

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD:  
10:00 a.m. - 1:00 p.m.  
THURSDAY, JUNE 16, 1977

The House met at 10:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

STATEMENTS BY MINISTERS

The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, on Monday, June 20, 1977, the Newfoundland Constabulary will be launching two programmes sponsored by the Federal Government of Canada under the heading "Summer Job Core 77." The purpose of these programmes is to hire young people to work closely with local police for the three Summer months. Of a number of programmes offered, the Newfoundland Constabulary has chosen the following: (1) Crime Prevention. This programme will involve eleven people and will be confined to the policing of Bowring Park. Personnel involved in this programme will be sworn in as auxiliary constables and will work in close harmony with the members of the regular force with responsibilities centered on the patrol division. They will wear a distinctive armband and carry the required identification as a member of the auxiliary force of the Newfoundland Constabulary. Each team will have a personalized radio and will be in direct contact with an assigned police cruiser at all times.

(2) Operation Identification. This programme will involve twelve people, and in an attempt to discourage theft, will provide an indelible marking service for items of property for citizens who so desire it. Responsibility will be centered on the Criminal Investigation Division. A total of twenty-three young people who might otherwise be unemployed will be engaged in some very worthwhile activity during the Summer and it is hoped in the interest of citizens that some very positive results will ensue. These twenty-three persons were hired through Canada Manpower.

ORAL QUESTIONS

MR. SPEAKER: Hon. Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, I have a couple of questions for the Minister of Municipal Affairs and Housing who is conspicuous by his absence just as he is usually conspicuous by his presence. Can the House Leader tell me whether the Minister of - you know I have some very serious questions about the way in which the government have handled negotiations with the city with respect to Bill 101, the infamous act to abolish the city council. But is the Minister of Municipal Affairs expected in the chamber this day or is he hiding? Cowering? Cowering would be the word.

MP. HICKMAN: I am advised that the Minister of Municipal Affairs and Housing will hopefully be here before the Question Period is over. He is in his office right now and he has got caught in some important thing that he is trying to extricate himself from. But he will be here.

MR. ROBERTS: Mr. Speaker to a point of privilege. There can surely be nothing more important than the business of the House. There is a Standing Order and this is the point on which my point of privilege is based. The Minister of Justice says the Minister of Municipal Affairs is caught in more important business. I would request, Sir, that Your Honour, immediately ask the clerk of the House - I think that this is the remedy that is needed - to remind the Minister of Municipal Affairs about the Standing Orders - I will get the citation in a moment - and to ask that the minister be good enough to wait upon the House, there to attend upon the business of the House so that we can ask questions about a very important bill which stands in the minister's name and we can then dispose of it. I do not have the - I confess I do not have the - here we are, Sir, Standing Order 80: "Every member is bound to attend the service of the House, unless leave of absence has been given to him." Well, Sir, no leave of absence has been given to the Minister of Municipal Affairs, no request has been made. The minister is in the building and we

MR. ROBERTS: are told he has more important business. Well, Sir, he knew the House would adjourn until 10:00 o'clock this morning, that was in the adjournment motion. Can we not immediately have word sent to the minister asking him if he would be good enough to step along and favour us with his presence so we could ask him a question or two about an infamous piece of legislation which stands in his name?

MR. SPEAKER: To the point of privilege.

MR. NEARY: Mr. Speaker, they think the Leader of the Opposition has raised a very, very important matter, Sir, that all members of this House, as long as I have been here in the last sixteen years, and I am sure since Confederation, have been very discourteous to Your Honour in as much as they do not honour the rules of this House, do not advise Your Honour when members want to be absent from the House. I believe - and Your Honour may be able to confirm this later, I believe I am the only member, the only member in this House who notifies Your Honour when I am absent from the House and give the reasons why I am absent. So it is a very valid point of privilege, Sir. I believe all - Beg your pardon!

MR. SIMMONS: There are others. I went to the washroom yesterday and I phoned first.

MR. NEARY: Well, I notify Your Honour in writing and Your Honour is aware of that. I think that the Leader of the Opposition has raised a very, very interesting and a very valid point of privilege of this House. And I believe the attendance would be much better and it would add to the decorum of the House if the hon. members would follow the standing rules of this House. They do not even advise their whip Sir, let alone advise Your Honour. It is very discourteous and I think it is something that members should start practicing.

MR. ROBERTS: Call a quorum. They are not even presenting a quorum here.

MR. NEARY: Well, if the hon. members will just step out I will call a quorum and see if we can get the Minister of Municipal

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MR. NEARY: Affairs to come out. So having made that point, Sir, I would like to have a quorum call.

MR. SPEAKER: A quorum call. Please.

We have a quorum.

Order, please! Order, please!

Because the only members present were on one side, it appeared to me at the time there was unanimous consent to call it three minutes.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: And we have had unanimous consent in other time matters to stop the clock, to call the three minutes for a quorum -

MR. ROBERTS: You did not stop the clock, Your Honour, you hastened it.

MR. SPEAKER: - or to call the three minutes as well for division. So I think that that is procedurally appropriate. It would not be the first time that members present have called it three minutes for whether it is a standing vote or a quorum or whatever it is. So I do not think that that is irregular.

We were on a point of privilege and I had stated Standing Order 80 without getting into the substantive matter brought up by the hon. Leader of the Opposition. If any other hon. members have argument to hear.

The hon. member for St. John's East.

MR. MARSHALL: Your Honour I just have one argument by way of observation. The hon. member for LaPoile (Mr. Neary) has indicated, you know, that you must report to Your Honour and that he writes a letter -

MR. NEARY: No, not must.

MR. MARSHALL: - or should report - and that he writes a letter and makes a suggestion. Perhaps, Mr. Speaker, what we ought to do is have a role call like they do in kindergarten and it would be very appropriate, I would think for the House, particularly with respect to the hon. gentleman there opposite.

MR. NEARY: It would be for the hon. gentleman, because the hon. gentleman behaves like a child anyway.

MR. SPEAKER: Order, please! On the substantive point of privilege brought up by the Leader of the Opposition: Number one, Standing Order 80 obviously states the duty of members, it does not provide a remedy. In my opinion the remedy would be by substantive motion.

To the best of my knowledge, also, it is the first time this specific point has been brought up

MR. SPEAKER: as a point of privilege, that of the absence of a minister during questioning period. And our Standing Orders do not provide the remedy or guidance there. It being the first time there are no precedence in this House. I am aware of the practice in the House of Commons and it would appear to me that that is the one that we have to go by. I am aware of rulings right on that point. I could not now give the Hansard dates but obviously they could be ascertained. But the point has come up in the House of Commons and there have been rulings to the effect. Number one, that refusal to answer a question cannot be cited as a breach of privilege, and also the precise point brought up here, that is the absence of a minister during Question Period, has not in the House of Commons been regarded as, or ruled as a breach of privilege. And our Standing Orders being silent on that, and our precedents being nonexistent - to the best of my knowledge it is the first time the point specifically has come up - I think the House of Commons practice is the one that we have to follow.

MR. ROBERTS: Any of the Standing Orders similar?

MR. SPEAKER: Similar to 30.

MR. ROBERTS: Do they have one?

MR. SPEAKER: To the best of my knowledge they would have one similar to it but I could not answer that for sure.

MR. ROBERTS: I think ours is quite unique, and I am not trying to be offensive, but perhaps we might let the point stand until we can have a look at it. Because I do not think Ottawa has that. They used to sign in every month.

MR. FLIGHT: Nine ministers.

MR. SPEAKER: I think we will leave it at that for now and then I can make a further study of it.

MR. ROBERTS: Are we back to Oral Questions now? The Minister of Municipal Affairs has condescended to appear. Could I begin, Sir, by asking the minister to tell us just what consultation he has had with the City Council of St. John's, or their representatives, their officials with respect to this infamous Bill 101.

MR. SPEAKER: The hon. Minister of Municipal Affairs.

MR. DINN: Mr. Speaker, I am delighted the hon. the Leader of the Opposition asked that question.

MR. ROBERTS: Good. I have got a few more to delight the minister too.

