opposition keep opposing it. So the Opposition will have a lot to do with the creation of unemployment in this Province in the New Year if they continue to oppose Bill 37. So we anticipate that although we are doing all we can to protect the jobs that are now existing in this Province, and will be trying to create more in the New Year through a new road's agreement, through a new offshore agreement, and through trying to get bills like Bill 37 through to protect existing jobs, that this could be offset by the Opposition Parties in this House if they do

not allow Bill 37. I am afraid that there are certain conspiracies underway in this Province. About a week ago, I understand, there were a number of meetings held in Newfoundland, and there was a conspiracy cooked up to try to oppose Bill 37, because by opposing Bill 37, the Socialists and the Liberals could say in 1985, 'There is more unemployment now in Newfoundland and it is the government's fault'. So I think they do not want to see Bill 37 go through because then they will be able to accuse the government, in 1985 and 1986, of creating more unemployment. That is the whole conspiracy. This first line of questioning, I think, gives a lot of credence to it, and I am sure the Socialists and the Liberals are going to try to insure that there is more unemployment in 1985 so that they can attack the government with, 'It is their fault'.

MR. SPEAKER (Russell)

The hon. the Leader of the Opposition, on a supplementary.

MR. BARRY:

Yes, Mr. Speaker, there is a conspiracy in this Province, there is a conspiracy against the contempt for this House, there is a conspiracy against contempt and against arrogance, Mr. Speaker. Now, if the government has reached the point where it is throwing up its hands and is prepared to place responsibility on the Opposition, we will gladly accept that responsibility. All the Premier has to do is call an election and that opportunity will be there. Now, Mr. Speaker, I would like to ask the Premier whether, because of the fact that he now has his friends in Ottawa instead of the Liberal government, he has now

decided to place all the attack and blame for everything that goes on in the Province on the Opposition? And I would like to ask, Mr. Speaker, whether the Premier is aware of the Stats Canada statistics which indicate that in addition to the 47,000 that are indicated as unemployed at the present time in Newfoundland there are at least another 13,000 who are not looking for work but who are unemployed, who have given up because they are unable to find jobs, which would indicate, Mr. Speaker, that the numbers of the unemployed are in the area of 60,000 people at the present time in Newfoundland, an unemployment rate of about 25.4 per cent? Is the Premier aware of these figures? And is he going to continue this ridiculous statement that it is Bill 37, or the failure of this House to pass Bill 37 that has led to these figures? Has Bill 37 led to the 60,000 unemployed in this Province today?

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

PREMIER PECKFORD:

Mr. Speaker, in his first question the Leader of the Opposition (Mr. Barry) asked me to anticipate how I saw the future in the next few months, into 1985, based upon the statistics that he has now received or gotten from Statistics Canada, which we are all familiar with and which we all get. That was the original question. The Leader of the Opposition (Mr. Barry) is now trying to change it. Because he is getting scared and knows that Bill 37 will help increase the number of jobless in Newfoundland in 1985, now he wants to go to the past to see who is the cause of the existing 47,000 unemployed and the other 13,000 who are now not looking for jobs.

Well, the Leader of the Opposition cannot have it both ways. If we are going to look ahead to the future, which was his original question, I am saying to the Leader of the Opposition, Mr. Speaker, today, that this government is deeply concerned with the unemployment in this Province. We do not want to see it get any worse, but there is a conspiracy by the Socialist forces in this Province, and the Liberal Party, to try to create more unemployment so that they can attack this government in 1985 and 1986. I stand by that and we will defend, we will, Mr. Speaker, stand against that Liberal/Socialist coalition and we will not let them create more unemployment in Newfoundland in 1985. We will stop them from trying to create more jobless so they then can try to attack the government and try to somehow gain power. But, Mr. Speaker, they will not succeed.

MR. SPEAKER (Russell):
A supplementary, the hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, we have seen the Premier fall to new lows of infantile shallowness in that response. The Premier is bad medicine for this Province, Mr. Speaker. And I would like to ask the Premier whether he would confirm - the Premier is talking about creating unemployment - that the Government of Canada has put it in the hands of the Premier, Mr. Speaker, as to where the cuts will take place with respect to CN Marine operations, with respect to Gulf ferry operations, with respect to TerraTransport, with respect to other aspects of marine operation -

MR. NEARY:
CMHC, excise taxes.

MR. BARRY:
No, I am not sure whether it has gone as far as CMHC, but Mr. Speaker, I will ask the Premier will he confirm that the Government of Canada has indicated to the Government of this Province that it must save a certain number of millions of dollars and has left it to the Premier of this Province as to where the cuts will be made, and where the unemployment will be created? Will he confirm that?

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

PREMIER PECKFORD:
That is a complete fabrication, Mr. Speaker. The Leader of the Opposition (Mr. Barry) is now trying to change it around, that suddenly -

MR. BARRY:
Untrue. Untrue.

PREMIER PECKFORD:
- all consultation means that power has been transferred somehow, even where it legitimately belongs in Ottawa, to the provinces and the Leader of the Opposition (Mr. Barry) is now trying to attack the government for being responsible for this unemployment. Mr. Speaker, we will not allow the Leader of the Opposition and his socialist friends to get away with creating more unemployment in Newfoundland in 1985. And opposition to Bill 37 does that. Already it threatens the viability of Kruger in Corner Brook, because they will not know whether they will have to pay out another \$6.7 million.

MR. BARRY:

It is rubbish.

MR. SIMMS:
It is not rubbish.

PREMIER PECKFORD:
FPI is not viable, it is bankrupt, and the Liberals and the Socialists want to grind it right into the ground. They want to grind all the small independent fish plants right into the ground, they want to see Baie Verte Mines close down for good. Because that is what it will mean. They want to ensure that Minworth, that is coming into St. Lawrence, will come in under a cloud. Mr. Speaker, they have no concern for Gaultois, they have no concern for Ramea, or Harbour Breton. Every worker in this Province who has a job knows that they would sooner have a job and have a secure job into 1985 and 1986 rather than get some retroactive pay under an ambiguous law. Most people want to retain their jobs. And the Opposition are saying, no, take a little bit of money now and forget your job in 1985. And we are not going to allow the Opposition and their Socialists cohorts to get away with this. They are not going to cause that kind of revolutionary undercurrent in our Province. That is what they are trying to do. There is a conspiracy underway to create more unemployment and then try to blame it on yours truly. I am not going to let them get away with it, Mr. Speaker. I will fight them tooth and nail to retain the number of jobs we have now in FPI. We will not let them create more unemployment in the fishery. We will not let them create more unemployment in the mining industry.

SOME HON. MEMBERS:
Hear, hear!

PREMIER PECKFORD:

We will not let them create more unemployment in the forestry industry. They will not get away with this conspiracy. They might have had the press on their side for the last week, but it is starting to turn, Mr. Speaker, it is starting to turn. People can see through the superficial ambition of the Leader of the Opposition (Mr. Barry), and they know he is in a conspiracy with the socialists.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

We will stand against this undercurrent of social revolution trying to create more unemployment and more unrest. They will not get away with it, Mr. Speaker, talking about the government throwing money at things, we are going to oppose them.

MR. BARRY:

A final supplementary, Mr. Speaker.

MR. SPEAKER (Russell):

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

MR. BARRY:

I wonder, Mr. Speaker, if the Premier has given any consideration to giving up the shallow Bill Bennett approach and taking some lessons from parts of this country where there are people and premiers prepared to accept responsibility for the job for which they are elected?

SOME HON. MEMBERS:

Oh, oh!

MR. BARRY:

And failing that, Mr. Speaker, if the Premier has decided that he is going to adopt the approach taken

by Premier Bennett in British Columbia, would he live up to that approach rather than exhibiting the shallowness that we see here this morning?

MR. SPEAKER (Russell):

The hon. the Premier.

PREMIER PECKFORD:

We take our responsibility seriously, Mr. Speaker, that is why we have introduced Bill 37. We will lead when we have to lead, and we will change laws when they have to changed for the public good. And they will not get away with the word 'retroactive' when they do not tell the other side of the story, that they out to destroy the existing jobs in the industries in this Province, trying to lay it all at the mantle of retroactivity. How about at the mantle of more unemployment, Mr. Speaker? They will not get away with it. They will not hide behind retroactivity, Mr. Speaker. Let them hide behind more unemployment in this Province. We take our responsibility seriously. Mr. Speaker, I am glad the Leader of the Opposition (Mr. Barry) brought up British Columbia, because British Columbia is in a mess today because the Socialists were allowed to get in for two or three years.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

That is what happened to B.C. The Socialists got in and spent like drunken sailors, and it took Bill Bennett and a group of Conservatives getting into the Government of British Columbia to bring it back to some kind of economic sanity, Mr. Speaker.

But unlike what happened in British Columbia, the Socialist/Liberal coalition will not have the opportunity to run Newfoundland.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (Russell):

The hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, I think it is time for a question from the socialist cohort over here. Howard Pawley tells me it is a mark of significance when they start calling you a socialist, because that means you are becoming relevant and they are trying to attack you by labelling you something you may or may not be.

I hate to depart from what is turning out to be quite an entertaining session here, but I want to ask a serious question for a change.

The question is to the Minister of Social Services (Mr. Hickey), and I think to both Ministers of Education (Ms. Verge and Mr. Power), because it is the sort of question that falls between the departments.

PREMIER PECKFORD:

One minister at a time.

MR. FENWICK:

Well, it is one question, but the answer may have to come from both departments. The question is this: Once the children of people who are on social assistance pass the age of seventeen they are no longer considered to be the responsibility of the family and as a result they are either cut off the amount of money that the parents receive or they are asked

to ask for social assistance in their own right. What has happened in St. John's with students of this age, who were going to Memorial University, is that once they reached the age of eighteen their support was cut off the amount of social assistance their parents were receiving.

SOME HON. MEMBERS:

Oh, oh!

MR. FENWICK:

This is a pretty serious question. I would like some order, please.

MR. SPEAKER (Russell):

Order, please! Order, please!
Order, please!

MR. BARRETT:

Is that Pawley's question?

MR. FENWICK:

This is mine if I ever get to it.

SOME HON. MEMBERS:

Order, please!

MR. FENWICK:

If the student goes to University, because they live in St. John's they are not permitted to live anywhere else in the city, they are expected to live with their parents, which I think is a reasonable thing, however, their parents do not receive any social assistance to support them. They then have to go to student aid in order to receive a loan, but student aid, because they live in St. John's, will not give them the equivalent of board money and as a result they suffer a tremendous amount of hardship.

MR. BARRETT:

Is there a question there?

MR. FENWICK:

This is a serious question. There are a lot of people caught in this position. It takes a while to explain it.

The situation is such that these individuals going to university, trying to better themselves, are in a position where their parents can no longer support them and student aid, because of the regulations that they have to live under, is not able to support them as well. The situation is quite serious for the individuals involved, not only the people in St. John's but in places like Corner Brook, where they are going to the district vocational school, the Stephenville Community College and so on.

My question to the Minister of Social Services (Mr. Hickey) or to the ministers responsible for Education (Ms Verge and Mr. Power), could you please look at this situation, investigate it, and assess what kind of support can be allowed for these people? Because if this continues, what will happen is we will have individuals who are going to university to better themselves, whose parents are receiving social assistance, who will not be financially able to do so. I think it is important that they receive the attention they deserve.

MR. SPEAKER (Russell):

The hon. the Minister of Social Services..

MR. YOUNG:

Answer that now, 'Tom'!

SOME HON. MEMBERS:

Hear, hear!

MR. HICKEY:

Mr. Speaker, I am not sure if I should give the hon. gentleman a

socialist answer or a sensible one but, as he says, it is a serious matter. Let me say to him that the Social Assistance programme was never introduced, put in place, to educate people or provide an education per se. It would be grossly unfair if a target group or any particular percentage of the population who could find themselves on social assistance could have their way paid through university at the expense of the taxpayers, while those who were gainfully employed and making the effort to be independent were to be disadvantaged as a consequence. That indeed would be a socialist policy, to say the least. You know, we deal with each case on its own merits. If the hon. gentleman has been told that people are turned away from my department without any care or consideration to the plight of their situation, I can tell the hon. gentleman that it is not true. I personally know of situations where people are going to university and we are providing some assistance. I know of a number of cases which have come to my attention over the last number of years, of single parents who have need for special assistance in order to stay in University because they have young children. Indeed, we have assisted a number of people almost at that critical point, where they were going to have to drop out of university because of their financial situation and because of the fact they had dependent children. We look most compassionately upon those cases and we do provide assistance where the need is established, where the need is clearly determined.

However, Mr. Speaker, when my hon. friend says that after a young man

or a young woman reaches the age of seventeen or eighteen they are no longer the responsibility of their parents, I would remind him that that is not so. There is a law of on the books of this Province, longstanding, how ever old it might be, called the Maintenance law, and that law says that parents are responsible for their children, no matter what age. I do not believe it even mentions an age. And it also says that children are responsible for their parents. So there is no option of getting out of that if we really want to be sticky about it and apply that law which, in most cases, we do not. We leave it to the compassion of children on the one hand to look after their parents, and the moral obligation, which I believe most people acknowledge, and we do not necessarily follow the letter of that law. But it is there and, therefore, if the hon. gentleman is told, from some cases that might be brought to his attention, that this is the situation, I have to tell him that it is really not. However, the final point, Mr. Speaker, is that each case is looked upon on its own merits. My department and my people are conscious of the need for an education; however, at the same time, we walk that tight line. We have to be very careful that we do not apply one brand of justice to people who are on social assistance with regard to their education, and yet another to people who are out in the work place, working, or whose parents are working, whose sons and daughters are not on social assistance. So it is a very touchy situation. I think we have to deal with it as we are now, deal with it on its own merits, and deal with each case on that basis.

MR. SPEAKER (Russell):

Order, please!

The time for Question Period has expired.

Before we continue, I would like to take this opportunity to welcome to the galleries today from the Roncalli High School, Avondale, in the district of Harbour Main - Bell Island, eighty Grade XI students and their teachers, Mr. Moore, Mr. Hickey and Mr. Hunt.

SOME HON. MEMBERS:

Hear, hear!

Answers to Questions for which
Notice has been Given

MR. SPEAKER (Russell):

The hon. the member for St. Mary's
- The Capes.

MR. HEARN:

Mr. Speaker, on behalf of the Minister of Development (Mr. Windsor) I would like to table answers to questions No. 55, 56 and 57, placed on the Order Paper of November 15 by the hon. the member for Bellevue (Mr. Callan).

Presenting Petitions

MR. ROBERTS:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the member for the Strait of Belle Isle.

MR. ROBERTS:

Mr. Speaker, if I may, I would like to present a petition signed by about 500 of my constituents, the men and women who live in the

communities of Croque, St. Julien's, Conche, Roddickton, Englee, Main Brook, that part of my constituency, the Eastern side of White Bay.

Mr. Speaker, I have the original copy, of course, of the petition; if one of the Pages would do me the kindness to come along, I could put it forward to go to the table of the House.

The prayer of the petition, Sir, is quite succinctly stated and really says what these people wish, so if I may read it, I will simply say, 'The people of Croque are seeking your support in applying pressure to the provincial government for the upgrading of the Croque road.' That is what the petitioners seek, that is the point, that is the request which they make.

Mr. Speaker, the road to the community of Croque, which also serves the community of St. Julien's, sometimes known as Grandois, is about 22 kilometers long. It has to be one of the very worst roads in the entire Province. It was built in part as a woods road by the government and by Bowaters in cutting operations, funded through the Department of Forestry - my friend from Ferryland (Mr. Power) was instrumental in some of that - and built in part by the government in the regular Transportation Department construction programmes. It is a winding road, it is indescribably hilly, indescribably curvy and in indescribably bad shape. It would cost a great deal of money to rebuild that road and to pave it, and I think the people of Croque are as aware as am I that the Province does not have that kind of money at this time. But, Mr.

Speaker - and this is the key point - they do have a right to expect a reasonable amount of public money spent on it. No significant amount of public money has been spent on the Croque road in the last two, three, four or five years, no significant results have been achieved, it just gets worse. It is part of the deliberate decision of the Premier and his colleagues to deny the people of the Strait of Belle Isle district their fair share of the road expenditures. When we see what is being spent elsewhere in the Province and the priorities of the government, as demonstrated by their projects elsewhere, it is just impossible to see how the Premier, in good faith - if he is acting in bad faith, it is explained, but in good faith, it is impossible to see how he can, with a clear conscience, say to the people of Northern Newfoundland and the people of Croque that they are getting their fair share. It is completely impossible to justify it. The people of Croque, Sir, speak against it, I speak against it. We ask that the petition be received and be referred to the department to which it relates and that the government respond in a positive way. We are not expecting any miracles, we are not expecting paved roads at this stage, what we are expecting is a reasonable maintenance effort to take out some of the worst potholes, to take out some of the worst curves and to make the road at least tolerable, so that the people of Croque and the people of St. Julien's/ Grandois can get back and forth in some safety and some degree of comfort, so that the fish which they catch, which is transported to the plant at Englee for further processing can be moved and so that the public

services and the commercial services which use that road can do so with some degree of convenience.

Mr. Speaker, I support the petition wholeheartedly. The Minister of Transportation (Mr. Dawe) is not in the House, of course; he is out of the Province, I understand, but I would hope the Premier would address it and I hope he would assure us that he does have a genuine concern and he is prepared to evidence that concern. When I see what has been done in his own district of Green Bay, compared to callous, partisan neglect for partisan reasons which he is perpetrating deliberately, I at times tend to ask whether he really believes it when he says that he is fighting for all of Newfoundland. I do not think so, Sir, and I think it is up to him now to show the burden of proof and to show it in a positive way by doing something concrete and positive for the people of Croque and St. Julien's and for the other people of the neglected Northern Peninsula of this Island, Sir. I support the petition.

PREMIER PECKFORD:
Mr. Speaker.

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

PREMIER PECKFORD:
I would like to stand in my place and support the petition just presented by the hon. member. As a matter of fact, I would suspect, Mr. Speaker, that I have spent more time in Croque than the hon. member. As a matter of fact, I do not know what time the road was actually built. I guess it was in the late 1960s or early 1970s that the road was put to Croque.

MR. ROBERTS:
No, it was 1979, the Bill Doody days.

PREMIER PECKFORD:
Exactly. I wanted the hon. the member to say that. The road was built by the Conservative Government.

SOME HON. MEMBERS:
Hear, hear!

PREMIER PECKFORD:
Now, the hon. member was a member in a Liberal Government for many, many years and never even built the road to Croque. I say to you now, Mr. Speaker, the hon. member gets up and tries to talk about partisanship as practiced by the Conservative administration and here the road that he is talking about was built under the PCs and not when he was the member in government and a minister of the Crown. Now, I will tell you, Mr. Speaker, I was in Croque, St. Julien and Grandois in 1963 or 1964 for four days so I know a little bit about the area that the hon. member is talking about, which traditionally has been called by most fishermen going there from Carbonear, Harbour Grace and from the Green Bay area, the French Shore. Of course, we all know that historically the French Shore extended much further than just in the Conche, Croque, Crouse, St. Julien, Grandois, Fischot Island area, but it has now more or less been concentrated in that area by a lot of the fishermen as they go to talk about that area of Newfoundland. So I am very familiar with it and I am very proud to be able to stand in my place and support this petition, especially when what we are saying here, Mr. Speaker, is that the PC administration built this road in the Liberal member's

district and now, of course, after building it we must maintain and improve it, and maintain and improve it we will. Let me just go on to say, though, Mr. Speaker, that whilst the hon. the member for the Strait of Belle Isle (Mr. Roberts) did not build that road, people in glass houses should not throw stones. I remember as a citizen of Green Bay when we could not get one penny in Green Bay even though we had a Liberal government member. They were destitute from 1949 to 1972, nothing was done. Meanwhile, I did have the opportunity to travel to the hon. member's district when he was Minister of Health, and to some other hon. member's districts who were ministers of the government at that time, and saw the work that was being done on water and sewer in St. Lunaire and Griquet, and the work that was being done in St. Anthony, whilst even though Green Bay had a member on the government side of the House we still were not getting a copper. So I would remind the hon. member he should not be too quick to criticize about partisanship because he is practicing a little bit of hypocrisy, because during the time the hon. member was a minister in the government he made sure that the money that was allocated went to his district and to the districts of other ministers of the Crown at the time. So, you know, people in glass houses should not throw stones. But I would say to the hon. member in all fairness, nevertheless, we are concerned about the Croque Road. We will try to do something to improve it. We built it and we will try to improve it for the hon. member. I also want to say to him that I think I know a little bit more about Croque, Grandois and Fischot Islands than

the hon. member does.

MR. BARRY:
Mr. Speaker.

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

MR. BARRY:
Mr. Speaker, the Premier may know more about Croque but he sure did not indicate that this morning because the Premier was wrong. He heard a remark by my learned friend and decided to correct himself but he was wrong.

You see, Mr. Premier, the fact of the matter is that it was the road between Croque and St. Julien that was built by Bill Doody and the road to Croque, Mr. Speaker, was built in 1971 by the member.

PREMIER PECKFORD:
I was going by what he told me.

MR. BARRY:
Now, Mr. Speaker, the Premier cannot have it both ways. Either he relies on information from my learned friend about Croque or St. Julien or he knows about it himself. He got up here to say how much he knew about Croque when he does not even know when the road was built. Now, Mr. Speaker, everybody in Newfoundland saw the Minister of Transportation (Mr. Dawe) go on television and say that he intended to put money into PC districts and not into Liberal districts. Is there anybody here who did not hear him say that?

SOME HON. MEMBERS:
Oh, oh!

MR. BARRY:
Mr. Speaker, the Premier has a choice. If he wants to show that

he is sincere in having taxpayer dollars distributed on a non-partisan basis he should terminate the employment of that minister right fast, he should have that Minister of Transportation fired, he should change ministers, he should get rid of that Minister of Transportation.

Also, Mr. Speaker, we and the people of Newfoundland and Labrador will watch and see if the Premier is a man of his word. He stands up here in the House and says that he is going to help the people of Croque and St. Julien, and we will be watching and see if that is the case.

Finally, Mr. Speaker, I wonder if the Premier would be prepared to table in this House, if he has the guts - sorry - if he has the intestinal fortitude, Mr. Speaker, would the Premier be prepared to table the list of expenditures that have been made in my colleagues district since 1979 as compared to the expenditures made in Green Bay district or any other Tory district?

MR. ROBERTS:

Go back to 1949.

MR. BARRY:

Or go back to 1949.

MR. SPEAKER (Russell):

Order, please!

Orders of the Day

MR. SPEAKER:

Order 19, Bill No. 52.

The debate was adjourned last day by the hon. the Leader of the Opposition.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Mr. Speaker, we have seen the Premier today continue with that shallow, transparent attempt to use the Kruger transaction as an excuse, as a pretence to bulldoze through Bill 37. Now, I am not going to spend much time on Bill 37 this morning because that is not part of the Kruger transaction. Mr. Speaker, the Premier has admitted it is not necessary to have the Kruger deal completed, he was forced to admit it, Mr. Speaker. He admitted it in this House and outside of this House. He has admitted, Mr. Speaker, as he had no choice but to admit. And despite the pedantic attempts of the Government House Leader (Mr. Marshall) to try and twist things, everybody else has accepted that the Bill 37 passing is not necessary in order to see the completion of the Kruger deal. It has nothing to do with the Kruger deal, and we will debate Bill 37 on its merits. We will ask, Mr. Speaker, whether the rights of Newfoundlanders and Labradorians should be taken away retroactively six years after those rights have been passed by legislation from this hon. House. Mr. Speaker, we want more in the way of reasons and explanations than we have gotten so far from members opposite to justify our agreeing to any such retroactive legislation. Mr. Speaker, I have not had the opportunity to check it yet, but I am informed there is another bill before this House that attempts to bring in laws retroactively. I will be referring to that later, but if that is so, Mr. Speaker, it shows the beginning of a very dangerous trend. Mr. Speaker, we will not

have any threats by the Premier. Unemployment in this Province is due primarily to hon. members opposite not doing their jobs. Mr. Speaker, any future increases in unemployment until they are turfed out of office, will be because they are not doing the jobs for which they were elected. If they want to pass the responsibility over to members on this side, as they have tried to do since 1979, try and pass responsibility over, and blame, to the government in Ottawa - when a Tory government arrived in Ottawa, all of a sudden it is all tranquility, peaches and cream and members opposite are afraid to burp about these cutbacks that Mr. Wilson has engaged in that are hurting Newfoundlanders all around this Province, but Mr. Speaker, if they want to pass responsibility over to members on this side of the House they now how to go about it. All they have to do is call an election and that responsibility will be transferred by the people of this Province who are sick and tired of hearing those shallow, infantile excuses raised by the Premier here this morning. Mr. Speaker, we now have the Premier of this Province on record as admiring the efforts of Bill Bennett in British Columbia. Mr. Speaker, I would say there is no Canadian who has done more to injure the ordinary man and woman in Canada than Bill Bennett in British Columbia.

MR. MARSHALL:

A point of order, Mr. Speaker.

MR. SPEAKER (Aylward):

A point of order the hon. the President of the Council.

MR. MARSHALL:

The bill that we are debating right now is Bill 52, "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". Now, Mr. Speaker, the hon. gentleman is going off into all sorts of irrelevancies and I want to remind him once more, again, that time is not on our side with respect to this. I mean, can he be relevant to this particular bill, because we would like to hear what he has to say about the agreements. There are two bills that should pass before the closing.

MR. BARRY:

There is one bill that should pass and one bill that will pass.

MR. MARSHALL:

That is fine. If the hon. gentleman wants to keep on playing with the lives of the people of Western Newfoundland he can go on that refrain, but the fact of the matter is, Mr. Speaker, this is Bill 52 and I would ask that the hon. gentleman be asked to address his remarks to it. Because I am quite sure there are people on this side of the House who would like to speak to the bill itself, and if the hon. gentleman has not got anything of substance to add to the debate, perhaps he could sit down and allow somebody else to take his place.

MR. SPEAKER (Aylward):

Order, please!

To that point of order I would remind the hon. the Leader of the Opposition (Mr. Barry) that we are discussing Bill No. 52.

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I thank you for your reminder but I am going to debate this bill within the rules of this House and I will say whatever I want to say within the rules. I will not accept directions from the Government House Leader (Mr. Marshall), and I would ask him to stop cutting into my time. I have limited time, and what I say, Mr. Speaker, will not be able to be carried on any longer than the hour that has been given me for debate, but I intend to say whatever I want to say on debate of this bill. I thank the Government House Leader for leaving the House to avoid any future interruptions.

Now, Mr. Speaker, we have seen the Premier of this Province engage in the most shallow attempts to excuse his own bad performance and the bad performance of his government here this morning. We have seen him express admiration for a Social Credit premier who has done more to cause division and polarization and hardship to the ordinary man and woman in his province than, I would submit, has been done in any other province. Now, the Premier is rapidly catching up and the recent Decima poll that was done as of the end of September indicated that it is only British Columbia and Quebec that is lower than Newfoundland in satisfaction rating, and obviously the Premier is trying to get down there with British Columbia. British Columbia is at the bottom of the barrel. The government of that province is despised by the majority, Mr. Speaker, of British Columbians who recognize the way in which, since the last election, that government has created unnecessary division and unnecessary hardship for the ordinary people of that province.

Now if the Premier is going to try and embark this Province in that direction, notice is given here and now that it will be fought tooth and nail by members on this side of the House.

Mr. Speaker, maybe the reason the Premier has taken that approach is because of the very evident direction that is being given by Mr. Wilson, the federal Finance Minister, that he, too, is very sympathetic to this type of Draconian conservative measures to try - and it is only try, Mr. Speaker - to improve the economy because we have seen the economy of British Columbia plummet even since that government decided to engage in those antiquated -

MR. MARSHALL:

A point of order, Mr. Speaker.

MR. SPEAKER (Aylward):

A point of order the hon. the President of the Council.

MR. MARSHALL:

I do not know whether the Leader of the Opposition (Mr. Barry) realizes the importance of this bill that is before the House. He is entering into a wide-ranging debate that could be left for general debate, Mr. Speaker, talking about British Columbia, his own warped perception of polls and popularity and all the rest, but we are talking about a bill here that has importance to the people of Western Newfoundland. And I think, as I said, there are people on this side of the House who would like to address themselves to it. The time is limited and I would suggest that the hon. gentleman be relevant to the bill itself and not be going off into the realm of debate.

MR. BARRY:

This is not Committee of the Whole.

MR. MARSHALL:

We are talking about a bill with respect to the entry of Kruger Inc. into Corner Brook to take over the Corner Brook mill, and what the hon. gentleman is saying is not relevant at all to the bill.

MR. NEARY:

To that point of order, Mr. Speaker.

MR. SPEAKER (Aylward):

Order, please!

To that point of order the hon. the member for LaPoile.

MR. NEARY:

Mr. Speaker, this is a wide-ranging debate because it affects the economy of not only the whole of Western Newfoundland but all of Newfoundland, and my colleague is attempting to compare the policies and the programmes and the negative attitude and the arrogance of this administration to what is happening in British Columbia and other provinces. We are not in Committee of the Whole. If we were in Committee of the Whole we would be held down to a narrow debate. The hon. gentleman is trying to leave the impression that we are in Committee of the Whole, Mr. Speaker. My hon. colleague is in order and the hon. gentleman should go out and try to see that the people on these oil rigs are safe, that their lives are not in danger, and decide what he is going to do about Winter drilling.

MR. SPEAKER (Aylward):

Order, please!

To that point of order the hon. the member for LaPoile (Mr. Neary) suggested that we are in a

wide-ranging debate. We are in second reading, which is to discuss the principle of Bill 52. Most wide-ranging debates take place on financial bills, and since this is not a financial bill I would once again remind the Leader of the Opposition (Mr. Barry) that we are discussing the principle of Bill No. 52.

The hon. the Leader of the Opposition.

MR. BARRY:

Again, Mr. Speaker, I thank you for your reminder and I object to the interference by the Government House Leader (Mr. Marshall) who is determined to try and prevent debate and stifle debate in this House, as any government in trouble starts to do; first they bring in as much secrecy as possible and, secondly, they try to stifle debate.

Now, Mr. Speaker, with respect to the Kruger deal I want to, first of all, compliment the people of Corner Brook and surrounding region for the patience that they have shown in what has had to be very troubling times. There has been tremendous anxiety created by the threat of the closure of that mill. The people of Corner Brook, I think, showed great fortitude in adversity, they are to be admired, they showed great tolerance, Mr. Speaker, for what were often very inept approaches by the government opposite. Mr. Speaker, the people of Corner Brook, Humber Valley, the Bay of Islands and surrounding areas, are disappointed that their economy is going to suffer as a result of the reduction in the work force that will arise once this deal has been completed. We have seen, Mr. Speaker, that what happened here basically was a failure by the existing government

to have Bowater agree to perform the things that should be done in order to modernize the Corner Brook mill. There were attempts made and, in fact, there was a tentative arrangement arrived at whereby there would be, I think, some \$38 million put into a modernization programme, but, then, Bowater came and informed government they were not prepared to embark upon that programme and that they had decided to leave the Province. So we got into this situation because of the failure of the government of this Province to persuade the operator of that mill, Bowater, to continue its operations and to continue a capital investment programme. And monies had been arranged with the Government of Canada to put into a modernization programme, it was \$38 million.