MR. DINN: We have held meetings, as hon. members know, with all councils, all concerned citizens and committees in the St. John's urban region, through the auspices of the Newfoundland Federation of Municipalities. The City of St. John's boycotted those meetings, basically. They did not show up at any of them. The last meeting some city officials arrived, the City Manager, Mr. Henley and several others, and became quite aware of what Bill 101 was to do, it was to enable the government to pass over to this regional council, which will have some elected people on it, some ten elected people on it, and provide for representation by election, which is what we do not have on the Metro Board. It would pass over the powers of the Metro Board to the regional council and it would also provide the power for the regional council to assume control and operation of the Bay Bulls water system, which is something that is coming on stream, hopefully, in mid-July, around July 16th.



MR. DINN: So, Mr. Speaker, there has been all kinds of room for consultation. The fact that the city councillors, the mayor, city officials did not show up at those meetings is of no fault of mine. If they were not interested then they should have no axe to grind right now. The fact of the matter is everybody knew the Bay Bulls Big Pond system was coming on stream. There is a TAC Committee set up to co-ordinate that effort and make sure -

MR. ROBERTS: A what committee?

MR. DINN: A TAC, a Technical Advisory Committee -

MR. ROBERTS: Oh.

MR. DINN: - chaired by the City Engineer -

MR. ROBERTS: What do we not speak English in government any more?

MR. DINN: - chaired by the City Engineer, Mr. Speaker, to make sure that this system is on stream on time for this Summer for the Summer Games, to make sure that there is no water shortage in the City of St. John's this year, and they are all aware of what was required, the staff required. We are in the process now of hiring staff for that system, to operate and maintain it, and the city and city officials should have been aware of every single item contained in this bill. The fact that they did not have the interest or were not concerned enough to show up at these meetings, Mr. Speaker, to me makes me wonder what -

MR. FLIGHT: You are blaming the City Council eh?

MR. DINN: - what kind of responsibility we have in this city when we get something like that in The Daily News this morning. It could abolish the city.

MR. DINN: Mr. Speaker, there are no powers passed over to the regional council as a result of this legislation that will not be approved by the Lieutenant-Governor in Council. And ultimately, the government of this Province has control over any municipality in Newfoundland.

MR. SPEAKER: A supplementary, the original questioner.

MR. ROBERTS: Mr. Speaker, I wish we could debate the minister's answer - I understand we will be allowed to later today - because if ever a man was on a sticky wicket, and to mix the metaphor, saw the ground go out from under him it is the Minister of Municipal Affairs on this bill. And his cocky arrogance will only reflect his -

MR. SPEAKER: Order, please! I must remind the hon. gentleman that there may well be an opportunity to debate it later but this is not the time.

MR. ROBERTS: I thank Your Honour and I would hope the Minister of Municipal Affairs is as aware of Your Honour's ruling as I am now that Your Honour has given it.

Mr. Speaker, the Minister has confirmed that there were no substantive consultations with the City Council. He blames the council. They in turn may blame him. He will find out about that. May I ask him then what representations, if any, have been received from the city council with respect to Bill 101?

MR. SPEAKER: The hon. Minister of Municipal Affairs.

MR. DINN: Mr. Speaker, yesterday afternoon at the eleventh hour, around two o'clock, the Mayor of the City of St. John's called me in my office and asked if I would meet with them to discuss -

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MR. ROBERTS:

What did she call the minister?

MR. DINN:

- to discuss Bill 101.

Mr. Dinn: Now I was absolutely delighted to hear from the Mayor, and set up a meeting for as soon as she could get her officials together, which was 5:00 o'clock yesterday afternoon, and I met with her, and Councillor Riche. And one might note that to get the Mayor and one Councillor from City Council to come into a very important meeting such as this is another idea of where the interest and concern is. So they came in yesterday afternoon at 5:00 o'clock. We discussed Bill 101 from 5:00 o'clock until 6:00 o'clock, at which point in time the Mayor was concerned about one or two points in the bill, and we said we would get back to her on that. Outside of that she said she was delighted to be able to have been given the opportunity to meet with the minister and my deputy minister, and she seemed very happy at that point in time.

So I do not know, Mr. Speaker, where this kerfluffle is starting or coming from.

MR. ROBERTS: A further supplementary, Sir.

MR. SPEAKER: A further supplementary.

MR. ROBERTS: It is obvious the minister does not know this and many other things, and again we will find out. Mr. Speaker, can the minister tell us what representations, if any, have been received from the other municipalities within the St. John's regional area, either directly or through the Federation of Municipalities?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. DINN: Mr. Speaker, every municipality was invited. As a matter of fact, in the last two meetings held by the Federation of Municipalities, concerned citizens committees were invited to attend meetings at Holiday Inn and Airport Inn to discuss regional government and different aspects of it. To my knowledge every municipality that was invited came to those meetings and discussed, in great detail, regional government for the St. John's urban region.

MR. ROBERTS: Mr. Speaker, the minister, of course, did not answer the question, but he has that right. Let me then try him another one as he is dodging giving us any substantive information. He is just being

Mr. Roberts: argumentative. Have the other municipalities, in other words, those other than the City of St. John's, concurred with all of the principles embodied in this bill now before the House?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. DINN: Yes, Mr. Speaker, all to my knowledge have agreed with regional government. Holyrood, as a particular municipality, do not agree that they should be part of the St. John's urban region. There are one or two minor exceptions. They did not disagree with regional government. They agreed in principle with regional government, but they did not think that it would affect them substantially. For example, the Town of Torbay, in their presentation to the Federation, indicated that well, they were not against regional government but it should not affect them in the long or short-term, so they were non-committal on it. But outside of that every municipality, to my knowledge, have agreed with and concurred with having a regional government in the region.

MR. ROBERTS: Mr. Speaker, again -

MR. SPEAKER: A final supplementary, the Leader of the Opposition.

MR. ROBERTS: Thank you, Sir. Again the minister did not answer the question. Again, let me try again, I said the principles embodied in the bill. Let me then put one to him specifically; How many of the municipalities have agreed with this Star Chamber concept of having - Star Chamber was an infamous court of inquisition which existed in Seventeenth Century England and it was not illegal, it was unjust and eventually was abolished. A king lost his head over it, and I would commend that example to the minister. The king happened to be named Charles, but there has never been a king Gerald - but, Mr. Speaker, how many of the municipalities have agreed with this infamous procedure of having one-third of them appointed by the Cabinet, given the Cabinet's propensity for appointing their political friends, if any?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. DINN: Mr. Speaker, as to whether any political friends will be appointed is a matter of conjecture right now.

MR. ROBERTS: Well!

MR. DINN: And we will find that out when they are appointed.

MR. ROBERTS: Right. Alex Walsh will probably be adviser to the board.

MR. FLIGHT: Mr. Speaker -

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: So none have agreed. None have agreed.

MR. SPEAKER: The hon. gentleman from LaPoile.

MR. NEARY: Mr. Speaker, I would like to ask the minister, in view of the fact, now, that the city, the Mayor and some of the councillors have met with the minister, would the minister consider withdrawing the bill from the House, because as the Leader of the Opposition indicated it is ridiculous to think of forcing the people in this area to support another layer of politicians, and instead adopt the metro system that they have in the City of Toronto? Under the metro system, as the minister knows, 3.5 million people are governed by the Metro Board, and here we are only talking about 150,000 people. Would the minister reconsider the matter and introduce the metro system like they have in Toronto instead of going ahead with this bill in this current sitting of the House?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. DINN: Mr. Speaker, at this point in time it would be totally irresponsible on my part to withdraw this bill -

SOME HON. MEMBERS: Hear, hear!

MR. DINN: - from the House of Assembly. Every council, every concerned citizens committee, all except the City of St. John's, who did not bother to attend any of those meetings, have concurred with regional government in the region.

SOME HON. MEMBERS: Hear, hear!

MR. DINN: I have no intention of withdrawing this bill from the House this year.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: A supplementary question, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the minister indicate to the House if the mayors and councillors that met with the minister's department, and met with the Federation of Mayors and Municipalities, if these councils held a referendum or gave the people in their communities, in their municipalities an opportunity to vote by secret ballot on this matter, or did they themselves just express and foist their own opinions on the people in their communities?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. DINN: Mr. Speaker, the hon. member for LaPoile (Mr. Neary) is calling into question now elected representation. You are elected to make decisions. We are not governing by referendum.

AN HON. MEMBER: Hear, hear!