DR. COLLINS:
No, no that is not true.

MR. BARRY:
It was not total federal money, but money had been arranged.

DR. COLLINS:
No, no. I think you are mistaken.

MR. BARRY:
Oh, I see. I will read the Premier's own statement now. The Premier is getting up in this House and telling us things, are we not to believe him? The plan was that a \$38 million capital programme would be financed by the federal and provincial governments and the company itself, and there is a pulp and paper modernization agreement there with the Government of Canada. And further on in his statement it is agreed that there was \$33 million available under that agreement.

DR. COLLINS:

That was a plan.

MR. BARRY:
That was not a plan. There was an agreement signed between the Province and the Government of Canada.

DR. COLLINS:
An overall umbrella agreement.

MR. BARRY:
Exactly.

MR. NEARY:
It was not an overall umbrella agreement. Do not be so stunned. Go out and buy a two dollar pocket size calculator for yourself to see if you can get the estimates straightened out.

DR. COLLINS:
You do not understand the process.

MR. SPEAKER (Aylward):
Order, please!

MR. BARRY:
Mr. Speaker, we had funds available there under an agreement with the Government of Canada for the modernization of the Bowater mill, and we had the Province arriving at a tentative arrangement with Bowater, in consultation with the Government of Canada, whereby this would be done and then Bowater pulled out, Mr. Speaker, again a failure on the part of members opposite to deal with a company then operating in this Province - still operating, I guess, until this deal is completed - a failure on the part of members opposite to see this company continue to operate. And I must say, Mr. Speaker, it was disgusting to see the Premier on television last night attempting to say that he has no idea of what the reduction in the work force would be.

MR. NEARY:

He was told, just the same as we were.

MR. BARRY:

Mr. Speaker, we met with the president of the joint mill unions, and the other union members out there have the figures; they have obtained them from the company. I think there were 196 employees that would be laid off directly and, Mr. Speaker, there could be as many as 200 more casuals that will be laid off. And then there were people in the woods, the loggers, Mr. Speaker -

MR. NEARY:

Over 400.

MR. BARRY:

I do not know the numbers there. The member for LaPoile says that it is over 400 loggers that are going to be affected.

MR. NEARY:

No, not loggers, over 400 in all.

MR. BARRY:

Over 400, yes, okay.

But, Mr. Speaker, those figures are available to the Premier of this Province. We were able to obtain them. Now, it is misleading, Mr. Speaker, for the Premier of this Province to go on television and attempt to minimize when this severe reduction in the work force is going to have a tremendous economic impact upon the city of Corner Brook and the surrounding area. People should be notified.

MR. NEARY:

That is right.

MR. BARRY:

And we have to get this government

away from this lack of disclosure, away from this fanatic attempt to conceal, to keep things secret. One of the aspects of this agreement, Mr. Speaker, which I believe should be criticized, is the fact that there is an indication that the other proposals will be kept confidential.

MR. NEARY:

One hundred and ninety-eight and one hundred and sixty layoffs.

MR. BARRY:

Yes, to be more specific, there are 198 employees to be laid off on January 1st and 160 casuals with some other individuals for a total of 406 all told. The Premier has those figures and it is misleading for him and cynicism at its worst for government to refuse to reveal these figures to the people of Corner Brook.

Now, Mr. Speaker, we are told that the other proposals for the purchase of the Bowater mill are going to be kept confidential, they are not going to be revealed to this House. Now, when we get to the committee stage, we are going to be grilling the minister, and he may as well be put on notice. We are going to want details and we are going to want to know what was in those proposals, because the people of the Province should know what options were open to government. Would it have been possible to have more people kept on under another proposal? Would we see these 400 people being laid off if one of the other proposals had been accepted?

Mr. Speaker, we have also seen the cynical approach to government's concealing information from the Opposition as long as possible,

where they have had an agreement signed since September 18 and they refused to release that to the Opposition. They dumped it on us yesterday and expected a debate to proceed immediately, before we have had an opportunity to study these agreements. Mr. Speaker, that is not the way in which any government with respect for the democratic process would carry on the business of this House.

Mr. Speaker, the government of this Province is accusing the Opposition of playing with the lives of the people of Corner Brook by our attempts to fight that abominable retroactive legislation, Bill 37. Well, Mr. Speaker, I think we all saw who was playing with people's lives when the Premier came out in the middle of the union negotiations at Corner Brook and threatened the union negotiators with the blame for closing down the Bowater mill if they did not concede to the demands that Kruger were looking for. Mr. Speaker, we have to compliment and commend those workers who were involved in negotiations in the course of arriving at the collective agreement out there. It is a credit to them that they did not over-react, it is a credit to them that they were prepared to be reasonable, to moderate their additional demands and, Mr. Speaker, to be fair, it is a credit to Kruger that Kruger was prepared to make concessions and not push the workers as far as they could have been pushed once they had been left defenceless and unprotected by their own government in this Province. Once the workers had been put completely at the mercy of the Kruger negotiators, Kruger showed wisdom, showed good sense, because it is a company that knows that

good working relations with its employees will be very important to the success of this operation, as it is to the success of any operation. And Kruger very sensibly knew that even though the Government of this Province was prepared to throw the workers to the wolves and tore away every defence that these workers had to protect the rights which they had built up over decades of bitter and hard negotiation, much sacrifice, the company was sensible enough, Mr. Speaker, to avoid taking undue advantage. I am sure there was some advantage taken, I am sure that the workers are not as well off as they could have been had they not been put under the heel of the Premier and members opposite in the course of the negotiations. Mr. Speaker, that was not a proud moment in the history of labour relations in this Province, to see the Premier come out as he did and put the boots to the workers at Corner Brook. And they are to be commended for the way in which they showed restraint and moderation and I want to compliment both the company and the union for having arrived at a collective agreement.

Now, Mr. Speaker, one of the provisions in this agreement has to do with the eventual reactivation of No. 7 mill, and that is left sort of as it has to be, understandably enough, undetermined at this time, it will depend upon existing conditions and so forth. But, Mr. Speaker, it should be pointed out that there is a similar provision under the Linerboard agreement, and it should be pointed out that there was a deposit required of Abitibi-Price in the course of arriving at a deal on the Stephenville Linerboard mill where

they had to put up a deposit of \$1 million as security and as evidence of their intention to undertake an expansion of the Stephenville Linerboard mill before December 31, 1987, provided that a sufficient wood supply could be made available for the operation of a second newsprint machine.

Now, we have legislation before us in this session of the House, Bill 57. I am not quite sure why it is needed, because if the situation is that there is not a sufficient wood supply, then why is legislation needed to permit the money to go back to the company and have government acknowledge that they are off the hook in having to comply with the intent to expand? But the point I want to make for now, Mr. Speaker, is that this type of general intent does not mean very much in terms of benefit to the Province or to the workers, the men and women in Corner Brook, because it will depend upon the then existing circumstances. We see this Bill 57 here to confirm that the expansion at the Stephenville Linerboard mill will not go through, this \$1 million to be paid back to Abitibi-Price, and they are to be relieved of their obligation to expand the Stephenville Linerboard mill.

Now, one nagging concern that I have, and I do not say this with any intent to be irresponsible, but I want to know and have assurances that the inability of the Stephenville mill to expand is not brought about in any way by virtue of an arrangement with Kruger with respect to wood supply or anything of that nature. I think that that is something that we will have to have the minister or the Premier or somebody make

clear. Now, I am not saying that it should not be done. If it came down to avoiding an expansion in one place in order to maintain a mill in another place, that is a trade off. Difficult though it may be, it might be something that would have to be considered and would have to be done. I am not saying that in no circumstances would that be something that should not be considered if it became necessary in order to keep the Bowater mill open, that some expansion be avoided in some other part of the Province, we would have to see whether in the circumstances that might be reasonable. I am not saying that it could never be considered, but I think that we would like to have assurances from the Minister of Forest Resources and Lands (Mr. Simms) that that is not what is happening here. Because the fact of the matter is that the Stephenville Linerboard mill will not be expanded in the near future and this clause in the Kruger deal is, accordingly, of very little value. But there are some other good clauses, Mr. Speaker, in the agreement. The provision with respect to the sharing of downtime is important.

There is an interesting paper, prepared by Mr. John Grey for the 1980 Economic Council of Canada Report on the Newfoundland economy, which discusses the Bowater Corner Brook mill and which points out how this concept of a marginal mill put the Bowater Corner Brook operations in jeopardy in the context of the overall Bowater operations, and when Bowater was put in a position of making a business decision, if it had to close down either mill - the way it had let its operations develop the Bowater mill was the most marginal in the context of

the Bowater internal operations, not necessarily, ironically in terms of if you match them directly mill for mill with other mills in the Bowater operation, as I understand, but because of the way Bowater had structured its operation - that would have to be the first to go. And there were a number of factors, not the least of which, I suppose, was that two of the Bowater mills had their production tied to a particular market. We had specific newspaper publishing groups committed to purchase newsprint from two of the mills in the Bowater operation so that Bowater ended up competing with the mill at Calhoun, Tennessee. And that mill at Calhoun, Tennessee, Bowater proceeded on an expansion of production there and it was pointed out as long ago as 1980, at the time of this report, that the expansion of the Calhoun Tennessee mill would take up a sizeable share of the growth in market demand restricting Corner Brook's expansion until that increased production of Calhoun had been absorbed by the marketplace. The report said, 'It will also increase the low marginal cost capacity of the Bowater group so that Corner Brook may end up absorbing a larger proportion of future newsprint market decline.' That potential problem for Corner Brook had been identified as long ago as 1980.

MR. SIMMS:

That was identified back in the 70s.

MR. BARRY:

And back in the 70s. I do not know to what extent government could have acted earlier than it did to deal with and avert the Bowater crisis, the Bowater shutdown, but Mr. Speaker, that is

water over the dam now; we are not going to waste our time in these sorts of historic revisionisms, we are going to try and look to the future rather than to the past.

But, Mr. Speaker, we do like to see this provision in the existing agreement with respect to the sharing of down-time, where there is a specific requirement. Again we will be looking at this agreement more closely, clause by clause when we get at the Committee stage. I will not have the time in the course of this debate to go into each provision of the agreement paragraph by paragraph.

I am a little disappointed in the sharing of markets clause. That does not seem to provide the same degree of definite assurance that the sharing of downtime provision does. It is a good concept, the sharing of markets is important, but it is a more general provision, dealing with Kruger being asked to utilize its best efforts rather than committing itself to a specific percentage formula as it does with the sharing of downtime.

Another approach in this agreement, which I am not enthused by but which may be the inevitable result of Kruger being a tough bargainer, and maybe that is why they are successful and some of their plants are doing well at times when others are closing down, but they are known to be very shrewd, crafty business people and hard bargainers, and I believe that they drove the government to a hard bargain with respect to the schedule for environmental compliance, and the clause there makes it clear that the environment will take second place to newsprint quality and

production and maybe that is something that government had no choice on. But, again, it is not a clause or a condition of great rejoicing, that when we have to put that type of clause -

MR. RIDEOUT:

It is a tough decision.

MR. BARRY:

Those are the hard decisions and that is the difference between a good government and a bad government, how it deals with those hard decisions. Anybody can make the easy decisions, Mr. Speaker. The subtle nuances that are taken when these hard decisions come about, that is what determines whether we have a good government or a good minister or a good Premier, Mr. Speaker, the subtle nuances, and I must say that subtlety is not something that the members opposite are making themselves known for.

Mr. Speaker, we are glad to see that this deal has been arrived at. Again we will have to, as I say, look more closely at the fine print, but it would seem that government is not making an unnecessarily large investment. If I understand correctly, the provincial government's exposure now should be \$4 million - is it? - considering the extra \$7 million that was obtained from the Government of Canada. There is a commitment, however, with respect to another \$2 million on forest access roads. I assume that is something that would have been there and would be spent in any event.

MR. SIMMS:

No, it is something that we had to try to obtain in discussions with the federal government to get shared funding if necessary

extending the initial forestry agreement which concludes in March, we have discussed an extension to that, and we are also discussing with them taking some (inaudible).

MR. BARRY:

So that is really another \$2 million in addition to the \$11 million that the agreement refers to.

MR. SIMMS:

That is separate.

MR. BARRY:

That is separate. So that is \$13 million less \$7 million, so we are talking probably \$6 million in exposure at least. And we will have to go through a little more carefully, because that access road commitment was not made clear in the Premier's statement and, I think, should have been there as an indication of the total amount of funding that -

MR. SIMMS:

It is something that has been discussed within the department as opposed to being -

MR. BARRY:

Well, it is in the agreement.

MR. SIMMS:

It is mentioned in the agreement.

MR. BARRY:

It is mentioned in the agreement and, as far as I can see, it sets up a commitment on the part of government to - "Government covenants and agrees to make available to BNL over a ten year period, commencing on the date of completion of the purchase of the shares by Corner Brook Holdings, a total minimum sum of \$2 million to be used for construction of access roads approved by the minister.

That is an agreement.

MR. SIMMS:

That is over a ten year period.

MR. BARRY:

It is over a ten year period. So it is worth less than \$2 million, but there is no question that it binds government.

There is also, Mr. Speaker, subsidization of the interest rates. This loan that is to be made by government -

MR. NEARY:

What is that going to cost, by the way, subsidizing the interest rates?

MR. BARRY:

As far as I can see it is one point over 50 per cent of the rate at which the Province borrows. If the interest rate goes up to 20 per cent it could be 10 per cent, if it stays down around - what are they borrowing at now?

MR. NEARY:

The yen is around 8 per cent.

MR. BARRY:

The yen, that is a particular deal.

So it may average out to 4 per cent or 5 per cent or 6 per cent over the life of the agreement. And again, I think we should have -

MR. NEARY:

How much is it a year?

MR. BARRY:

It depends on how much is taken up under the loan. If it is \$6 million it would be 6 per cent of

-

MR. NEARY:

Is the Province subsidizing the loan that Kruger is getting from

the bank?

MR. BARRY:

I am just talking about the Province's loan, but they do have a subsidization of interest here. Is it just the \$11 million that the interest rate is being subsidized on?

MR. SIMMS:

Yes.

MR. BARRY:

I was of that impression when I read this.

MR. SIMMS:

Up to \$11 million.

MR. BARRY:

We have to study this agreement more closely over the weekend to check out these nuances and details, but we do believe the minister should indicate what the Department of Finance, or whoever has been doing the calculations, feels will be the cost to government of this interest subsidization, because that is a real cost as well. The people of this Province are entitled to know. I do not think people will begrudge assisting the people of Corner Brook and the Humber area, but they will want to know what the tab is. We here should not be giving any form of blank cheque, we should know what it is going to cost the people of the Province. I do not like the way in which government has been attempting to skate over some of these other financial commitments which are contained in the bill, and which were not referred to by the Premier in his statement. As a matter of fact, I would say that the Premier would have been better off spending more time discussing the total financial commitment of the Province than this garbage he

has been going on with about Bill No. 37. He would do more for the people of Corner Brook and for the unemployed of this Province if he talked a little bit about the financial commitments rather than this nonsense on Bill No. 37.

Bill No. 37, Mr. Speaker, has nothing to do with this Kruger transaction. The Kruger transaction will go through, and we will deal with Bill No. 37 as a matter of principle to be debated in its own right.

MR. NEARY:

You would hardly expect him to do that when you have a Minister of Finance (Dr. Collins) who is not a little bit out but 100 per cent out in his calculations.

DR. COLLINS:

I will explain that to you.

MR. NEARY:

How can you explain it? There is no explanation for it.

DR. COLLINS:

I will explain it when I get up.

MR. NEARY:

You are not a little bit out, you are 100 per cent out. You should go hang your head in shame.

DR. COLLINS:

I will explain it, but I do not expect you will understand it.