MR. DINN: We are governing because of the virtue of being elected.

SOME HON. MEMBERS: Hear, hear!

MR. DINN: All of these elected councils came in, they presumably bring with them what their people want. They made their wishes known. I have got hundreds of letters down in my office with respect to regional government. I cannot remember having one not favouring it. And I have no dissenting vote in the whole, entire St. John's urban region for regional government. The only one that seems to be -

MR. NEARY: How about -

MR. DINN: - who is unaware, apparently, of what the people want in the St. John's urban region, the only dissenting vote I appear to be getting is the hon. member for LaPoile (Mr. Neary).

MR. NEARY: A supplementary question, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Is the minister saying then that the people in the area - generally speaking the minister has the feeling of the people in the area, and that the people themselves are in favour of setting up

Mr. Neary:

another layer of government so that we can have another group of politicians joyriding at their expense?

MR. DOODY: Certainly.

MR. NEARY: Is that what the minister is saying?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. DINN: How can one interpret regional government as another layer of government? This regional government will have the powers of metro board which is outside of all of the municipalities, those areas that have no council now, It is a local government that would have control of the metro area which is outside of any local councils. The local council will have their autonomy, that will be preserved, and we will have in place a regional authority to look after water systems, such as the \$40 million Bay Bulls Big Pond, and major sewer systems in the area. And if the hon. member thinks we should build them and let them rot in the ground then he has got another thing coming. There is more responsibility in government than that.

MR. NEARY: A final supplementary, Mr. Speaker.

MR. SPEAKER: A final supplementary.

MR. NEARY: Would the hon. minister tell the House if it is not possible, in order to look after this regional water system that is going to come onstream from Bay Bulls Big Pond, if it is not possible to accomplish the same thing by asking the municipalities to appoint one of their members to the Metro Board until such time, and the minister appoint the Chairman. I am not condemning him for that at the moment. and let the Chairman represent the incorporated group until they have a chance to form a municipality of their own? Would this not be the sensible thing to do? And that is why the minister should withdraw the bill.

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.



MR. DINN: Mr. Speaker, I am not allowed to ask the hon. member a question, but who would represent those places that are not incorporated?

MR. NEARY: The Chairman, I said. The Chairman would represent them.

MR. DINN: One representative appointed by the minister, shoving it down their throats, is that what you want us to do?

MR. NEARY: No. Not at all. Every -

MR. SPEAKER: The hon. member for Eagle River.

MR. STRACHAN: Mr. Speaker, I had a question for the Minister of Tourism but he is not here. I had a question for the Minister of Transportation but he is not here, and a question for the Minister of Mines and Energy and he is not here, and a question for the Minister of Social Services and he is not here. So the only thing I can do is ask the Minister of Fisheries a question. It is not a most important question, but there is information that the joint venture with the shrimp off Northern Newfoundland and Southern Labrador is to take place. Could the minister indicate whether this will go ahead, this joint venture in catching shrimp? And exactly to what extent will it be, this joint venture in catching shrimp in that area?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, the joint venture referred to by my friend for Eagle River (Mr. Strachan) is one involving Fishery Products Limited, and I believe some Norwegian fishing ship owners. My understanding of it is that it is really an experiment. They are finding out, first of all, the extent of the shrimp stocks in the area, if in fact they are there in commercial quantities. We are hopeful that they are because if that is the case then it could very well transform quite drastically the plant, and the operation of Fishery Products in St. Anthony, and provide much more employment. But I am told the operation is going on, and like I said I am hoping that it will be successful.

MR. STRACHAN: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. STRACHAN: Could the minister indicate then whether there are any vessels available in Canada or available in this Province? I understand it will be prosecuted by two Norwegian vessels and I am wondering why two Norwegian vessels rather than vessels in this Province, which have been involved in similar kinds of operations? I believe they could be adapted or could certainly make use of the experience and talent that is here to be able to prosecute that shrimp fishery, using vessels of this Province rather than Norwegian vessels.

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, the decision to engage Norwegian vessels was made by a private company, concurred with by Ottawa, and while it may well be that there are Newfoundland vessels capable of undertaking that kind of an experiment, the company for their own reasons, and obviously again with the concurrence of Ottawa, have seen fit to engage these two Norwegian ships. I am afraid the Province did not have very much say in that particular aspect of it.

MR. STRACHAN: A further supplementary.

MR. SPEAKER: A further supplementary followed by the member for Windsor - Buchans.

MR. STRACHAN: The minister is stating that Ottawa is to blame essentially, but was it not also the policy of this administration, his department, a number of months ago, short months ago to engage in a joint venture scheme? And so therefore the administration has given its blessing essentially so that to blame totally Ottawa - I am just wondering whether we will tend to see more of these kinds of ventures rather than increase the ability of the Newfoundland fishermen to go and explore and to find out new fisheries in this Province? I am wondering if this trend is going to continue because it alarms me. I find it alarming to see this kind of trend using foreign vessels coming in.

MR. SPEAKER: The hon. minister.

MR. W. CARTER: I do not agree with the hon. member's suggestion that I am blaming Ottawa for this joint venture - certainly I am not. Maybe the word should be 'commending' Ottawa for it. I believe it is going to be a very worthwhile experiment and I believe the results will be very beneficial to the area concerned. I am told that the Norwegian ships and some of the members of the crew of those ships do have certain expertise in the shrimp fishery and I presume that is one of the benefits that Fishery Products are getting from the chartering of these two ships. But certainly it is not the policy of the government of Newfoundland to encourage the chartering of foreign ships when in fact Newfoundland ships are available to do the same job. And I am sure that once the experiment proves successful, as indeed I think it will, then any foreign effort involved in that fishery will be replaced by Canadian and, hopefully, Newfoundland fishing vessels.

MR. STRACHAN: Are you sure it is an effort?

MR. W. CARTER: And that is the stated objective of this government, to replace foreign effort with Canadian/Newfoundland effort.

MR. NEARY: A supplementary to this, Mr. Speaker.

MR. SPEAKER: One final supplementary and then the hon. gentlemen from Windsor - Buchans.

MR. NEARY: Mr. Speaker, would the Minister of Fisheries tell the House if this boat - and this relates to the question asked by my hon. friend - this 3,000 ton freezer ship that is going to be built by National Sea Products to operate in the Atlantic region to catch and freeze all species of the sea, if that ship will operate from a Newfoundland port? And if so, if this ship, apart from solving the problem my hon. friend is talking about, is this the kind of ship the minister has in mind for the future to replace the foreign ships? And also, would the minister tell the House if this kind of ship, like National Sea Products are building now, will eliminate the glut, the

MR. NEARY: dumping of fish that we see going on in this Province at the present time?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, the ship that the member is referring to, the freezer trawler being built by National Sea, certainly will be available, I suppose, to their Newfoundland operation. National Sea is becoming a very important and, I should say, a very good corporate citizen of this Province and they share our enthusiasm for the prospects in the fishery. But certainly that ship, I presume, will be involved in their Newfoundland operations as well.

MR. NEARY: Built in Marystown?

MR. W. CARTER: I presume Marystown will be given a chance to tender on that ship and, I suppose, all things being equal, if their price is right they will get it. That is not the type ship that you would involve in the shrimp fishery - that would be a larger ship.

MR. NEARY: What about the dumping of fish?

MR. W. CARTER: With respect to the dumping of fish, Mr. Speaker, that ship could very well help find a solution to that problem. But I should point out, Mr. Speaker, in reference to dumping of fish that at the present time the Island is literally surrounded by codfish. Fishermen all over the Province are doing extremely well.

MR. NEARY: Thank God we are surrounded by codfish!

MR. W. CARTER: Thank God we are surrounded by codfish, yes. The catches are good. In fact, in many cases they are too good and fishermen are not able to haul their traps and find a market for it. We have recently had discussions with the local companies including Mr. Morrow of National Sea, and that company is quite willing to deploy the draggers that would normally land their fish in the St. John's plant, they are willing now to deploy those draggers elsewhere and make their St. John's operation available for the inshore trap fishermen, and that we think, will have the effect of looking after the catches of the

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MR. W. CARTER: fishermen in the immediate area.  
MR. NEARY: But in time to save the trap fishery?  
Will it be too late?  
MR. W. CARTER: Well, they are doing it now.  
MR. NEARY: Right away?  
MR. W. CARTER: They are doing it now.

ORDERS OF THE DAY

MR. HICKMAN: Order 13.  
Motion, second reading of a bill,  
"An Act To Amend The Liquor Control Act, 1973," (Bill No. 120).  
MR. SPEAKER: The hon. Minister of Finance.  
MR. DOODY: Thank you, Mr. Speaker. This Act  
is really a tightening of the regulations that control the sale  
of alcoholic beverages in the Province. Part of this Act was on the  
Order Paper last year, but I deliberately let it slide off because  
some of the more important items that I felt should be in it were not  
in it. What it really was last year was a cleaning up of the old  
Act and taking out a lot of things such as the old script system  
whereby you needed a doctor's certificate during prohibition days  
to get alcohol and so on. But it did not deal with, I think, what I  
thought at the time were the two most important items; one was the  
trouble the police were having with trying to get a definition of  
drinking in a public place. Right now as it stands people can drink  
in their motor cars or drink on the steps of buildings, and perhaps in  
the lobbies of buildings and so on, and while the Trespass Act, I suppose,  
can control it to a certain extent it is the alcoholic situation that  
we are more concerned with handling and that is covered in this particular  
Act and covered very well. And I think you will find that in the Act  
hon. members have before them it is not defined as well as it will be  
because there is an amendment which has to go in there to further define it.  
And I hope the Clerk has the amendment. It will be (P.1). I am trying to  
locate it here.

MR. DOODY: But in any event the second important item is the tightening up of the regulations controlling the sale of liquor to young people, and I think that is of vital importance. This Act very clearly puts the onus on the proprietor of the club with regard to the sale of liquor to young people. Right now they very often say, 'Well, they told me they were nineteen,' or 'They told me they were twenty-one,' and they had this piece of paper with them, and so on, which they said demonstrates the fact that they are of age. Right now the responsibility is not on the customer, it is on the owner and the owner has to be able to - if the person to whom they sell alcohol proves to be under the drinking age then that is the responsibility of the owner of the club and so on. I think that this will have the desired effect of cutting down on the amount of liquor or the incidence of liquor consumption by people who are underage because I think that this is a major concern and a major consideration. It certainly is not the answer, there is a great deal more that has to be done in this regard. In the time that was available to us we got this much done here. In the clause by clause thing if hon. members wish to ask other questions, of course, we can go through it. The Departments of Health and

MR. BOODY: Rehabilitation, together with the federal government of course, are working on the overall drinking problem and trying to find ways and means of curbing it, particularly in the area of advertising. I think that the advertising section of it is a very pertinent one. Some of the rules and regulations which have been suggested by the federal government, and which are being considered by the provinces through the appropriate departments and through the various liquor corporations, are reasonable and sensible and worthwhile. I think the most important one that has been advocated, and one which we heartily endorse, is the lifestyle advertising thing, whereby it is portrayed on television or in magazines or what not that if you have a bottle of beer in your hand or a glass of booze in your hand you are automatically going to become a great athlete or you are going to have all the grand things in this world, the fancy motor boats and grand motor cars and everybody is automatically happy providing they got this glass in their hand. The elimination of this lifestyle advertising, as they call it, and perhaps their replacement by a straight sales pitch for a particular brand, making it quite clear that this is not the panacea and the answer, necessarily, to a good life. I think is a very worthwhile one.

Another item that the federal government is contemplating, and one which I think they are going to have a great deal more difficulty with, is the labelling of alcoholic spirits, the same way that cigarettes are now labelled to the extent that the contents of this bottle may be injurious to your health. And while that in

Mr. DODDY: theory is a good plan, and it can very easily be enforced on those wines and liquors and beers that are produced in Canada, I find it rather difficult to imagine some of the French wine companies or some of the Scotch whiskey companies going along with the labelling of their product just for the Canadian market. They may find a way around that. I hope that they cannot.

And on the advertising end of it, of course, the biggest problem is not going to be with the Canadian advertising. The governments involved, the senior government and the provincial governments can agree as much as they like on the regulation of advertising on television or in magazines or on radio, but the major problem is how to cope with the same thing in the United States of America, in their advertising. The advertising done on Canadian television is relatively limited in its impact on the market compared to American television. The vast consuming community in Canada are exposed daily to the American television stations and these are the people in Montreal, Toronto and indeed in just about all of Canada with the exception of Newfoundland and a few of the more remote places. They get the advantage or the disadvantage of the American mass media and how that can be coped with is a problem that has been discussed at several meetings and I am afraid that no solution has been arrived at.

I do believe that the only way it can be done effectively is by joint concern and joint control by the United States and Canada. Hopefully they will work out a solution to the advertising problem because



MR. DOODY: I think that is the problem.

The amendment that I hope one of my colleagues will move at the appropriate time, is an amendment in section 1 of the act which will be initialed (F.1) and it says, "establishment means a lounge, restaurant, tavern, club, hotel, motel, tourist home or military mess," and then we insert the following after that which is what is listed in here. And this gives the inspectors more latitude in identifying an establishment because right now there are so many different classifications that some of the owners manage to winkle out under the fact that ours is a restaurant licence, or ours is a lounge licence and you know what is an establishment sort of thing. So that will just make it a little bit more sensible.

We have a long ways to go, I think, in this area but I think that education is going to be the answer more than legislation. I think it has been demonstrated over and over again that you cannot legislate morality. That was demonstrated very effectively and with great social and other consequences during the prohibition days. As I have said before the only thing that prohibition really did was turn a lot of honest people into crooks and turn a lot of crooks into millionaires. And so I think rehabilitation and education are going to be the answers. But in the meantime, of course, these liquor establishments have got to be more stringently regulated. I think, also, we have got to take a look at the proliferation of liquor establishments.

MR. GOODY: In many parts of the Province there are far too many, and I think that that area has got to be looked at over the next year and it has got to be revamped. I think that the qualifications, as it were, should be tightened up for people who apply for the distribution and sale of alcoholic beverages. That hopefully will come from a study that is now being done by the Board of Licour Control which is somewhat different from the commission, the licencing commission whose regulations we are amending here under this particular act.

And so, Sir, I move second reading of this particular bill and, as I say, we can discuss it in greater length at the House's pleasure.

MR. STRACHAN: Mr. Speaker, if I may. I agree with some of the things that the minister is saying but I still feel that in many areas there are some things wrong with the business of the sale of alcohol. And I know from personal experience that some of the - one thing I can agree with, you cannot legislate, there is no way in the world that one can legislate the reduced sale of alcohol or whatever way you want to do it. I know there are certain sections, or group sectors in the Province who have been advocating the prohibition of alcohol in Labrador for instance, total prohibition of alcohol. As far as I am concerned that is a very easy thing to say but when there was prohibition in effect some years ago - it has only been six years now that the curtailment on the sale of yeast in Labrador was lifted. Prior to that one could only get so many packets of yeast per week

MR. STRACHAN: because people were making home brew. Because they did not have rights like any other citizens to procure alcoholic beverages, and so on, they therefore made their own and the problem was just compounded equally greater because of these kinds of prohibition rules.

Now what has happened is that it is all opened up so wide that I think it has gone too far and the whole essence of it now is totally on a programme of education. But how do you carry out a programme of education unless you have some funds to carry out the programme of education? And my argument is that the Province makes a great deal of money from the sale of alcohol and yet returns to the Alcohol and Drug Foundation, and to education in schools, and education on television and commercial advertising, very little money, in respect of the amount of money accrued through taxes, to try to educate people and to counteract the idea that one in order to be social must drink and in many cases, of course, drink to excess.

I feel that there are a number of things wrong there. In fact the people in Happy Valley - Goose Bay, have been trying for some time to set up a foundation, a very needed foundation in Labrador for the purpose of trying to help people who have real problems. But only they can help themselves. I think there is no way that any do gooder society, or do gooder group can come in and do anything for anyone who is essentially an alcoholic or suffers from the ravages of alcohol. Finally you come to the conclusion that one needs to help one's self and be able to go to people who can assist. And the only people who can assist are the people who have been

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MR. STEPHAN:

down that road before. That is why we need the benefits of the Alcoholics Anonymous Society. They are the only society I feel who have any ability to really get to the root of the problem. I think any other group entering into that field, of course, tends to be very moralistic and tends to preach and often do far more harm than good.