MR. SPEAKER (Aylward):

Order, please!

MR. BARRY:

Mr. Speaker, we think it is a useful way to approach the matter and, I am sure, because of the hard bargaining by Kruger government was given very little choice if the deal was going to fly. Kruger was going to get as

much out of the provincial government as it could and was going to drive a hard bargain, so they wanted certain security. Now, I think the government agreeing to purchase the Deer Lake power plant is something that provides security for the bank and is an asset that the government would like to acquire in any event, but I would like to have the minister give us an indication, or the Minister responsible for Energy or somebody, as to what this could mean in terms of the surplus energy, the surplus capacity which might be there. Assuming the worst case, what would be the surplus capacity? I believe there is also a commitment to purchase excess energy from the Bowater mill at a certain rate. I do not believe Hydro would need that necessarily with Cat Arm onstream, but, again, we do not have recent figures with respect to energy production and demand. For what period of time would government, under this arrangement, have a surplus of energy accumulated? It might only be for a few months, but what is the cost to government of taking up that surplus energy? One thing I found being Minister of Energy, Mr. Speaker, is that a few cents per kilowatt hour can escalate into many millions of dollars when you start getting into your gigawatts.

MR. NEARY:

They will need more than \$38 million worth of yen to pay for it.

MR. BARRY:

So again, Mr. Speaker, there are hidden costs to this transaction, contained in matters such as the arrangement with respect to the purchase of power. We will want somebody from the other side to be more specific with respect to what

this cost is going to be to the taxpayers of this Province.

Mr. Speaker, there is one thing which is related to the deal - it has to do with the layoffs, and we have heard very little in the way of comment by members opposite - and that has to do with an early retirement arrangement under MILAP which is now ILAP, is it not?

MR. NEARY:

No, it is MILAP now.

MR. BARRY:

This has been very successful in Port aux Basques for encouraging individuals to take early retirement, which means that there is a job there for a younger person for a longer period of time, and, Mr. Speaker, we have proposed that this be done for the people of Corner Brook. I have yet to see any indication of action or even concern, and I would ask the member for Bay of Islands (Mr. Woodrow), because I am sure some of his constituents will be affected - this is a tremendous programme. It sees good benefits -

MR. NEARY:

100 per cent federally funded.

MR. BARRY:

100 per cent federally funded - it sees good benefits for people who take early retirement, and they are more than willing to get out of the work force. Their income may be a little less, but they can go take another job or they may be prepared to have the benefit of 75 per cent, 80 per cent or 90 per cent of their income.

MR. NEARY:

And a lump sum payment.

MR. BARRY:

They get a sizeable lump sum payment in some cases. Mr. Speaker, it is a highly desirable programme in this type of situation. I would say the bulk of those 400 people are going to be the younger members of the work force, and what happens is that these people will leave the area and the economy will decline. But if people take early retirement, they are not lost to the area, Mr. Speaker, they are generally established there with their homes and they will stay there and will continue to put money, their pensions, into the economy and the younger people in the workforce will still be there in the area.

Now, we think that government should be making representation to the federal government because something has to be done. And here is what has to be done before employees are eligible:

MR. BAIRD:

It is already done.

MR. BARRY:

The member for Humber West (Mr. Baird) says it is already done - the representation or the designation?

MR. BAIRD:

The representation.

MR. BARRY:

I am glad to see that that is confirmed, that this government has made representation to the Government of Canada to have the area of Corner Brook designated as, I think, a level 2 MILAP area. It is already level 1, and that gives certain training programmes, mobility payments and so forth, but there has to be a Cabinet decision of the federal government, a political decision taken that the Corner Brook area

will be designated a level 2 area for MILAP. And once that is done, Mr. Speaker, tremendous benefits will flow and there will be a tremendous improvement in the situation. Because these hundreds of people who would have been laid off will have jobs assured, and other people will retire and take advantage of federal government payments, there will still be a stream of income to them and that money will be there for the economy of Corner Brook.

Mr. Speaker, just to go back to the arrangement with respect to the Deer Lake power plant. While it is, I think, a good way to approach the providing of security by government, I do not think it is something that anybody should jump up and down about, that government is getting such a great opportunity to possibly purchase the Deer Lake power plant; it would only happen if the Corner Brook mill closes down, plus, if the mill closed down what are they going to do, move the power plant out and take the river and go with them? It is no great concession by the company to make this form of agreement, because if there is a problem, if there is no other buyer for the mill in the future, in the event of future problems the power plant is there and there is legislation in place, Mr. Speaker, that would prevent the arbitrary use of this power facility.

MR. NEARY:

Every kilowatt of power generated in Newfoundland belongs to the people.

MR. BARRY:

That is right, it is the people's power. Power to the people!

Mr. Speaker, I think one thing that should be made clear with

respect to Bill 37, without wasting a lot of time on that, is that even if - and this is a big 'if' - the courts accept the interpretation of the Labour Standards Tribunal, and even if, Mr. Speaker, we see the rights continued in the case of temporary layoffs as well as permanent, it is still up to the employees as to whether they pursue their claims. There is no impairment of Kruger's cash flow unless the employees out there decide that they are going to take advantage of whatever interpretation might be placed upon the Labour Standards Act. Kruger does not seem to be all that concerned, Mr. Speaker.

MR. CARTER:

How does Kruger know?

MR. BARRY:

The member for St. John's North (Mr. Carter) asks, How does Kruger know? Kruger did not insist on this as a term of the collective agreement. We heard the union say that they were looking for it in the course of negotiations but backed off.

MR. NEARY:

Did you hear what the Premier said this morning on radio? He said the deal would go through.

MR. BARRY:

The Premier has admitted the deal will go through. And we heard the unions say that Kruger backed off from insisting on that provision, presumably in return for getting some other concessions from the union. So Kruger has already gotten an advantage - we do not know what it is - in the course of collective bargaining for not pursuing that, and now government is going to bestow it on them. In addition to what they were able to squeeze out of the workers in the

course of collective bargaining, government is going to rip more off the rights of workers; it is going to go in behind the backs of them after they have done a collective agreement and give more to the company than the company itself was prepared to insist upon in the collective agreement. And, Mr. Speaker, it is not irrelevant that this Bill 37 provision is not mentioned in these agreements. Now, Kruger are shrewd, tough, business people and if they were concerned about these retroactive claims it would be spelled out in this agreement, Mr. Speaker. So the Premier and the members opposite are talking garbage when they say that this Bill 37 has to be passed. Now, Mr. Speaker, to sum up, since I have gotten notice that my time is up, I have to say that we are happy that the uncertainty has finally been lifted from the minds of the people in Corner Brook. We hope that we will see a continued prosperous operation there at Corner Brook. We hope, Mr. Speaker, and we wish the company the very best in its future operations in this Province. If anybody looks at the history of the Corner Brook mill they will see that it has had its ups and downs, Mr. Speaker. It has gone insolvent before. In the very early days we had a number of companies involved in the operation, some of whom had to give it up and others take it over. Bowater has had a good run at it. We wish the Kruger corporation every success, we wish our best to the employees of the Bowater mill, we express the hope that there will be the sort of amicable labour relations that we saw once the collective agreement had been arrived at, where they got together, they had a drink together and they buried the

hatchet, Mr. Speaker. There were tough bargaining sessions, tough negotiations, but they were prepared to bury the hatchet. And we hope to see a continuation, Mr. Speaker, of good labour relations. We hope also, Mr. Speaker, to see better consultation between government and Kruger than was evidently the case between government and Bowater. We hope that government will maintain a better line of communication and stay more on top of what is happening in Corner Brook from now on. And, Mr. Speaker, when it comes time to debate in Committee of the Whole I have some other topics I want to address, and maybe if the minister would listen for a second he could explain. The Premier has indicated a commitment by Kruger to have the provisions of that 1930's legislation reviewed. Now, it is not spelled out in the agreement. I do not see it. Is it in the agreement?

MR. SIMMS:

Yes.

MR. BARRY:

I missed that going through. It is there. That is alright, I will find it on the weekend. But, Mr. Speaker, that is a very important aspect of this entire arrangement. Our forest management approach not just with respect to this mill but with respect to all our mills, what have we learned from the Bowater closure? Is our approach to forest management proper? Did that have a part to play in the closure of the Bowater mill? And should there be any changes, Mr. Speaker, to improve our approach to forest management to ensure that we protect our trees, we get the best possible growth in the future, that we also, however,

ensure that we have viable operations? So, Mr. Speaker, with those few remarks I look forward to getting another opportunity during Committee of the Whole to carry on further.

MR. SPEAKER (Dr. McNicholas):

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, I want to say a few words on this piece of legislation. The Leader of the Opposition (Mr. Barry) has made some interesting points, all of which I will not have time to address, but I am sure that some of the specific questions that have been raised will be answered by other people who will speak to the bill, and will certainly be addressed by the Premier when he closes the debate on second reading. And, of course, there will be another opportunity to deal with specifics when the bill goes through the committee stage.

The Leader of the Opposition mentioned briefly some of the history and background leading up to what has transpired and to the history of Bowater, I guess, in Newfoundland, and I want to address myself to the point he raises in a few minutes time. I can address myself to a couple of points: The member for Humber West (Mr. Baird) already mentioned in response to a question by the Leader of the Opposition (Mr. Barry) that representation had been made on the MILAP programme for Corner Brook. It is accurate. We have made representation and the Minister of Labour (Mr. Dinn) has made representation. As the Leader of the Opposition points out, there are two levels involved in that programme, and so we also have the Minister of Career Development

(Mr. Power), who has the responsibility for Manpower now, involved in this particular situation. We have made representation and the federal government has indicated they will respond to us when they have made a decision on the request.

With respect to Bill 57, which the Leader of the Opposition (Mr. Barry) addressed, or at least mentioned in passing, that is the Labrador Linerboard Agreement Act which is to be amended with respect to the Stephenville mill operation, he wondered why it was necessary to bring in an amendment at all if there is a provision in there that says that if a wood supply cannot be made available then they can get their funds back. The reason for the amendment is that the clause in the original bill has a specific date there, December 31, 1987. If we did not make any changes and if they were not looking for their funds now and it ran up to December 31, 1987, then obviously we would not require the amendment, it would then be in effect. But it is a request now, prior to the termination date as outlined in the original legislation, that has to be amended. That is the reason for the amendment on Bill 57.

Mr. Speaker, after listening to some of the opening comments and the debate by the Leader of the Opposition, I sometimes think that the only way you can ever convince a man that he is wrong is to let him have his own way and that may have to come about as time progresses. I have often thought being in Opposition must be one of the easiest jobs in the world.

They sit there every day, Mr. Speaker, and they sit down in

their little common room or whatever it is they have downstairs on the fifth floor, an hour before every daily sitting, and they say what can we criticize the government for today?

MR. STEWART:

And they get that from The Evening Telegram.

MR. SIMMS:

What can we oppose today? We have to oppose, we have to be negative, we have to criticize for the sake of criticism. And hopefully, they say to themselves, we will be able to win an election one of these days, because of our criticisms, not because of our alternatives or what we propose to offer as an alternative, because we really have none, so we will just have to go up and we will have to continue to criticize and condemn. So it has got to be a relatively easy job. And we see it every day, especially in this session of the House, where the attitude of the Opposition now is so obviously hypocritical, the attitude is hypocritical, their approaches are hypocritical. In many, many ways we have seen it over and over again in the last few weeks in particular, since this Fall session started.

MR. NEARY:

'Hypocritical' is unparliamentary.

MR. SIMMS:

No, I did not say the hon. members were hypocritical, I say their attitudes and their approaches are.

Since the member for Mount Scio (Mr. Barry) became Leader of the Opposition a perfect example is this attack that they make on us every day about how we are too cozy and too friendly with the federal government. For the last

two and a half years they continuously attacked us because we were too confrontationalist, because we were argumentative and they pleaded with us - I can remember the member for LaPoile (Mr. Neary) pleading with us - to call the minister in Ottawa, to go up and sit down with the minister and discuss issues with him in a reasonable fashion. For two and a half years they criticized us for that.

Now what do we see, Mr. Speaker, in the last two months? Exactly the opposite approach. Well, I mean, you cannot have it both ways; either you have to stick with the position or you do what you people do, which is an hypocritical approach. And I remember very vividly the day after the member for Mount Scio (Mr. Barry) was elected Leader of the Liberal Party, the new leader, the fifth in five years, I believe, somewhere in that vicinity, they asked him how his leadership was going to differ from that of the member for LaPoile (Mr. Neary), and the member for Mount Scio said, 'Well, 'Steve' was too negative, boy, always negative, and I am going to change that approach.'

Well, Mr. Speaker, if they change that approach it certainly is not obvious to the people of Newfoundland and Labrador.

MR. CALLAN:

On a point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

Order, please!

The hon. member for Bellevue on a point of order.

MR. CALLAN:

The Government House Leader (Mr. Marshall) is not here to draw to

all members' attention the fact that we are on the Kruger Bill. I draw to the attention of the member speaking and this House that we are on the Kruger Bill and he should confine his comments to that rather than talking about politics.

MR. SIMMS:

Mr. Speaker, to that point of order.

MR. SPEAKER:

The hon. the Minister of Forest Resources and Lands, to that point of order.

MR. SIMMS:

Now, Mr. Speaker, the points were raised, similar arguments were raised, I agree, by the Government House Leader when the Leader of the Opposition was speaking. But as I recall the Leader of the Opposition was not ruled out of order. And the comments that I am making now are very relevant to the comments that were made by the Leader of the Opposition (Mr. Barry). And as Your Honour knows, as it is outlined in Beauchesne, 'Relevancy is very, very difficult to define,' I think are the exact words. And in all cases generally the benefit of the doubt is given to the member speaking. And I offer that quote in submission, Mr. Speaker, for you to make your decision.

MR. SPEAKER (McNicholas):

To that point of order, I would remind the hon. minister that when the Leader of the Opposition was speaking his attention was drawn to the fact that we are discussing Bill 52, so I would ask the hon. minister to confine his remarks to that.

MR. SIMMS:

Thank you, Mr. Speaker.

MR. NEARY:

Another point of order, Mr. Speaker.

MR. SPEAKER:

A point of order the hon. the member for LaPoile.

MR. NEARY:

We are debating, we were told by the Premier, the most important piece of legislation ever to come before this House and we have no quorum. I wonder where are the members, Mr. Speaker?

MR. STEWART:

There are fourteen members in the House.

MR. NEARY:

No, there is not. No.

MR. SPEAKER (McNicholas):

Call in the members.

Quorum

There is a quorum present. Is it agreed that the hon. the minister will continue?

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

Agreed. The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, I only have thirty minutes and I do not want to get sidetracked by these sorts of tactics, but I am sure they will continue.

As I was saying, in any event, Mr. Speaker, I was really disappointed with the Leader of the Opposition (Mr. Barry) after he was elected, saying that he was going to change

the approach of the former Liberal of the Opposition, the member for LaPoile (Mr. Neary), because he was too negative. Now I never once said the member for LaPoile was too negative. I cannot say that anybody here doubts that he was much, much more effective.

So my point is I am talking about their attitudes, their hypocritical attitudes and the differences that they have. Bill 37 is another good example, by the way. When the bill was introduced last Friday the Opposition immediately kicked up the biggest kind of a fuss and said that they were opposed, totally opposed to Bill 37. Three days later, lo and behold, the word got out that they actually agreed to Bill 37 for the future, but now the retroactivity part of it was the way they were going to get around it.

MR. BARRY:

On a point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

A point of order, the hon. the Leader of the Opposition.

MR. BARRY:

Now, Mr. Speaker, the Minister of Forest Resources and Lands (Mr. Simms) is not playing by the rules here.

MR. TULK:

If he is not deliberately misleading, he is misleading.