However, the essence of this bill is in the restrictions on people who sell alcohol and alcoholic beverages, both lounge, tavern and so on. And there are a number of anomalies here. I know from experience because I run a small hotel. I know that for my part, and certainly my wife's part, we would love to stop selling alcohol tomorrow just because selling alcohol always tends to be a business which is full of

MR. STRACHAN: Harassment, generally.

However it seems that the only way that hotels or any other groups can function and can operate profitably in this Province is through the addition of a lounge or club to property, to their business. Unless they have a lounge, or club, or dance hall selling alcohol, most hotels in this Province would have to close down tomorrow. One can make tremendous profits - I do not say tremendous, but one can make fairly good profits because the profit margin in alcohol is high. Although it is not that high it is fairly high compared to the profits that one can make on the sale of food, for instance. People will be prepared to spend anywhere from \$15 to \$20, to \$25 in an evening for alcoholic beverages yet will not be prepared to spend any more than \$7 or \$8 on food with the result one has got to boost up one's sales of alcohol in order to keep in business. And this is true for almost every hotel in this Province. I think even the Newfoundland Hotel, for instance, if it had to close down its liquor establishment would find that almost immediately it would start to lose money and would start to go under. And so what we have is a society built around the fact that one has to, for profit alone, just to keep in business, if one is getting into the hotel or restaurant area, one has got to get into the liquor business and try to sell liquor in order to stay in business otherwise one would be out of business totally. And I know, for instance, in our own business if we did not have the sale of alcohol we would also have to close down and as would most of the other clubs and hotels right across this Province. So it is obvious there are anomalies here, that the people themselves are prepared to spend that kind of money and therefore make it lucrative for people to get into that kind of business. There seems to be a tremendous proliferation of taverns being set up to try and cream the money off people and then close down, burn down or whatever you want to do, get out of business, change it all into cash and abscond with it all and to hell with the consequences.

MR. STRACHAN: I feel most definitely that people who own taverns, lounges, clubs and so on should be strictly legislated and strictly controlled. I feel very clearly that the onus of responsibility is on the club owner, the tavern owner, the onus is on him to police his own establishment and to run that establishment in a way which is in good keeping with the morals and the laws which are set down in this Province. And far too often this is not done. People just leave it wide open, allow people to carry on any kind of activities, drink under age, drink after hours. There seems to be a freedom here and this freedom is creating a tremendous wreck and havoc on the people of this Province because alcoholism is probably the greatest disease now affecting people in this Province and elsewhere in North America. And I would agree that some of the sections here in the clause to clause—we probably might get into it—some of the sections here attempt to do this but in essence in the end it is going to require that people be penalized very severely if breaches occur under this bill here.

I know it is a very difficult situation to try to assess because many people in many cases will make any attempt whatsoever to obtain alcohol. They will lie or cheat or do various things in order to try and get into an establishment, or try to obtain alcohol one way or another - people who desperately need it - with the result the owners and so on are constantly open to accusations and open to offences which they cannot control or they have overlooked, or they have not seen, or some such thing. And I think there has to be some sense in applying this kind of legislation. It cannot be taken in isolation and just applied. There has to be some sense in applying this kind of legislation otherwise one can get a ridiculous kind of law. But at the same time it abhors me that many clubs, for instance, tend to pour alcohol down people's throats and then if there is any trouble call in the

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MR. STRACHAN: RCMP. In other words, they will not police their own establishments. And I think it is totally wrong when clubs of this nature are prepared to do that kind of thing. I think it is absolutely wrong, they should be hauled into court. And I think that even fining people is not enough I think the only way to do it, in essence, in the end, is to remove their license.

I think the qualification for license section here indicates that people's license can be withdrawn and I think it should be. I know from experience. For instance, we run a hotel and we run a bar in a native community in this Province and we are open two hours a night. I know that even now we are subjected to intense pressure by certain groups and so on who tend to feel that prohibition is the answer and the only answer. And of course I just do not believe it and neither do the police nor some of the other authorities because it will not work. And I feel that in this essence one has got to run an establishment with social and community conscience. And I also noticed here that there is a section in this law which also states that one must run it with regard to the wishes of the community and the public in the area and run it in line with that. And that is why, for instance, we have to realize the problem and realize we must educate people to drink, educate people not to drink to oblivion, not to drink to become absolutely drunk and fall around but to drink so that they will socialize, they will be pleasant, they will meet people. And there is no question about it that establishments in which one drinks alcohol are establishments, - in fact, some of the few establishments in this Province, and in communities in this Province where people can meet other people. I know for instance in the community we are in, and other communities too, that before we had the establishment there people would come in and would not meet anybody else. Be they ministers of government or be they anyone else they would come in and they

MR. STRACHAN: would be set away in one part of the community to meet the hierarchy of the community and they would leave and they would never meet the ordinary people of the community. And I find that almost every day through social drinking one can meet people and start to cross-fertilize ideas and start talking about situations and find out far more about the community and about the people's wishes and desires than one could if one was stuck away in a home somewhere and was in for a day and gone for a day. And I feel from this point of view it has often pleased me to sit down and see, for instance, The magistrate, after court was over, sitting with an RCMP officer or sitting with two hunters and a fisherman and a settler and various people, sitting around a table meeting and discussing and so on and that kind of a situation. To me that is heartening.

Before the establishment was purely an area where the magistrate was on a pedestal and he came in and left and the RCMP kept to themselves as did the teachers and so on.

So I think there are certain benefits to be gained from a social mix but the thing is how do you control it?

How do you keep it in such a way that people will learn that social drinking - and I mean it in its broadest term - social drinking is not a sin as such and therefore it can be carried out in an atmosphere which will help people to get together and move together and exchange ideas. At the same time there must be impositions placed on these establishments where their concern is the profit motive. And if they pour the alcohol down people then flick them out I think the onus of responsibility must be on them, absolutely and without question. We have held with this ourselves. I feel that these establishments should be closed or certainly fined a fairly substantial fine. I know, for instance, in Britain that if someone goes into a tavern - I read of a case where someone went into a - I do not know if



MR. STRACHAN: this is the case in this Province here - and becomes drunk to the point that one cannot walk or is falling around and leaves that tavern and is struck for instance by a motor car that the tavern owner is liable and responsible. I do not know if it is the same in this Province, but there is merit to it and the tavern owner, if he is going to keep pouring alcohol into a man to take his money off him, therefore must be responsible for whatever occurs to that man afterwards. Now I think there are limitations to that. Obviously, all impaired drivers are not the responsibility of the tavern owners but I think there are certain responsibilities that should be put upon the tavern owners.

MR. HICKMAN: As a result of legislation -  
It seems to me Ontario for instance, has it.

MR. STRACHAN: Does it?

MR. HICKMAN: They hold the tavern proprietor liable under the circumstances outlined by the hon. member.

MR. STRACHAN: So I believe very clearly in some of these principles, have applied them

MR. STRACHAN: and very strictly so. I know for our own case our real problem is in dealing with native people. The native people for instance will often be very sociable over three or four drinks and then all of a sudden, just in a matter of seconds will be incapable, totally incapable, with the result that one is never sure exactly of how to handle them.

MR. DOODY: We Irish have a similar reaction.

MR. STRACHAN: Yes, I imagine. I do not think it is only purely the native people, I think other people are the same. I mean, many people do, they get to the stage where they manage to - take some drinks and then they just totally fall apart.

MR. STRACHAN: But I still believe that in this case here that there is an onus of responsibility on the tavern owner and that he should know or should be familiar enough or should, in some cases, be responsible for what happens to a person afterwards and not just bail people out or throw them out.

The whole thing, however, hinges on education and I do not think you can legislate a lot of this. The whole thing is in education. And again the bill is fine. It gives some powers of authority, powers of control. But at the same time I think the area which is missing totally is the fact that the Province gains so much money through alcohol sales and yet returns so little to the foundations and to educational authorities and to the schools and to advertising, unlimited advertising. And this is where the crux of it is, that if they were really interested in trying to do something on this serious problem of alcohol and alcoholism then I think the only way it can be done is by the expenditure of money and not by tighter and tighter legislation. And that is the only process, the expenditure of money. And it would be interesting to see if we could manage to get something to free up some of the money that is brought in, because it is a shame the amount of money that is

MR. STRACHAN: being spent on the Alcohol Foundation. What is given back to them is a small pittance compared to the amount of revenue that is gained. I know for instance at Happy Valley - Goose Bay, a group there who have nothing at all wanted a loan, wanted some funding to the tune of \$90,000 or \$70,000 - maybe the Minister of Health would know more about it - and had great difficulty trying to get these funds because this money was not available. And yet what I am stating is that out of that whole area there must be countless hundreds of thousands of dollars gathered in the form of taxes.