MR. BARRY:

He is misleading and, apart from anything else, he is going to confuse the ladies in Hansard, I am sure. Last Friday, Mr. Speaker, and it is there if the minister wants to go get a transcript, it was made clear that we would agree with Bill 37 as soon as the retroactive clause was taken out. And if it is not taken

out, Mr. Speaker, then there is a big problem as far as Bill 37 is concerned. That was said on Friday, by the way.

MR. SIMMS:

A difference of opinion.

MR. SPEAKER (McNicholas):

To that point of order, I would remind hon. members that we are debating Bill 52.

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Thank you, Mr. Speaker.

So always, an excellent ruling.

As I was saying, in any event, the Leader of the Opposition (Mr. Barry) has now confirmed that initially their approach was that they were opposed to that bill. Then they changed and watered it down and changed it all around. So again another example of confusion and hypocritical attitudes and approaches. And it is evident to everybody in the Province what is happening. They are confused when the Leader of the Opposition (Mr. Barry) stands up to ask questions in Question Period.

MR. NEARY:

On a point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

On a point of order, the hon. the member for LaPoile.

MR. NEARY:

Mr. Speaker, I have been following the hon. gentleman very closely, Mr. Speaker, and I am amazed as a former Speaker of this House that he should use such unparliamentary and rude language. The hon. gentleman keeps referring to the

Opposition as being hypocritical. Hypocritical this, hypocritical that. Now, Mr. Speaker, the hon. gentleman may be using his experience as Speaker to do it through the backdoor what he is not allowed to do through the front door. And I would ask Your Honour to direct the former Speaker of this House to either be careful, to watch himself, or withdraw what he said and apologize to the members of the House.

MR. TULK:

Speak to the debate.

MR. SIMMS:

Mr. Speaker, to that point of order.

MR. SPEAKER (McNicholas):

To that point of order, the hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, in Beauchesne, Fifth Edition, page 110 - and this is one that hon. members opposite use frequently - "Since 1958, it has been ruled parliamentary to use the following expressions" - and you will see then on page 112, it says, "hypocrite", "hypocrites" and "hypocrisy". Mr. Speaker, I have used none of those, I simply referred to the attitude and approaches of the Opposition as being hypocritical. I would be the last one to accuse an individual member over there of being a hypocrite.

MR. SPEAKER (McNicholas):

To that point of order, I see two references, one that the term 'hypocrite' is in order and another that the term 'hypocrite' is not in order, but the hon. the minister has said that he has not used that term, so there is no

point of order.

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Thank you, Mr. Speaker.

In any event, Mr. Speaker, I appreciate the assistance from the members opposite.

So confusion exists, it is evident every day. When the Leader gets up to ask questions, his followers have no respect for him. They have four or five standing at the same time. The Leader of the Opposition (Mr. Barry) is having difficulty now getting candidates to run for him in the next election. He is phoning all over the Province.

MR. NEARY:

On a point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

Order, please!

On a point of order, the hon. the member for LaPoile.

MR. NEARY:

Mr. Speaker, I would submit that the hon. gentleman is completely out of order. I think Your Honour should enforce the rule of relevancy. If the minister cannot think of any contribution to make to this bill, I believe Your Honour should direct him to take his seat and not be wasting the time of the House. The hon. gentleman is completely irrelevant to the bill. He has been making partisan political statements since he started, Mr. Speaker, that have absolutely nothing to do with the bill. You would think, as the minister responsible for the forests of this Province that are so closely aligned with the

takeover of that mill, that the hon. gentleman would get up and give us a statement of policy. Instead of that, he is rambling on haphazardly. He does not know what he is talking about, he obviously has not done his homework and is completely irrelevant to the bill, Mr. Speaker.

MR. OTTENHEIMER:

Mr. Speaker.

MR. SPEAKER (McNicholas):

To that point of order, the hon. the Minister of Justice.

MR. OTTENHEIMER:

Mr. Speaker, I would submit that it certainly is not out of order to be partisan or to be political. We are all politicians and we are all members of a party, so we are partisan. Even the 'Incredible Hulk' is partisan and the member of a party.

SOME HON. MEMBERS:

Hear, hear!

DR. COLLINS:

You mean that television character?

MR. OTTENHEIMER:

The television character, yes.

DR. COLLINS:

Oh, yes, I see.

MR. OTTENHEIMER:

With an 'H'.

I would suggest, Mr. Speaker, that the minister is quite in order. He is supporting the principle of the bill and he is drawing attention to what he considers to be the consequences or results of the attitude of the Opposition towards the bill. Political debate is certainly not uncommon in the House.

MR. NEARY:

He is lowering the level of debate.

MR. SPEAKER (McNicholas):

Order, please!

To that point of order, I would remind all hon. members that we are discussing Bill 52 and I would ask them to keep their comments directed to that.

MR. SIMMS:

I appreciate the ruling, Mr. Speaker, and I, as always, adhere to the ruling and will just say that these are a few preliminary comments that I am making in response to the Leader of the Opposition (Mr. Barry), who made partisan remarks. I am just saying that there is confusion existing on the other side and that is unfortunate, because the people of Newfoundland and Labrador, if they are looking for an alternative government, have to look to those people, and how can they make a decision if all they see is utter confusion? By the way, they are now calling the Leader of the Opposition, the man who is going to lead the Liberal Party to their demise, 'Dr. Death'. 'Dr. Death' is how they are referring to the member for Mount Scio. It is absolutely amazing what is happening in the last few days.

It used to be said, Mr. Speaker, that the best thing we had going for us on this side of the House was the member for LaPoile (Mr. Neary). That is no longer true. The best thing we have going for ourselves now on this side of the House is 'Dr. Death', the member for Mount Scio (Mr. Barry).

The member for Mount Scio talked about Bill 37, by the way, just briefly, and I want to submit an

argument. The question was put: Why is not Bill 37 in the agreement? Well, Mr. Speaker, why would Bill 37 be in the agreement? The issue at hand is going to be addressed by legislation and covered by legislation. I mean, you would hardly put all the legislation relevant to labour standards or labour relations in the agreement. It does not even make sense. It makes absolutely no sense at all, Mr. Speaker.

In any event, what we have before us today, Mr. Speaker, as everybody knows after those few preliminary remarks in response to the Leader of the Opposition, who provoked me to say it, what we have before us today in this government/Kruger agreements act, in our minds and in the minds of people in Newfoundland and Labrador, particularly people on the West Coast of Newfoundland and Labrador, is a very happy ending to what started out to be possibly a very tragic and very frightening story.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

This act and everything that it covers is the outcome of a lot of hard work, a lot of time, and I noticed the other day when that was mentioned, the members opposite smiled and smirked because they know it but they do not want to believe it. But it required a lot of around-the-clock hard work by people who were dedicated to the same task and the same objective, and that task and objective was to preserve thousands of jobs and to preserve the economic stability of a large part of Western Newfoundland. And, as all hon. members know - I

do not need to tell anybody - the newsprint mill at Corner Brook, with its associated logging activities and the power plant activities in Deer Lake, has for almost sixty years been part and parcel of virtually all facets of life in that particular area of the Province. For the last forty-six years, the name of Bowater has been synonymous -

MR. NEARY:

Longer than that.

MR. SIMMS:

No, forty-six years for Bowater - the name of Bowater itself has been synonymous with the prosperity of the city of Corner Brook. So, Mr. Speaker, for year after year and decade after decade, that mill provided a solid economic foundation for hundreds and hundreds of families all over the West Coast and indeed, throughout other parts of Newfoundland.

The Leader of the Opposition (Mr. Barry) referred to when this first broke, when the story or thoughts of Bowater leaving first came out. I remember during the 1970s, most people, I guess, paid little attention at that time when the rumours started circulating during the 1970s that Bowater might eventually want to leave, and the first solid evidence that this was imminent came in the Fall of 1982 when Bowater announced that it would shut down No. 7 paper machine and 250 jobs at that mill were going to be eliminated. No. 7 stopped running then, Mr. Speaker, in April, 1983, and we all know now, tragically, the total employment loss at that time in the woods and in the mill was about 740 jobs. Then the news that everybody feared came on August 2, 1983, a little over a

year ago, when Bowater informed this government that it had been attempting to sell its assets in Newfoundland but had been unsuccessful. And Bowater said then that if the mill could not be sold as a going concern, it would be closed and they would be leaving the Province.

Mr. Speaker, to say that the prospect of a mill closing was staggering or would be devastating would be an understatement. A closure would have meant the permanent loss and instant loss of at least 1,700 jobs throughout the woods and in the mills; it would have meant the loss of more than \$40 million annually in wages and other economic spinoffs, of course, from the value of newsprint shipments which last year, by the way, totalled \$111 million.

DR. COLLINS:

Do not forget the multiplier factor.

MR. SIMMS:

And the multiplier factor. It would have essentially meant the end of the city of Corner Brook, as we know it. It would have meant extreme financial hardships for places like Deer Lake and Howley, which was my birthplace, by the way, I am proud to say. And my father was employed with Bowater many, many years ago, thirty-two years ago or whenever it was. But in any event, Mr. Speaker, obviously it was going to mean financial hardship for those kinds of communities and many other communities in White Bay and other areas where so many loggers and their families live. It would have meant that many hard working people would have been forced to accept social assistance because, obviously, their UIC benefits

would run out. It would have meant a massive loss in tax revenues to this Province. And, Mr. Speaker, it would have meant a major reduction in the size of the domestic market for things like farm products from places like Cormack and outlying communities, as well as those on the North Shore of the Bay of Islands.

So there was no doubt, Mr. Speaker, in anybody's mind then that we were facing one of the most serious economic threats to this Province in many years because a corporate entity that had been in place, firmly rooted in Western Newfoundland for almost half a century, had decided and was preparing to pull up stakes and leave. Obviously as a government we could not accept that kind of disastrous blow being dealt to our economy, but at the same time we had to dismiss all thoughts of a transfer of the Corner Brook mill from private to public ownership. Our experience with the Labrador Linerboard mill in Stephenville, although that had successfully worked out in the end through a sale to Abitibi-Price, our experience with that situation was still too memorable, still too vivid in our minds, and of course there was also the inescapable fact that the Province simply would not be able to afford the additional debt that a takeover of Bowater assets would create. And so, Mr. Speaker, we tried at first to persuade Bowater to reconsider. When that did not work, we convinced them to enter into a joint divestiture effort on an international basis. And meanwhile, as we all recall, we were not able to make a public announcement about the Bowater situation until October 31 of 1983 because that company still had been engaged in negotiations with

an unidentified group which had expressed some interest in purchasing the mill. Of course, those negotiations came to naught and early in December the company agreed with the divestiture suggestion. So we retained the services of a very well know consultant, Woods Gordon, to work with Bowater and its consultant to prepare a package to present to potential buyers. A list was compiled and about 150 companies from all over the world were approached to see if they had any interest in buying the mill and the assets. Detailed face to face presentations were made to thirty different companies and of these ten companies actually visited Corner Brook to examine the physical assets, and ultimately I think it was five companies that submitted a proposal. So all of this process alone, before we reached the stage of negotiations, obviously took an extreme amount of hard work and time and I want to take a moment in passing, Mr. Speaker, to recognize the efforts of a number of people, particularly the hon. the Premier, because no matter what you want to say about the Premier -

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

- no matter what you want to say, one thing you cannot say about him is that he is not a hard worker. He works tirelessly and effortlessly and he has been at it for months and months and months and members opposite even know it.

I want to also acknowledge the efforts if I may in passing of my predecessor, the present Minister of Career Development (Mr. Power), the Minister of Development (Mr. Windsor), the Minister of

Education (Ms. Verge), who all served on a Cabinet committee related to that and the team of senior government officials who have worked around the clock and carried out their duties in an exemplary manner. And not to be forgotten is the effort put forth by the two private members, if you wish, from that Corner Brook area, the member for Humber West (Mr. Baird) and the member for Bay of Islands (Mr. Woodrow), who, of course, are not aware of everything that goes on in Cabinet discussions so it was a difficult time for them, a very difficult time for them. They faced a lot of adversity for over a year or even longer than that, and I think that they had some input into it even if they are not aware that they had an input into it. They had a great deal of input into it.

And finally, Mr. Speaker, I want to commend as the Leader of the Opposition (Mr. Barry) did, the unions, both the mill unions and the logger unions from the Corner Brook area for the professional way in which they dealt with their negotiations with Kruger. And the Leader of the Opposition agrees.

Mr. Speaker, a major concern then in the divestiture process was to find a way of bringing together, or marrying, I suppose, the differing objectives of Bowater and of the government that would be acceptable to both sides. Obviously the objective of Bowater was to sell its mill and the other assets for a maximum return to its company shareholders. Our objective on the other hand, Mr. Speaker, was to attract the best possible long-term operator that would keep that mill going and that would undertake much needed improvements. And we maintained throughout the entire process, Mr.

Speaker, that any purchaser had to upgrade and modernize that facility and they had to keep it in operation.

So after many months of negotiations, Kruger was selected. In retrospect it can be seen now, I think, that Kruger, from the very beginning, was practically made to order for the Bowater situation. And to quote the leader of the joint mill unions in Corner Brook, Mr. Fudge himself said when they signed their negotiations, "I think we got the best company." I believe those were his exact words, "I think we got the best company." And I can tell you why Kruger was particularly suited. The company had been very profitable in recent years, so they had the financial resources to take on the raising of capital investment for the modernization required. The company has a history of purchasing older pulp and paper mills that were closed or in need of capital improvement, and in fact turning those operations right around and creating more employment in many cases than was there when they took over. The company had a reputation of being able to market paper in the best possible markets, especially in the US, and I think we all agree that that is the market that they have to aim for if that mill is going to be profitable in the long run. Finally, Kruger has the kind of management and professional background and expertise that would be required to carry on this operation.

So, Mr. Speaker, given the situation we were facing in August of 1983, I think we are fortunate indeed to have a company of the status of Kruger to take it over.

Now the capital programme that we and Kruger have, talked about amounts to \$198 million over the next five years. At the end of that time, I think it is fair to say we will have a mill in Corner Brook as modern as most in Eastern Canada, and it will be producing more newsprint than ever was produced before. A major part of that capital programme will be the upgrading in the next three years of the four machines that are now in operation. And after those four machines have been completed Kruger will undertake and carry out whatever studies are required to establish the feasibility of putting Number 7 paper machine back into operation. And although the agreement says, by the way, that Kruger will begin work on reactivating Number 7, if it is feasible to do so, by 1989, they have indicated themselves publicly, and certainly have told us, that they are anxious to start even much earlier than that if it is possible at all. But this will depend on the other machines and the conditions, of course, in the marketplace at the time.

So this capital programme then will be accomplished without this Province having to sell its soul, without our having to give away everything as has frequently happened in the past. The financial arrangements include grants of about \$40 million representing a contribution of 20 per cent of the capital programme. In other words, it is the same level of financial assistance that is made available by federal and provincial governments all across Canada under the pulp and paper modernization agreement.

The provincial government will also provide a guarantee for \$30

million of an \$80 million term loan, part of a financial package being arranged by Kruger and its bank and our security, as we all know now is the Deer Lake power plant which has a replacement value far in excess of \$30 million, somewhere between \$200 million and \$400 million. There is also a provision for the company to borrow up to \$11 million from this Province if required. That \$11 million, or any portion of it, would represent any difference between the total grant level and the 20 per cent of the actual level of capital expenditures.

So, Mr. Speaker, when you consider the significance of this particular enterprise to our economy, to the economy of this Province and to Western Newfoundland in particular, the long term jobs that have now been assured, the construction activity that will be generated by the capital investment programme of almost \$200 million, I think it can be seen that approval of the Government/ Kruger Agreements Act by this hon. House will represent one of the best resource development decisions that has ever been made in this Province.