MR. R. COLLINS: I understood that Happy Valley had to be funded through the federal government until recently.

MR. STRACHAN: I believe recently, but still it is the same. The amount of money they get is so small compared to the amount of revenue that is taken into the Province. There is something like a set figure of say 10 or 15 or 20 per cent of the amount of revenue coming in that should be automatically given back, some set figure rather than keep accruing the profits and just passing back small sums of money, because \$50,000 or \$70,000 is a pittance compared to the amount of revenue which is gained from alcohol sales in this Province. So a percentage of this should go back to community groups, should go back to drug and alcohol foundation groups in order that they can carry out their work in reasonable surroundings and offer an alternative to social drink and to people who cannot drink, who cannot handle alcohol.

Where does one go, for instance, if you do not drink alcohol or cannot drink alcohol because you are alcoholic through no fault of your own, because it is an illness as such - where does one go in order to socialize and meet? There are very few places in this Province that one can go. Unless you play curling or sport or some form like that there is no place that one can go in which there is not the pressure of having to have a drink. And it is so widespread that the word 'drink' almost automatically means not a drink of milk or a drink of water or a soft drink, it means alcohol, with the result that

MR. STRACHAN: that person is pressured almost totally and continuously to put in his hand a glass of rum or whiskey or something in order to be one of the mob or one of the group and to partake. And for someone who is an alcoholic it is extremely difficult to be able to socialize and meet people in some area where they can have friendly surroundings without having this pressure of having to conform and drink. And the only way it can be done is by the expenditure of money. And the bill is fine as such, but I would like to see a set sum of money, a set percentage of the revenue accrued to this Province from alcohol sales turned back over to these groups and foundations in order to be able to set up some establishments on a proper basis and really tackle the problem with good education, good advertising and remove some of the advertising that is on television. The advertising campaign against smoking, for instance, has done a tremendous job right across the country. Even though we try many times and fail, it can do a tremendous job. Surely a concerted programme of advertising, spending some of the dollars which have accrued through alcohol sales and direct them to people - I do not say wipe out drinking, one does not want to wipe out drinking. What one wants to do is try to educate people that there is a level to drink too and there is a social level and a moral level that one must maintain. And therefore this can only be done by education in schools at the higher level, through advertising programmes and television, and to remove some of the programmes that the minister is talking about in which in order to be a he-man one has to drink a certain kind of beer or a certain kind of scotch and so on, whatever it is. It is totally wrong. I notice that Segrams, for instance, are now starting a programme themselves. The distillers who are producing are now starting a programme themselves. In some advertisements in the back of some journals you will notice they are starting to talk now about not drinking to excess and so on. And obviously, then, they have caught on to the fact that they must, in order to stop legislation - prohibitive legislation - they must start

MR. STRACHAN: selling the idea that to drink to excess is wrong and therefore, to drink socially and to a certain level is the way to go. So I think it is the only thing that can be done and that is all I wish to say on this bill.

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

MR. NEARY: Mr. Speaker, I am sure that there are a number of people in this House and in this Province who could give my hon. friend a good argument, Sir, on social drinking and the fact that you have to go out to clubs to socialize and meet people and make decisions. It is unfortunate, Sir, it is unfortunate indeed that that is where most of the decisions that are made, not only in this Province, but in other provinces of Canada and made in the nation, are made in taverns and bistros and clubs and restaurants where people get more loose tongued when they bend the elbow a little bit. That is unfortunate.

MR. STRACHAN: Where can you go?

MR. NEARY: I beg your pardon?

MR. STRACHAN: Because there are no other places to go.

MR. NEARY: Well, Mr. Speaker, the hon. gentleman says there are no other places to go, Sir. Before we got the clubs and the Brewers Retail outlets and the liquor stores and the dives that we have in this Province, people were more social than they are today. They used to visit one another in their homes. But with the advent of television and all kinds of outlets for booze and so forth, we have less socializing today, less visiting your neighbours, less communicating with people than we have ever had in our lives. And if we have to go to taverns and clubs to do it I would say God help the nation and the Province if that is where you have to go to get a few under your belt before you can loosen up and talk. And my hon. friend made some interesting points, but the most important aspect of this bill, Sir, the most important aspect of the bill is - I think I could claim an assist, Mr. Speaker, on this, and that is defining a public place. I think you

MR. NEARY: could call this the Neary Amendment, because I was probably the only member of the House who wrote the Minister of Justice last year advocating that there should be a definition of a public place as far as alcoholic beverages and beer in this Province is concerned. There was no definition up to now of a public place. And the big problem, Sir, in this Province with teenage drinking - and that is where it seems to be cropping up more and more every day -

MR. FLIGHT: They lowered the drinking age.

MR. NEARY: I beg your pardon?

AN HON. MEMBER: The big problem is that they lowered the drinking age to twenty-one.

MR. NEARY: Well, they may have lowered the drinking age, but the big problem with teenage drinking was that the law enforcement officers were not able to apprehend, or were not able to force the law as far as teenagers were concerned when they were in motor vehicles for instance. They could go down to the Brewers Retail, they could send in one of their buddies who was nineteen years of age, bring out a case of beer, put it in a car, drive up, park the car outside of a dance hall, a parish dance hall, and the RCMP or the Newfoundland Constabulary, the law enforcement officers could come along and they could not lay a finger on them because it was not defined as a public place. They could thumb up their noses at the law enforcement officers. And that is the reason for this change, Sir. That is the most important amendment to this bill, by the way, a definition of a public place

MR. NEARY: and I am sure that this will be welcome news for the law enforcement officers of this Province, especially the RCMP.

MR. DOODY: How about the parish?

MR. NEARY: And a lot of the trouble that we have at teenage dances is caused by that very thing.

"r. Speaker. You could call the law enforcement officers to come down you were having trouble at teenage dances, they would come down, there were groups of them in cars with a case of beer and the RCMP up to now could not lay a finger on them because it was not a public place. And this is an extremely important amendment and I am all for it because I have had discussions with the RCMP over this matter and I was so motivated by their hands being tied behind their backs in this particular matter that I took it upon myself to write the Minister of Justice and ask that the act be amended at the earliest possible date so that this situation can be rectified.

So now we have the amendment before the House and I am going to vote for it. This piece of legislation is probably one of the better pieces of legislation brought before this session of the House.

Now the minister referred -

MR. SPEAKER: Order, please! I have been notified by the Clerk that we must adjourn for about five or ten minutes. We are having trouble with the sound system and you are not being recorded.

MR. NEARY: Oh this must be recorded for posterity, Sir.

MR. SPEAKER: I will now adjourn for five or ten minutes.

MR. CHAIRMAN: Order, please!

The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I apologize, Sir, for breaking the PA system, the recording system. I understand that this is the first time in the history of the House that the system went out of commission when a member was speaking. And the irony of it, Sir, that we should be speaking on a liquor bill when the system conked out. And so, Mr. Speaker, I will just carry on now. I hope that my few remarks are being recorded for posterity.

I was saying, Sir, that - talking about socializing, there was more socializing, Sir, in the old days than there is now, and I am not one of these people who advocates prohibition, but I would say this, Sir, that there is too much of this, and we get it from the television too, there is too much of this being led to believe that in order to socialize that you must be seen with a glass in your hand.

MR. SIMMONS: Mr. Speaker, on a point of order, Sir.

MR. SPEAKER: A point of order has been raised.

MR. SIMMONS: Mr. Speaker, my good friend and colleague from LaPoile (Mr. Neary) is making some excellent points and I believe the least we could ask is that there be a quorum in the House to hear him. Could we have a quorum call please?

MR. SPEAKER: A quorum.



MR. SPEAKER: Is there a quorum present?

There is a quorum present.