For a couple of minutes, Mr. Speaker, I want to address myself to another area. There has been widespread interest in timber resources held or owned by Bowater in this Province. Much has been written and said about what the government should or should not do. Well, the truth of the matter, Mr. Speaker, is that the 4.5 million acres of licenced land and the 1.5 million acres of freehold land represented one of the major assets that Bowater had to offer in the market. So it obviously was not the right time

during the divestiture process to start talking about taking back any assets of a company that we were trying to sell and attract a buyer for.

Mr. Speaker, the agreement we signed in Corner Brook with Kruger contains three key elements on forestry: One, Kruger acknowledges its full forest management responsibility; two, Kruger has agreed to review with us the 1938 Bowater Act with a view to rewriting the legislation particularly as it relates to forest management; and, three, the government offers Kruger the same cost-sharing programme for silviculture as it had with Bowater and has with Abitibi-Price.

Mr. Speaker, it is worth noting as well that in all our discussions with potential buyers the very positive attitude towards forest management in this Province attracted a lot of attention. In particular the focus was on things like joint government/industry silviculture efforts, government's decision to spray and protect the forest from budworm and other insects, the positive joint approach taken by my department and the companies in assessing the use of herbicides in forest management, and our decision to make capital expenditures to purchase two new CL-125 water bombers. Another point that attracted much favourable attention, and one that very well may have helped in finalizing the arrangement with Kruger, but one that has been overlooked in certain quarters, was this government's decision to remove the provincial sales tax from purchases of equipment to be used in manufacturing. This, of course, has had a major impact, Mr. Speaker, on the cost of buying

parts and machinery for the Corner Brook mill as it has had a significant impact, of course, for the modernization programme in Grand Falls.

Mr. Speaker, I only have a minute left and I want to in closing, as the Minister responsible for Forest Resources and Lands in the Province, say that I welcome this opportunity to support The Government-Kruger Agreements Act and I also, like the Leader of the Opposition (Mr. Barry), want to extend a warm welcome to Kruger. I look forward to working with them in the future. Indeed I have already had a conversation by telephone with the likely mill manager, Mr. Birch, who phoned me from Montreal yesterday. I look forward to working with him.

At the same time, Mr. Speaker, I do not want to sit down without mentioning that despite the ups and downs of recent months I think there is some feeling of sadness at the departure of a corporate citizen who has been so much a part of our way of life in Western Newfoundland. Much has been said over the years about what Bowater has taken from this Province, and I do now intend to dwell on those comments at this time, but it should be pointed out, as I mentioned at the beginning, that many thousands of our people have earned a very good livelihood from Bowater since 1938 when the company took over the Corner Brook mill. I sincerely speak on behalf of members of this side of the House, I am sure when I say that we wish them every success in all their future endeavours.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Aylward):

The hon. the member for LaPoile.

MR. NEARY:

Mr. Speaker, I am not going to shed any crocodile tears as the hon. gentleman did over Bowater's departure. Bowater was a good corporate citizen in this Province for forty-odd years, but, Mr. Speaker, one has to ask the question why is Bowater pulling out? We have not had the answer to that question during this whole controversy.

MR. BAIRD:

I can tell you after.

MR. NEARY:

The hon. gentleman is going to tell us after. I could make a guess but the member for Humber West (Mr. Baird) is probably an expert.

The question that we have to ask ourselves is why did Bowater suddenly decide to pull out? Was it because they had a mill that was obsolete? Is that their reason, Mr. Speaker? Is the reason they are pulling out because they have let the mill deteriorate, they did not keep abreast of the new technology and the machines were getting old and productivity was down? Is that the reason, Mr. Speaker? Is it because they wanted to concentrate their efforts in the Southern United States or Venezuela or wherever? Is that the real reason? You know, I think it would be very worthwhile for some student of Commerce at the university to write his thesis, to do a paper, on the Bowater years in this Province and why they decided to pull out of Newfoundland, because I am

convinced that we do not have the real answer as to why Bowater is leaving this Province.

MR. MARSHALL:

You do not think you have the reason?

MR. NEARY:

No, I am sure we have not. The hon. gentleman has not provided us with the answer.

MR. MARSHALL:

Are you happy that Kruger is in here?

MR. NEARY:

I will come to that shortly. I am just following on with the minister who just heaped great praise on Bowater -

MR. SIMMS:

No, I did not. I wished them well.

MR. NEARY:

- and wished them well and asks us all to shed crocodile tears over their departure from this Province.

Mr. Speaker, I would say they had a good reputation, they were a good corporate citizen, but in recent years, Mr. Speaker, they lost their reputation as a good corporate citizen.

I remember thirteen or fourteen years ago, when I was a member of the Cabinet, Bowater threatened to close No. 7 paper machine and the administration of the day - and this crowd think they have courage - the administration of the day made a down payment of \$200,000, took an option on the mill, wanted to buy the mill, and Bowater backed away from the closure of No. 7 paper machine and it ground on and produced paper for ten years after that, but we forced them to back away. That was the

first indication that Bowater was thinking about leaving this Province. Then, Mr. Speaker, ten years later the administration there opposite, the members for Humber East (Ms Verge) and Humber West (Mr. Baird) and the Premier of this Province and the Government House Leader (Mr. Marshall) sat on information for weeks and probably months about the closure of No. 7 paper machine. Nobody would have known a thing about it if I had not raised it in this hon. House, because I had inside information. If it had not been raised by this side of the House, hon. gentleman would have kept the lid on and they would have let the workers, the employees of Bowater in Corner Brook, go down the drain but then all of a sudden, once I disclosed in this House that No. 7 paper machine was going to shut down, everyone will recall the Premier going off on a jaunt to Europe and just incidentally bumped into somebody from Bowater at the airport, did not know but it was the janitor of Bowater he was talking to as long as he mentioned the name Bowater, and then came back and said he had a meeting and the press checked with Bowater and they said, 'No, we had no meeting, we happened to be invited to Canada House and the Premier happened to be there.' And then we had the rushed visit of the member for Humber East and Humber West and a couple of other ministers off to the Southern United States going down to try and find out a bit of information. What I am accusing the administration of as far as the Bowater situation is concerned is they badly handled the situation. They bungled the situation as far as Bowater was concerned, Mr. Speaker, and as a result we found ourselves in

Corner Brook on the doorstep of a disaster. Now, Mr. Speaker, as it happens - and the Premier I believe indicated this in his opening remarks yesterday; the Leader of the Opposition (Mr. Barry) made similar comments - that what we are seeing in Corner Brook is a salvage operation. I hope that the administration there opposite will not lay back now and rest on their laurels, thinking because Kruger is coming in that the problems of Corner Brook are over, they are solved, when in actual fact they are not. Seven hundred and fifty people lost their jobs when No. 7 machine shut down and another 400 permanent and temporary jobs are going to be lost. Yes, Mr. Speaker, 198 of those will be temporary layoffs and the other 190-odd will be permanent layoffs.

MR. SIMMS:

Kruger's plan, which they negotiated with the workers in Corner Brook anticipates over a ten year period there would be more people employed there than before.

MR. NEARY:

Mr. Speaker, they will not have more people employed than they had before, they will have less. The hon. gentleman knows that. And that is the point I am making because now, Mr. Speaker, they are over there crowing about this great deal with Kruger. And we are all happy to see that another company is going to take over the Bowater operation and keep the mill going and produce paper in Corner Brook, but that is not the end of it.

The hon. the member for the Bay of Islands (Mr. Woodrow) knows what I am talking about. You are talking about a loss in Corner Brook, if

you use the multiplier effect, of 4,000 or 5,000 jobs in the last five or six years in the Western part of this Province, a loss of 5,000 or 6,000 jobs, and that is pretty devastating to the economy of Western Newfoundland.

Mr. Speaker, let me say something about the rapid processing of this bill in the House. As a matter of fact, if I had my way we would put it through before one o'clock today.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

The hon. the Premier tells us it is urgent. I do not think we are allowed to move the previous question, if we could somebody on this side may do it, and get the second reading over and done with so that we can get into Committee of the Whole, get it out of Committee of the Whole into third reading, and get the Lieutenant-Governor in on Monday at 6:00 o'clock and sign the bill. That is how strongly I feel about rushing this bill through the House.

But I cannot say the same about Bill 37. I believe the Leader of the Opposition (Mr. Barry) has outlined our position on that. They have to take their chances on Bill 37, the worst piece of labour legislation ever brought before a Legislature in this Province. The worst piece of labour legislation. It is the worst. It is worse than anything else.

MR. FENWICK:

What about the IWA legislation? That was the worst.

MR. NEARY:

No, this is far worse, Mr.

Speaker. The hon. gentleman may be doing his thesis on the IWA, but I lived through the IWA era, I was actually very involved in it as Secretary-Treasurer of The Federation of Labour, Mr. Speaker. And this piece of legislation, Bill 37, is the worst piece of labour legislation ever to come before an assembly in this Province.

It cuts the ground out from under all the workers, all the employees in this Province. But anyway, Mr. Speaker, that is not what I started to say. What I am saying is there will be no delay in the passage of this bill, the House will be ready for the question, and I would assume the Lieutenant-Governor will be brought in before 6:00 P.M. on Monday evening and the bill will be signed and made law.

MR. ANDREWS:
Do it today.

MR. NEARY:
Well, I do not know about doing it today. The Government House Leader (Mr. Marshall) asked to have it done by 6:00 o'clock Monday evening and we are going to accommodate the administration. The Leader of the Opposition (Mr. Barry) has already told the House that we are going to accommodate the government. We might even finish second reading before 1:00 o'clock today and then discuss the bill, item by item, in Committee of the Whole on Monday. Because it is quite a heavy document, Mr. Speaker. I was reading the clauses in this agreement last night and again this morning, and it is some pretty heavy reading. Really the agreement should be studied by the lawyers, not by us laypeople who are not geniuses.

MR. WARREN:
They will just ram this through.

MR. NEARY:
I do not mind them ramming it through. Once we get an opportunity to ask some questions in Committee of the Whole about the various clauses, then I do not see they we should delay the passage of this bill.

Mr. Speaker, I was reading one of the clauses last night, Section 21.

MR. MARSHALL:
Are you going to let it go through?

MR. NEARY:
The hon. gentleman is going to have this bill, but he is not going to have Bill 37. The two things have to be separated. Bill 52 and Bill 37 are two separate and distinct matters. They are no relationship, no connection between them, although the hon. gentlemen there opposite are trying to muddy up the water. They are trying to tell us that one is dependent on the other when in actual fact the Premier took to the airwaves this morning and admitted publicly that the deal will go through immaterial of what happens to Bill 37.

MR. TULK:
So he confessed.

MR. NEARY:
He finally confessed that he was bluffing.

MR. TULK:
Called his bluff, eh!

MR. NEARY:
His bluff was called and now he had to take to the airwaves.

MR. MARSHALL:

You are playing with dynamite.

MR. NEARY:

No, I am not playing with dynamite, Mr. Speaker.

But I want to ask the hon. gentleman a question. Section 21 of the agreement says: 'The parties hereto covenant and agree that if the performance or any of the obligations of either of the parties to this agreement set forth herein shall to any extent be prevented, restricted, delayed or interfered with by reason of war, revolution, civil commotions, riots, acts of public enemies, blockage or embargo and then (b) strikes or lockouts'. Now is this common in this kind of an agreement, strikes or lockouts? Could the company not, Mr. Speaker, if they wanted to turn that around to suit themselves, if they wanted to get out from under this agreement, could they not back their employees into a corner and force them to go on strike or could they lock them out, Mr. Speaker?

I am not clear on what this means. But if it means what I think it does, Mr. Speaker, then I would say that -

DR. COLLINS:

You were not clear on the meaning of the budget either.

MR. NEARY:

We know about the budget. We know that the hon. gentleman, like every Minister of Finance in the world, is allowed a little leeway, he is allowed to be a little bit out in his estimates. But we have a Minister of Finance (Dr. Collins) who is always 100 per cent or a couple of hundred percent out in his estimates. Now what he should do is go out and

buy a \$2.00 pocket calculator. Because any Minister of Finance who will make a statement in this House that if you buy an item for a \$1.00 and sell for \$2.00 that is a 1 per cent profit, Mr. Speaker, having a gentleman like that Minister of Finance would frighten you.

But I would like to have an explanation of this. I can understand the company wanting things over which they have no control like floods or storms or civil commotion or war, but, Mr. Speaker, to have strikes and lockouts under that clause, in my opinion, is something that we should look at very closely. Now I may be wrong, I may be over suspicious, but I can see a situation developing. For instance, if the company discovered after they had come in that the wood supply is not there, that the wood is expensive, that they do not have access to the timber that they thought they did, could they not lock their employees out and get out from under the agreement or back the employees up in the corner and force them to go on strike to get out from under the agreement? That is one of the things I would like the gentleman who introduced the bill to explain to us, Mr. Speaker. Do you find this in similar agreements or is it merely something new that has been put in this agreement?

Now, Mr. Speaker, I will tell you what I think is happening. I think the administration there opposite is trying to deceive the people of this Province and they are trying to deceive the members of the House. We have agreed to allow this bill going to Committee of the Whole, even today if necessary, but I would bet you a dollar that the member for Humber

East (Ms Verge) will not agree to this bill to go to Committee of the Whole unless Bill No. 37 goes to the Committee of the Whole with it. We will find out how sincere and how dedicated they are to their constituents and how badly they want this deal. There is no connection between this and Kruger. Kruger did not say that they wanted it.

MS VERGE:

There are \$6 million to \$7 million riding on this.

MR. TULK:

For who? For Kruger.

MR. NEARY:

Mr. Speaker, that is a big if. But, Mr. Speaker, I can see the game they are playing and I can see the strategy unfolding in the House. The Government House Leader (Mr. Marshall) will not put the Kruger bill in Committee of the Whole and get the Governor in to sign it. He will hold that up until he gets Bill No. 37 approved and put both of them into Committee of the Whole.

Mr. Speaker, I would submit there is going to be a few problems with that because we are not finished yet debating Bill No. 37. That debate can go on for another week or ten days, maybe it will go on until Christmas. That could be a continuing debate. Mr. Speaker, let me repeat again, if they want the Kruger bill they can have it but we are not going to be blackmailed and we are not going to be bullied and shoved and pushed.

MR. SIMMS:

You are blackmailing us.

MR. NEARY:

No, we are not, Mr. Speaker. Mr.

Speaker, let that message get through loud and clear to hon. members there opposite: Kruger, yes; Bill No. 37, further debate.

Mr. Speaker, I have no doubt in the end that the majority will win out but it will be thoroughly exposed and we will make every endeavour and every attempt, we will use every means at our disposal to try to prove to the administration that they are wrong, that this flies in the face of natural justice.

MR. TULK:

Look, she is not sure, she is shaking her head.

MR. NEARY:

It flies in the face of natural justice. Now, Mr. Speaker, they have a right -

MS VERGE:

Use your common sense.

MR. TULK:

What do you mean, common sense? You want \$6 million for Kruger.

MR. NEARY:

Mr. Speaker, I will tell you one thing that worries me about all these dealings with Bowater and the Iron Ore Company of Canada and the oil companies, and my hon. friend from Menihek (Mr. Fenwick), I think put his finger on it a number of times, and that is to get the Election Expenses Act in this House as soon as possible because, Mr. Speaker, I have a feeling in the past ten years that the Iron Ore Company of Canada, Bowater, the oil companies have contributed heavily to the coffers of hon. members there opposite and their counterparts on the mainland, the Tory Party of Canada.

Mr. Speaker, I have a feeling that

Mr. Mulroney, when he was President of IOC, arrived here with a cheque in his pocket. No wonder they want Bill No. 37 passed! They want to pay off, Mr. Speaker, those who contributed to the Tory Party, to the Tory coffers in this Province and on the mainland of Canada. That is why they want Bill No. 37. Bowater, IOC, Wabush, the oil companies, Crosbie's buddies, that is why you are so anxious. The hon. gentleman may not know that he is being manipulated because he does not know. The bagman will not tell him where the money is coming from. But we know where it is coming from and we know what is motivating hon. members there opposite to get Bill No. 37 passed, rammed through this House. And I wonder sometimes if Bill No. 37 was ever thought of before the Premier got his apology. My hon. colleague will remember the by-election in Menihek when the Premier called up IOC on the phone and telexed them and bullied them and they came out and apologized, and now we are seeing the price for that apology. Was that bill drafted before or after the conversation with the Iron Ore Company of Canada? That is the question, Mr. Speaker, we have to address ourselves to.

MR. TULK:

Do you know about the \$250,000 in one fell swoop?

MR. NEARY:

\$250,000 in one fell swoop to whom?

MR. TULK:

To the Tory Party.

MR. NEARY:

To the Tory Party nationally?

MR. TULK:

Newfoundland.

MR. NEARY:

Newfoundland.

But anyway, Mr. Speaker, we are going to support the bill and we are not going to delay the passage of it. But I want to draw again something else to hon. members' attentions and the hon. gentleman alluded to it when he was speaking and that is that I hope never again, Mr. Speaker, will we hear the Premier of this Province or a minister say that we should control our own resources, and be masters of our own destiny.

MR. SIMMS:

You do not agree with that?

MR. NEARY:

That we should own our own resources.

MR. SIMMS:

You oppose that too, do you?

MR. NEARY:

No, I am all for it and here is an opportunity for us to own the forest resources of this Province. The hon. gentleman told us that this is a kind of dicey situation and we cannot take back our timber resources.

MR. SIMMS:

No, I did not. You did not listen.

MR. NEARY:

Well, that is what the hon. gentleman implied.

MR. SIMMS:

I said you could not do it during the divestiture process.

MR. NEARY:

Oh, I see, you could not do it then, Mr. Speaker, what we are doing is transferring the timber

rights from Bowater to Kruger, so why could we not take them back?

MR. SIMMS:

We also agreed to discuss over the next two years a review of the 1938 Act. You would have done it during the divestiture process, would you?

MR. NEARY:

Mr. Speaker, what I am saying to the hon. gentleman is never again should we hear a peep from them that Newfoundlanders and Labradorians should own their own resources, should be masters of their own destiny, we should not be controlled by outside interests. And here we are taking our forest resources, the Bowater timber rights and transferring them over to another company.

MR. SIMMS:

Tell us who gave it to them.

MR. NEARY:

Tell us who put the hum on the Humber.

MR. SIMMS:

You fellows.

MR. NEARY:

Yes, it was a Liberal administration which did it. It was a Liberal administration which put the mill in Grand Falls, the hum on the Humber, the mill in Corner Brook, and the mill in Stephenville. Do not ever forget that.

MR. SIMMS:

And put the Province in the hole, do not forget that.

MR. NEARY:

This is one time I agree with Egdar Baird when he said that Bowater defaulted, and urged government to reclaim the land.

He is a very wise man and very knowledgeable about the forests of this Province, Mr. Speaker. 'Timber lands under the control of Bowater in Corner Brook should be passed back to the Crown because the company has defaulted under the legislation which set up the West Coast operation, says Egdar Baird, a resident of Gander.' Mr. Baird is a very knowledgeable man in these matters.

MR. BAIRD:

All Bairds are.

MR. NEARY:

All Bairds are! Well, maybe they are. But, Mr. Speaker, I also want, before I run out of time, to say that from the conversations that I have had, and I do not wish to create any alarm, this is merely a warning because I want to see that mill continue to operate, but it will not continue to operate if the wood is expensive. Mr. Speaker, there are problems. I can tell you from my conversations with Bowater officials, and I mean high up, not the janitors, that within five years they would have had to look to Southern Labrador to get their wood. They were looking at it before they made the decision to pack her in.

MR. SIMMS:

And you want us to take away the timber stands before we sell the mill!

MR. NEARY:

Mr. Speaker, that is another matter. I am just saying to the hon. gentleman, never again let us hear them get up and give us a lecture like they do in this House about owing our own resources.

AN HON. MEMBER:

We are allowed to do that.

MR. NEARY:

You are allowed to do it. Well, other administrations are allowed to do it also, are they not? Anyway, Mr. Speaker, the hon. gentleman got the point and no doubt Mr. Baird will have more to say about it in the future. But the point I am making, Mr. Speaker, is this, that no matter who takes over that mill, whether it is Kruger or any other company, we have to be careful in this Province that if we do not manage our forest better than we have in the past, there are going to be problems: You are going to have expensive wood, you are going to have high transportation costs. And I was hoping the minister would have addressed himself to that question.

MR. SIMMS:

I did.

MR. NEARY:

Very briefly. The hon. gentleman skimmed over it. With the spruce budworm disaster in this Province, with the allocation of the timber, where it is located and so forth, and with the quality, the grade of the timber and so forth, Mr. Speaker, I have a suspicion that Bowater could foresee problems in the next three to five years, as soon as that, and were looking at the possibility of cutting timber on the timber reserve in Southern Labrador, the Southern timber reserve.

MR. SIMMS:

There are problems everywhere, boy, there is no question about that.

MR. NEARY:

There are problems with wood everywhere, as the hon. gentleman says. I notice there is a provision in the agreement that

may be an exchange with Abitibi-Price to cut down the cost of transportation so the wood nearest that particular mill can be cut and transported to the mill and the transportation costs reduced. So it is something to watch because Kruger has many outs in this agreement if they cannot make the grade. If they have been fed the wrong information, it would not be the first time the experts fed out the wrong information on timber reserves. I remember when we built the linerboard mill in Stephenville we were told that a chip mill could have been built in Labrador and then later the experts changed their minds. And then there was the fourth mill at Come By Chance. The timber reserves we were told, were there, but were not there. Now we still have great timber resources in this Province, more so that they have in Europe. If they cut down a tree in Great Britain they have to put one right back in its place to try to keep the thing revolving but in this Province we still have vast resources.

MR. SIMMS:

We have a big problem with the hemlock looper, by the way.

MR. NEARY:

We are going to have problems with the hemlock looper and the spruce budworm and transportation costs.

AN HON. MEMBER:

Well, we will have to keep spraying.

MR. NEARY:

Spraying is one thing but I think, Mr. Speaker, the most important things of all are reforestation and silviculture. There has been more emphasis on it in recent years, but in my opinion we are

not out of the woods yet so we are going to have to concentrate more effort in the future in that regard. I will have more to say, Mr. Speaker, when we get back to the principle of the bill. I may have a few other things to say but right now I am speaking to the amendment and I say I will support the bill and I hope that we can put it through the House before 1:00 o'clock today.

MR. SIMMS:

What amendment?

MR. NEARY

I am on the wrong bill. I am sorry.

MR. SPEAKER (Russell):

The hon. the member for Humber West.

MR. BAIRD:

Thank you, Mr. Speaker. I am glad that the member for LaPoile (Mr. Neary) was so involved with and knowledgeable about the bill he already thought that there was an amendment to it. I have no hesitation in supporting Bill 52 and in so doing I want to congratulate the government, our Premier in particular, for the many twenty-four hour days over this past year, and the union leaders in Corner Brook, the membership, the federal government and everybody involved. I think the co-operation was there, but they were certainly negotiations that were fought hard and they were fought long. However when it all came out the union leader in the media said that he felt they had the best company to deal with. There were some rumours around and some people were trying to lead us to believe, which confused the unions and their membership, there were some other companies that may or may not have

had a viable proposal. Well, Mr. Speaker, anybody who has been following it and were seriously concerned rather than trying to confuse the issue, already knew there was only one real, serious bid, a bid not from people who would like to operate it or had hopes of it, but people who had the wherewithal, which meant money and markets.

MR. WARREN:

What about Atlantis?

MR. BAIRD:

Our friend mentions Atlantis. Atlantis was not considered in the light that this bid was, as you can understand. You can see who was there. There was one good bid, as I already said, and Atlantis, had they been as good, would have been considered, but whatever company took over had to have the best deal for Corner Brook. I am very, very pleased that Kruger took over. The company has a long history of taking older mills which were outdated, as the Corner Brook mill was, and turning them around. Their standard of paper, their marketing throughout North America rather than sending paper over to European markets for less money, which made the mill less viable, were in Kruger's favour. My friend from LaPoile (Mr. Neary) was wondering a little earlier about the silviculture programme. Well, I am very pleased to say it was this administration that changed some of the acts so our forests are no longer allowed to be raped, and we have a silviculture programme now and a lot more effort and concentration on our woods. As the mill is modernized and paper machines one, two, three and four are improved, we will sell more paper, and that means we will need more wood, and

as we need more wood, of course, we will need more workers. So I am very, very pleased to welcome Kruger into the Province. I would also like to wish Bowater well in their new-found retirement and wherever they are going to go. They were good corporate citizens for many years. However, they decided they wanted to spend their money elsewhere, which was their prerogative. Since 1971, when the former Liberal administration was talking about taking over the Bowater mill - God forbid! Where we would be now? - the people in Corner Brook have suffered enough with not knowing where we were going or what was going on. I defy any member of the Opposition or anybody else to go out around Corner Brook and say that they would try and tie up a bill, such as Bill 37, which will make the Corner Brook mill a lot more viable. I will be saying a lot more on Bill 37 on Monday and I give notice right now that I will be supporting the bill.

One of the points that I am very pleased was negotiated with Kruger was local preference. Now, only last week Hansard will show that our friend from Menihek (Mr. Fenwick) is against local preference. Well, you will find local preference in this agreement and I am very glad to see that the Province had it included there. I think our friend from Menihek, when he goes out to talk to some of our union leaders in Corner Brook, will wish his cake dough on that particular issue.

MR. FENWICK:

Mr. Speaker, on a point of order.

MR. SPEAKER (Russell):

Order, please!

The hon. the member for Menihek on

a point of order.

MR. FENWICK:

Mr. Speaker, my point of order is that the local preference policy I was objecting to is the local preference one on offshore oil with employees and not on local purchasing and I think it is important that the member realize that.

MR. SPEAKER:

To that point of order, it is more a point of clarification and certainly not a valid point of order.

The hon. member for Humber West.

MR. BAIRD:

Thank you, Mr. Speaker. I reiterate that the member for Menihek (Mr. Fenwick) would have liked to be the member for Humber West, Terra Nova, St. Barbe, Bellevue and anywhere you wish to name as long as he could get his nose into the House. I welcome the member for Menihek back to Humber West anytime at all and knock on the doors and I will do the same. In fact, I should not ridicule him too much because I did feel sorry for him the night in April of '82 when he was seen on the TV with a big tear rolling down his face. It was a sad sight indeed, Mr. Speaker, to see. But it is nice to see that he has got his smile back, even if it is only temporary.

Still on local preference, I remember the member for Menihek saying to the Premier during the debate prior to the 1982 election, and I quote, 'I will never forget you, Mr. Premier, for the Local Preference Act.' He dwelt on the jobs for Newfoundlanders in Newfoundland. There was no talk then about how many Newfoundlanders were employed in

various jobs on the mainland, there was no talk at that time about materials or anything else, so I think the record will speak for itself.

The agreement with Kruger has a clause on the sharing of downtime, which is something that I was very much involved in a couple of years ago, being the member for the area. Under our agreement with Kruger there is provision for the Corner Brook mill to operate at a rate at least equal to 90 per cent of the utilization rate of the company's other mills. So a lot of the old agreements we had with Bowater have been revised, and I understand that in the next two years the old 1938 Bowater Act will have some more changes made to it. So, Mr. Speaker, I again congratulate the union membership and its leaders and the company. They fought hard and they fought long, but when it was over both groups could say they are looking forward to a long relationship for the betterment of Corner Brook and the whole West Coast. I will be speaking more on Bill 37. I have no hesitation in supporting Bill 37 and those here who oppose it have lots of time between now and the weekend to go out and meet with the union leaders and membership in Corner Brook and see what the workers think of it and we will see on Monday if they will come back with their heads high or low. Again, I am very proud that we have a company like Kruger. Thank you very much, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the member for Menihek.

MR. FENWICK:

Before I mention Bill 52, I would like to clear up a little bit of the character assassination that I have been getting from the previous speaker. The previous speaker does not seem to realize that we have several local preference policies. There is one on the purchasing of local materials and I have never had any objection to that particular piece of legislation whatsoever. The fact that there is local preference for purchasing in this particular agreement I think is an excellent idea, I agree with that, and I wish the hon. member opposite would finally get that clear in his mind.

MR. SIMMS:

So you agree with local preference and you disagree with it.

MR. FENWICK:

Hold on now! Let us get that clear. We might as well clear that up.

In the offshore oil hiring policies which were contained in the regulations that this government passed, there was not a local preference policy or an affirmative action programme. Sorry, it was not an affirmative action programme; there was a Newfoundlander first policy in there. It was very clear that a person from anywhere else in the country would not be hired there unless every single Newfoundlander was excluded from that job or was not capable of accomplishing it.

MR. BAIRD:

Until we reach the national -

MR. FENWICK:

Shut up over there, will you?

SOME HON. MEMBERS:

Oh, oh!

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

The fact of the matter is an affirmative action programme would have been perfectly acceptable in offshore oil because the affirmative action programme would have said that a certain percentage of the jobs would be reserved for Newfoundlanders and a certain per cent of the people working there would be Newfoundlanders. If we had that and had agreement to that, we would not have the pitifully low percentage of Newfoundlanders working in the offshore oil industry that we do now. The objection was that the Constitution was changed by our Premier, back when the Constitution was revised, and it was changed so that every other Province that had a high unemployment rate could bar Newfoundlanders from working in their industries. When we think that there are 85,000 Newfoundlanders living in the rest of the country what we are saying is we are willing to jeopardize those 85,000 jobs and I think that that is a hell of a lot more jobs than the 1,700 we are talking about on offshore oil. That was the point that was being made. Now I do not expect the forty-three yahoos opposite to even listen to that particular argument, but I thought I would make it clear in case there is anybody else with any sense who is listening. The fact of the matter is the hon. the member for Humber West (Mr. Baird) has continually misrepresented my position and I thought it was important to at least set him straight once. Now I know he is going to continue to

go around and deliberately misrepresent it again but that is his problem, it is not mine. I want to make it very clear what our policy is.

MR. BAIRD:

On a point of order, Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the member for Humber West on a point of order.

MR. BAIRD:

The member for Menihek said that I deliberately went around misrepresenting what he said. I would like a withdrawal, Mr. Speaker.

MR. FENWICK:

To that point of order, Mr. Speaker.

MR. SPEAKER:

To that point of order the hon. the member for Menihek.

MR. FENWICK:

I said I expect him to go ahead and deliberately misrepresent it, I did not say he was deliberately misrepresenting it now.

MR. SPEAKER:

Order, please!

The hon. member is imputing motives to another hon. member when he says he is 'deliberately' going about something. I would ask him to withdraw the comment.

MR. FENWICK:

I will withdraw the 'deliberately' part of it.

MR. BAIRD:

I accept.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Now let us get back to the elections. It is quite true that I did run in six elections before I was successful in Menihek. By the way, I was talking to the member for Placentia (Mr. Patterson), who ran in seven elections - I thought I would mention that - and he lost only four, mind you, so he has a better batting average than I have right now. I mention it because quite frankly if I had been running for the Liberal party or the Conservative party I might have been a lot faster getting into the House, but I am not entirely sure I wanted to be there in those particular ranks, I was insisting on some meaningful change rather than cosmetic change. But that is neither here nor there because I would like to address Bill 52.