The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I do not know how Hansard is going to record my few remarks that I am making. I am sure they are going to be disjointed. First a break down in the system, now a quorum call. Now it is hard for me to maintain the trend of thought that I am on, Mr. Speaker, but I was -

MR. H. COLLINS: It makes one wonder what you have in that glass?

MR. NEARY: What I was really leading up to, Sir, when I was talking about socializing and how, so we have been told, that people today in order to socialize and to make decisions and get loose-tongued have to go into clubs and restaurants and hotels and get a few under the belt to loosen them up, and then they become a big shot and then they can make decisions and enjoy one another's company a little more.

I do not know if people, when they are sober, whether they can tolerate one another or not, or if that is the reason they have to socialize and get a few under their belts. But I kind of like the old way myself. If you want to enjoy your family, take your little boy by the hand and take him down to a hockey game, or take him out by the side of a pond and show him how to fish, or buy him a baseball glove and go out and throw a few balls, teach him how to catch the ball out in your back yard, have a little game of forty-fives in your home, a game of growl in your home and have a dance in the parish hall where you serve lemonade and a few sandwiches. In my opinion, Sir, it would be far better to have milk parties, to serve milk. And I spoke to the National Dairymen's

MR. NEARY: Association the other day and I suggested to them that instead of coffee breaks have milk breaks and that if they were to put on the same kind of campaign that the whiskey producers put on and the beer producers put on, that maybe they would have people drinking milk instead of drinking beer and pop and whiskey and booze. It is unfortunate that the propoganda emanates from the beer joints, the beer barrans of this Nation and of this Province, and from the whiskey distillers.

MR. YOUNG: Sour milk instead of whiskey sour.

MR. NEARY: Well that is right and there are all kinds of ways that you can serve milk, milk shakes and all sorts of things. But, Sir, I do not go for this idea of, you know, having to have a few under your belt before you can socialize. I mean that is all right for the people who, I suppose, are in the business but for a fellow like myself, a reformed alcoholic I suppose you could call me, I am not going to -

AN HON. MEMBER: The worst kind.

MR. NEARY: No it is not the worst kind.

AN HON. MEMBER: Yes it is.

MR. NEARY: No I still take the odd glass of wine but - the tragic part of it, Sir, is this, that every time you turn on your television this is thrown at you. For instance - and not only that but apart from the advertising that is directly pumped out, you know, during hockey games and that sort of thing - for instance people who spend all their time in the afternoon watching Another World, and one of the actors, one of the principals in Another World happens to have another conquest with a

MR. NEARY: young lady and cuts another notch in a beam, just as they get out of the sack the very first thing they have to have is a glass of beer or a glass of whiskey. And the same thing applies to detective stories, and there are quite a few of these on television, that once they solve the crime, once they have cracked the case they have to have a cocktail. They have to be shown then at the end of the thing, after all the mystery, and all this excitement, they are shown then at the end of the programme with a cocktail in their hand celebrating the fact that they managed to crack the case.

And the same way if you win the Stanley Cup, if you win in sports, you have to fill her up with champagne.

MR. DOODY: Its a wonder they do not fill it up with Molson.

MR. NEARY: That is right, Sir, you have to fill her up with champagne and then the cameras are brought into the dressing rooms and here you have all the young people in the nation watching this and they say, "Well boy how do you enjoy the victory?" "Oh, it is great boy," gulping down the champagne, and gets stoned out of their mind. And then they are shown later, or reported in the newspapers or on the radio and television as - they had a great party, great celebrations, everybody got stoned out of their mind. They do not remember a thing about it but we had a great time. We won the trophy. We won the championship and we had a great time for ourselves.

And you can go on and on. If some corporation manages to get an agreement, manages to get a good order or something, how do they celebrate it? With cocktails, have a party, invite all the employees

MR. NEARY: in, pass out free beer and free booze. Is it any wonder, Sir, is it any wonder, Mr. Speaker, that we have the problem that we have in our society today with alcohol. It is the greatest curse to our society and it is becoming increasingly worse and unfortunately it is hitting our teenagers harder at the present time than anybody else.

And, Mr. Speaker, I am not advocating prohibition. But I notice, and perhaps the minister could comment on this, that over in Prince Edward Island yesterday, the Legislature, the House of Assembly in Prince Edward Island brought in an act banning advertising on television, whether it be cable television or whether it be normal, regular television, and banning advertising on radio and in newspapers.

Now there is going to be quite a fuss about it. I hear, according to the late night news last evening, that it was the Government of Canada that gave the authority, gave the licence to the television stations to advertise alcoholic beverages and it is the Province now that is advocating a blackout in Prince Edward Island. They can only deal within their own provincial boundaries, with advertising within their own boundaries, and they have now passed an act of the Provincial Legislature of Prince Edward Island that all advertising for alcoholic beverages in Prince Edward Island be blacked off the television, blacked out. I think it is about time, Sir, that we took a look at similar legislation in this Province.

Now the Minister of Justice on a number of occasions told me that this was federal

MR. NEARY: jurisdiction. But what the minister did not tell us is that there is a case being tested in the court over in Nova Scotia and that case has been going on now for a year or two. It will probably go on for another couple of years, as long as the lawyers - they will milk it for everything it is worth. But so far there has been no decision. And when there is no decision then the Province has just as much right and just as much authority to claim jurisdiction as the Government of Canada has. There is no decision at the moment, Mr. Speaker. Your Honour is aware of that, being a learned gentleman. There is a stalemate, no decision, the matter is before the Supreme Court of Canada and until that is decided then the Provinces have just as much right to enforce the blackout on all advertising of alcoholic beverages within provincial boundaries as the Government of Canada has.

So I would like to get the minister's views on that. I know, Sir, you are going to hear a howl from Molson's, and the people who sponsor the hockey game. Somehow or other the Canadian people have been brainwashed into believing that the only way you will see a hockey game on television is - Could my hon. friend just keep it down a little bit?

AN HON. MEMBER: Sorry!

MR. NEARY: - that the only way you can see a hockey game on television is

Mr. Neary: if it is sponsored by one of the breweries or one of the producers of liquor and alcohol in this country, and that is not so, Sir. This should be provided as a public service. We have the CBC, Canadian Broadcasting Corporation and it is owned by the people of this country, and they should provide it as a public service to the people of Canada, all sports and recreation. They show other sports and recreation activities on television and other foolish things on the CBC, and I am sure that they could conserve a few dollars on some of the crap that they have on and use it to bring a little sport and recreation. Junk. It would turn your stomach, it would make you sick to your stomach. No wonder they are having an investigation into the Canadian Broadcasting Corporation in Canada. When you look at some of the junk and some of the crap that they put on, especially Canadian content, you know, people are forced then to turn over and are forced to watch these commercials, and forced to watch crime and violence on television, and is it any wonder.

Mr. Speaker, a couple of weeks ago there was a certain gentleman who resigned from the House, and an owner of a television station in this Province spent I believe from 3:00 o'clock in the afternoon until about 6:00 o'clock in the morning repeating over and over and over again a conference that was being held down here at one of the hotels, in which the hon. gentleman was guest speaker, I heard the speech three times myself, But to turn over to CBC, you only had one choice, you either had to watch that or you turned over to CBC. And what was on the CBC? About the most foolish programme, it was one of these Canadian productions, it was supposed to be a mystery programme of some kind -

MR. DOODY: It is a mystery to me how they get on.

MR. NEARY: And it is a mystery to me how they get away with putting that kind of stuff on. And so instead of the childrens' programmes -

MR. DOODY: The Canadian programmes, you can classify them by the language. If the language is vulgar then they are Canadian programmes.

MR. NEARY: Well that is right! That is right, Sir! And instead of the Childrens' Hour that was supposed to be on that particular time in the day, and every housewife and every child in the Province going right out of their minds going bonkers because they could not see their favourite programmes, were forced to watch this crap that the CBC had on that evening, Canadian content it is called. And the filthier you are, the more foul the language that you can use in these programmes the more popular they are supposed to be.

MR. H. COLLINS: They get a higher rating.

MR. NEARY: The higher the rating they get, and the more they get paid for polluting the minds, especially of the young people of this nation.