I have a major philosophical problem with Bill 52, although having the problem with it is not going to prevent me from eventually voting for it. Because I think, given the philosophical perspective of the government opposite, this was probably a pretty neat accomplishment or pretty good accomplishment from their perspective. Given their limited perspective of what the options were, this is probably as good as they could come out with. As a matter of fact, after having read it, it is probably a little better than I expected in the sense that they did seem to have better guarantees in there than I expected they would have.

I want to back up to Bowater because I have no love for Bowater. I agree with other members that for a period of time Bowater was a particularly good company; it provided jobs and it did all the things that we would

like it to do. But to suggest that since 1971 they have done anything at all that has been constructive in Corner Brook I think is to just deny the last fourteen years of history. The fact of the matter is that Bowater mined that mill to the extent of not replacing what was clearly obsolete equipment at least fifteen years ago. What makes this particular government culpable is that they did nothing to force them to upgrade it.

Now I have listened to the Premier refer to me, by the way, as the leader of the Socialist cohorts, which I think is an interesting thing because I thought I was only one and if a cohort means a large multiple number of people maybe he is looking into the future and we will see a few more New Democrats in the future.

MR. SIMMS:

He referred to the coalition.

MR. FENWICK:

No, cohorts was the word he used. I heard him.

Getting back to Bowater, what was the problem with Bowater? The problem with Bowater among all others was that we could not somehow force them to modernize their mill, to get rid of the old machinery and put in new machines. That is really the crux of the problem that exists in Corner Brook today, that we were incapable of doing that. Now, why were we incapable of doing that? We had all kinds of legislation that should have assured that something should have been done, we had legislation to protect the workers, we had legislation allegedly to provide for silviculture, although it seems to

me it was pretty weak and so on. The reason we could not is because we had no presence whatsoever at the board level of Bowater, either the company here in Newfoundland or the company in Canada or the parent company in Britain. Without representation at the board level, without the ability to influence their investment decisions over the last fifteen or twenty years, it would be impossible to get Bowater to make the right commitments in terms of capital, in terms of long-term planning. That mistake is perpetuated in this agreement. We do not have any representation on the Board of Directors of Kruger to establish that that company itself would, after it gets - and I added it up - I think somewhere in excess of \$44 million of public money, that it would use that money in a way in which the long-term benefits of Corner Brook are foremost in their concerns. I say that because I do believe that we have to make a decision here. The question is that we are providing - and I say 'we are providing' the provincial government, the federal government, the taxpayers of Canada - we are providing somewhere in excess of \$44 million in grants for modernization and so on. It seems to me criminal that we have not exercised the power that that could have given us over that corporation, saying that is \$44 million out of perhaps - and I am not sure of the exact amount involved because of the purchase agreement -

MR. SIMMS:

You want us to nationalize it.

MR. FENWICK:

No, I did not say that. That is your simplistic explanation of what our policies are and that

shows that you do not know what you are talking about.

The fact of the matter is, to supply \$44 million out of about \$230 million - and that seems about the global amount that is involved here - it seems to me that we should have 44/230, that fraction of control over the company. That kind of equity that we have put into it, and it is equity even though they are grants, should allow us to have some degree - and it would not be total control - but some degree of influence on the Board of Directors.

If I adjourn the debate can I get to speak again and finish off my remarks?

SOME HON. MEMBERS:

Yes.

MR. FENWICK:

I adjourn the debate then.

MR. SPEAKER (Russell):

It has been noted that the hon. the member for Menihek (Mr. Fenwick) has adjourned the debate.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

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

On motion, the House at its rising adjourned until tomorrow, Monday, December 10, 1984, at 3:00 p.m.

Index

Answers to Questions

tabled

December 7, 1984

Tabled by Hon. Member
for St. John's - 7:40
on behalf of Mr. Callan
Dec. 1984

ANSWER TO QUESTION #55

Appearing on Order Paper 45/84, Thursday, November 15, 1984

Asked by The Honourable the Member for Bellevue, Mr. Callan.

Question: Mr. Callan [Bellevue] - to ask the Honourable the Minister of Development to lay upon the Table of the House the following information:

List of names of individuals and/or companies who received loans from the Newfoundland and Labrador Development Corporation in 1983-84 and the purpose for which the loans were granted.

Answer: See attachment.

Overview 1983-1984

Loan and Equity Financing

During the 1983-1984 fiscal year, the Corporation approved loans totalling \$7,166,000 to twenty-eight small and medium-sized businesses in Newfoundland and Labrador bringing the total loan and equity approvals to \$45,902,200 in the Corporation's eleven-year history.

Twelve loans totalling \$3,950,000 were approved in the fishing sector for projects ranging from diversification of plants processing traditional species to the establishment of a facility to produce imitation crab from a groundfish base.

In the manufacturing sector nine approvals were made for projects totalling \$1,216,000 which included advanced technology in the machining industry and products which were not previously manufactured in the Province.

Corporation activity in the industrial service sector was highlighted by a \$1,425,000 loan to an established local company for the construction of facilities for the refuelling of international airliners at Gander Airport. This project and the resulting spin-offs are to be significant contributors to the economy of the Gander area.

The following provides details of all loans and equity funding approved during the 1983-1984 fiscal year.

<u>Name of Firm</u>	<u>Type and Location of Project</u>	<u>Amount of Loan</u>	<u>New Jobs Created</u>
Aquatic Foods Limited	Fish Processing Holyrood	\$ 215,000	72*
Atlantic Resource Review Limited	Magazine Publishing St. John's	10,000	2
Bay Bulls Sea Products Limited	Fish Processing Bay Bulls	450,000	290
Bayside Seafoods Limited	Secondary Fish Processing Bay of Islands	125,000	7
Belle Isle Seafoods Limited	Fish Processing Stephenville	300,000	49
Buckingham Machine and Fabricating Works Limited	Metal Fabrication St. John's	553,000	16
Canada Bay Seafoods Limited	Crab Processing Roddickton	340,000	86
Canada Bay Seafoods Limited	Crab Processing Roddickton	100,000	40
Chador Limited	Hotel Wabush	280,000	24
Gerald Collins and Sons Limited	Automotive Parts Fabrication Corner Brook	100,000	4

<u>Name of Firm</u>	<u>Type and Location of Project</u>	<u>Amount of Loan</u>	<u>New Jobs Created</u>
Communications Ten Limited	Magazine Publishing St. John's	\$ 20,000	4
Conception Bay Seafoods (1984) Limited	Crab Processing Petty Harbour	110,000	60
Fogo Island Co-op Society Limited	Crab Processing Fogo Island	290,000	81
Gander Aviation Limited	Aircraft Refuelling Gander	1,425,000	5
George E. Jackson and Sons Limited	Woodchip Production Clareville	75,000	4
Jespersion Printing Limited	Printing Shop St. John's	45,000	2
Leech Brook Development Company Limited	Tourism Attraction Grand Falls	113,000	8
McDonald's Welding and Fabricating Limited	Metal Fabrication St. John's	226,000	19
Northern Television Services Limited	Cable Television Goose Bay	131,000	2
Notre Dame Bay Fisheries Limited	Crab Processing Comfort Cove	300,000	96
Ocean Harvesters Limited	Fish Processing Harbour Grace	450,000	—
Oceans Limited	Oceanographic Research Services St. John's	21,000	-1
Petty Harbour Fisheries Limited	Fish Processing Petty Harbour	500,000	83
Photogenics Limited	Audio-Visual Productions St. John's	48,000	4
Precision Retreaders Limited	Tire Retreading Gander	90,000	9
Terra Nova Fishery Company Limited	Imitation Crab Processing Clareville	770,000	40
Topline Printing Company Limited	Printing Shop Grand Falls	38,000	1
Videonics Limited	Specialty Cassette Production St. John's	41,000	2

- tabled by Hon. Member
for St. Marys - The Cayes
(Party Seals) on behalf of
Min. of Develop. 7 Dec /84

ANSWER TO QUESTION #56

Appearing on Order Paper 45/84, Thursday, November 15, 1984.

Asked by The Honourable the Member for Bellevue, Mr. Callan.

Question: Mr. Callan [Bellevue] - to ask the Honourable the Minister of Development to lay upon the Table of the House the following information:

Regarding companies which received funding during 1982-83 from the Newfoundland & Labrador Development Corporation and whose assets were sold by public auction or some other means to recover part of the funding of such companies, please list:

- [a] jobs created and then lost due to failure of the industry;
and
- [b] revenue received by the Corporation as a result of the companies' assets through public auction or other means.

Answer: See attachment.

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED
SUMMARY OF RECOVERIES FROM DISPOSAL OF SECURITY ON BUSINESS FAILURES
FOR THE PERIOD APRIL 1, 1982 TO MARCH 31, 1983

<u>BORROWER</u>	<u>BUSINESS LOCATION</u>	<u>DATE OF ORIGINAL LOAN</u>	<u>AMOUNT OF ORIGINAL LOAN</u>	<u>SUBSEQUENT LOANS</u>	<u>MLDC EQUITY</u>	<u>PROCEEDS FROM DISPOSAL</u>	<u>JOBS CREATED*</u>	<u>JOBS REMAINING AFTER SALE OF ASSETS</u>	<u>JOBS LOST</u>	<u>WRITE OFF</u>
NEWFOUNDLAND PAPER CONVERTING COMPANY LIMITED	St. John's	Sept. 1978	-	-	\$42,000.00	Nil	11 (f)	11 (f)	0	\$ 42,000.00
A MOUTHCOIT LIMITED	Lewisporte	Jan. 1976	-	-	30,000.00	Nil	4(f) 5(p)	-	4(f) 5(p)	30,000.00
VINLAND EXPORT COMPANY LIMITED	Goose Bay	Aug. 1975	-	-	5,300.00	Nil	6 (p)	-	6 (p)	5,300.00
GOOSE BAY TIMBER COMPANY LIMITED	Goose Bay	Sept. 1978	\$300,000.00	-	-	Unsold To Date	37 (f)	N/A	N/A	100,000.00
										<u>\$177,300.00</u>

* (f) denotes full-time jobs
 (p) denotes part-time jobs

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED
SUMMARY OF RECOVERIES FROM DISPOSAL OF SECURITY ON BUSINESS FAILURES
FOR THE PERIOD APRIL 1, 1983 TO MARCH 31, 1984

<u>BORROWER</u>	<u>BUSINESS LOCATION</u>	<u>DATE OF ORIGINAL LOAN</u>	<u>AMOUNT OF ORIGINAL LOAN</u>	<u>SUBSEQUENT LOANS</u>	<u>MLDC EQUITY</u>	<u>PROCEEDS FROM DISPOSAL</u>	<u>JOBS CREATED*</u>	<u>JOBS REMAINING AFTER SALE OF ASSETS</u>	<u>JOBS LOST</u>	<u>WRITE OFF</u>
CAL'S SAND AND GRAVEL LIMITED	Bonavista	July 1979	\$319,000.00	-	-	\$150,910.00	3 (f)	3 (f)	Nil	\$191,085.00
I.C. TRAWL LIMITED	Stephenville	April 1981	175,000.00	-	-	51,500.00	17 (f)	5 (f)	12 (f)	131,246.00
HANTLETT PRODUCTIONS LIMITED	St. John's	Nov. 1980	48,000.00	-	\$2,000.00	Nil	2 (f)	Nil	2 (f)	1,980.00
FOXTRAP FARMS LIMITED	Foxtrap	Oct. 1979	191,000.00	-	5,000.00	UNSOLD TO DATE	2 (f) 1 (p)	N/A	N/A	115,767.00
CENTRAL STRIPING LIMITED	Windsor	May 1978	2,800.00	-	-	Nil	3 (p)	-	3 (p)	2,700.00
										<u>\$382,778.00</u>

* (f) denotes full-time jobs
 (p) denotes part-time jobs

Tabled by Mr. for St. John's
- The Council
of the if necessary

ANSWER TO QUESTION #57

Appearing on Order Paper 45/84, Thursday, November 15, 1984
Asked by The Honourable the Member for Bellevue, Mr. Callan.

Question: Mr. Callan [Bellevue] - to ask the Honourable the Minister of Development to lay upon the Table of the House the following information:

A list of loans by the Newfoundland & Labrador Development Corporation for the fiscal year 1983-84 to date, to industries which failed and assets of companies sold by public auction or some other means to recover part of the funding of such companies.

The list should provide:

- [a] amount of original loan;
- [b] subsequent loans or operating capital;
- [c] location of industry receiving loan;
- [d] jobs created and then lost due to failure of the industry;
- [e] revenue received by the Corporation as a result of companies' assets through public auction or other means.

Answer: See attachment.

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED
SUMMARY OF RECOVERIES FROM DISPOSAL OF SECURITY ON BUSINESS FAILURES
FOR THE PERIOD APRIL 1, 1982 TO MARCH 31, 1983

<u>BORROWER</u>	<u>BUSINESS LOCATION</u>	<u>DATE OF ORIGINAL LOAN</u>	<u>AMOUNT OF ORIGINAL LOAN</u>	<u>SUBSEQUENT LOANS</u>	<u>NLDC EQUITY</u>	<u>PROCEEDS FROM DISPOSAL</u>	<u>JOBS CREATED*</u>	<u>JOBS REMAINING AFTER SALE OF ASSETS</u>	<u>JOBS LOST</u>	<u>WRITE OFF</u>
NEWFOUNDLAND PAPER CONVERTING COMPANY LIMITED	St. John's	Sept. 1978	-	-	\$42,000.00	Nil	11 (f)	11 (f)	0	\$ 42,000.00
A MOUTHCOFF LIMITED	Lewisporte	Jan. 1976	-	-	30,000.00	Nil	4 (f) 5 (p)	-	4 (f) 5 (p)	30,000.00
VINLAND EXPORT COMPANY LIMITED	Goose Bay	Aug. 1975	-	-	5,300.00	Nil	6 (p)	-	6 (p)	5,300.00
GOOSE BAY TIMBER COMPANY LIMITED	Goose Bay	Sept. 1978	\$300,000.00	-	-	Unsold To Date	37 (f)	N/A	N/A	100,000.00
										<u>\$177,300.00</u>

* (f) denotes full-time jobs
 (p) denotes part-time jobs

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION LIMITED
SUMMARY OF RECOVERIES FROM DISPOSAL OF SECURITY ON BUSINESS FAILURES
FOR THE PERIOD APRIL 1, 1983 TO MARCH 31, 1984

<u>BORROWER</u>	<u>BUSINESS LOCATION</u>	<u>DATE OF ORIGINAL LOAN</u>	<u>AMOUNT OF ORIGINAL LOAN</u>	<u>SUBSEQUENT LOANS</u>	<u>NLDC EQUITY</u>	<u>PROCEEDS FROM DISPOSAL</u>	<u>JOBS CREATED*</u>	<u>JOBS REMAINING AFTER SALE OF ASSETS</u>	<u>JOBS LOST</u>	<u>WRITE OFF</u>
CAL'S SAND AND GRAVEL LIMITED	Bonaville	July 1979	\$319,000.00	-	-	\$150,910.00	3 (f)	3 (f)	Nil	\$191,085.00
I.C. TRAIL LIMITED	Stephenville	April 1981	175,000.00	-	-	51,500.00	17 (f)	5 (f)	12 (f)	131,246.00
BARTLETT PRODUCTIONS LIMITED	St. John's	Nov. 1980	48,000.00	-	\$2,000.00	Nil	2 (f)	Nil	2 (f)	1,980.00
FOXTRAP FARMS LIMITED	Foxtrap	Oct. 1979	191,000.00	-	5,000.00	UNSOLD TO DATE	2 (f) 1 (p)	N/A	N/A	115,767.00
CENTRAL STRIPING LIMITED	Windsor	May 1978	2,800.00	-	-	Nil	3 (p)	-	3 (p)	2,700.00
										<u>\$382,778.00</u>

* (f) denotes full-time jobs
 (p) denotes part-time jobs