So, Mr. Speaker, I know that over in Prince Edward Island they are going to have a row on their hands. It has been indicated now that the distillers and the beer barons are going to take on the Government of PEI and say, "Mr. government of PEI you cannot black out our commercials because we have got a licence from the - and the T.V. stations and the radio stations - because we have got a licence from the Government of Canada to carry on.

MR. DOODY: The Government of Canada would like to pass on the responsibility to the provinces.

MR. NEARY: That has not been decided yet. There is a case before the Supreme Court, and the Supreme Court of Canada will decide. But up to now the responsibility lies with the Provincial Government just as much as it lies with the Government of Canada.

MR. DOODY: It does not make any difference to Newfoundland because we can control it here, we do not have any overseas broadcasting or telecasting. But the other provinces are in a real quandry, they cannot control what comes over the border.

MR. NEARY: Mr. Speaker, I know there will be an argument too in PEI. as well as in Newfoundland or in any other province, that the television stations will not be able to survive without the booze, without the advertisements. And I know that the owners of these

Mr. Neary: stations would probably come down on me like a ton of brick for saying that they can survive without this advertising, and they will survive, and they will survive in PEI and they will survive in any other province. So this matter of clamping down on the advertising is something that the government and the minister should take a good hard look at.

Now, Mr. Speaker, we have been talking in this House for sometime past about the problem of alcoholism in this Province, and we do know that Newfoundland and Newfoundlanders lead the whole nation in their consumption, per capita consumption of beer. And, you know, Mr. Speaker, here is another thing that gets my dander up, and I would not have anything to do with making a living at peddling booze or beer. I do not think anybody was ever successful at it. I think eventually it catches up with them. I have seen men in my time make a lot of money from lounges and clubs and taverns and beer joints, they made a lot of money, and where did they end up, Mr. Speaker? They ended up, sometimes, alcoholics themselves or they ended up coming to some kind of a violent end. I do not think that the money you make at peddling booze or beer or liquor or alcohol of any kind is really any good to you. And there are some good men, and some good women in the tavern business, and in the nightclub business, and in the lounge business, but somehow or other this seems to be synonymous with that kind of business. And on the Mainland, of course, we know it is infiltrated by the Mafia, that all of these outlets are owned and controlled by the Mafia.

MR. DOODY: Not all of them. That is not fair.

MR. NEARY: Well not all of them, but I would say a large number, the larger percentage of them.

MR. DOODY: In the big cities, maybe.

MR. NEARY: And in this Province again you cannot operate a nightclub or a tavern or a lounge successfully unless you got a little sex involved, so you got to bring in a stripper from Montreal - and she is probably working for the Mafia - you have to bring in a stripper in order to get people into your club, to entice them to come in, and the



Mr. Neary: more she takes off, of course, the more business - and the more you are charged on the door - the more business they expect to get. So, I mean, when you look at it it is a pretty rotten society we are living in, And all of the other things that are going on, and all the other attractions, and all of the other temptations. It is pretty rotten. And, you know, as I was going to say, Sir, the unfortunate thing about it in this is Province that people have been brainwashed, and taught to accept the fact that if you want to make a fast buck in Newfoundland get a liquor licence, get a beer licence, that is the way to do it. And so not only this administration but the one before it, but moreso this administration, have lashed out brewers retail licences, beer licences, Sir, by the hundreds. I would say that we have made more progress in Newfoundland in the last five years since this hon. crowd took over the government of this Province, that we have progressed more in the field of the distribution of beer and booze and liquor than we have in any other field. I am not saying that that is what the hon. gentlemen have concentrated their efforts on, but it just happens to be a coincidence that the number of brewers retail outlets in this Province have tripled in the last five years, throwing the temptation in the way of especially the young people of this Province.

MR. HOUSE: (Inaudible) success to the people in the outports as you have in St. John's.

MR. NEARY: And I spoke sometime ago about the Federal Business Development Bank. Thirty per cent of their loans - when it started out it started out as an Industrial Development Bank. Industrial development, Sir, in my opinion, does not mean bistros and cabarets and nightclubs and lounges and beer joints. Is that industrial development? Can my hon. friend from Fortune Bay tell me, is that industrial development? How could they fit within their terms of reference, when they are supposed to be an industrial development bank - now the Federal Business Development Bank - how could they fit nightclubs and beer joints into their terms of reference?

AN HON. MEMBER: The tourist industry.

MR. NEARY: But they managed to do it.

AN HON. MEMBER: The tourist industry.

MR. NEARY: Yes it was camouflaged probably as being a tourist attraction. So they managed to blindfold the devil in the dark and 30 per cent of the loans that were given out by the Industrial Development Bank, now called the Federal Business Development Banks, were given out for nightclubs, taverns, cabarets, and lounges, and maybe a few restaurants thrown in. And so our people are under the impression that if you want to make a buck, a fast buck, if you want to retire before you are fifty, if you want to send your children to school and educate them,

MR. NEARY: and you want to live her up, go to Florida for a holiday in the Wintertime, get into the beer business, get into the liquor business, get yourself a licence, and you have got her knocked. And so the government has been free-wheeling and just passing out the brewers retail licences right, left and centre.

Now, Mr. Speaker, we all know the problems and implications of the drinking that goes on in this Province, which is more serious than any other Province of Canada because we consume more beer per capita in this Province than any other Province of Canada. We are next to the Northwest Territories, which has the worst record and the worst reputation in Canada, and we are next to the Northwest Territories as far as the per capita consumption of beer is concerned. And I claim, Sir, that the onus of responsibility up to now for the problems, especially the teenage drinking, has been the loose way, the sloppy way, the easy way that they have given our young people to obtain booze and beer and alcohol.

The identification card system has been misused and abused, as the hon. minister knows. Identification cards are being peddled, are being used by people, by kids who are underage. I do not know if you can ever make the identification card tough enough so that kids would not be able to exchange it. They pass them around from one to the other and you can go all over this Province and you could spot teenagers who are not of the age of drinking in clubs with an identification card in their wallet belonging to somebody else. How many times does that happen? And it is a job to catch them. It is a job to prove it.

MR. NEARY: The onus of responsibility up to now has been on the club owner, and on the tavern owner. But now I understand this is going to change, or has changed, that the onus of responsibility now will be on the individual. If a teenager goes into a club and buys beer or liquor, or spirits of any kind, or even works in a place where alcoholic beverages are being served without permission of the Liquor Corporation, even works there, now that individual is liable for an offence and can be charged and brought into court and the parents of that child can be charged.

So now, Sir, not only will the owner of the bistro, the owner of the cabaret, or the lounge be charged, but the individual who breaks the law will be charged. I believe there has been a few cases recently where teenagers, individuals who have been under the age of drinking have been charged and have been prosecuted in our courts.

And, Mr. Speaker, I made a suggestion one time that a breathalyzer be established in every club and tavern, every cabaret and every bistro in the Province. At first some people thought that it was a bit of a joke, but now they are beginning to look at it more realistically. Now they are beginning to look at this concept across Canada. I made the suggestion about three years that it be compulsory, Mr. Speaker, it be compulsory for a club owner to have a breathalyzer in his club. I think the only reason it was sneered at at the time was because people, especially members of this House, did not understand that you could have portable breathalyzers. But now we see them all along the Trans-Canada Highway. We see the RCMP with their road

MR. NEARY: blocks that were scoffed at, that were ridiculed by the tavern owners, and the club owners. They said, "They are going to put us out of business. They are going to bankrupt us all." Well how cruel can you get? They have all managed to survive and we in the process, the RCMP in the process, have saved literally hundreds and hundreds of lives. Because we are told, according to statistics, that in eighty-five per cent of the accidents in this Province, fatalities and injuries, and property damage, in eighty-five per cent there is alcohol involved and that should be enough to shock and startle members and startle the general public right out of their shoes.

So this road block, Sir, has performed miracles. I hope it will be continued, and I hope it will be carried right into the clubs, into the beer joints, that they be compelled to have breathalyzers so that people would not go out and injure themselves, either as pedestrians or as drivers of motor vehicles, and go out and get picked up and get hauled into court and lose their licence for six months. If you are too drunk to drive or walk then the tavern owner should assume the responsibility. It should be made mandatory that he be responsible for seeing that his customers are delivered home safe and sound if the breathalyzer shows that they are incapable of driving or walking.

Now the hon. gentleman laughs at that suggestion.

MR. R. WELLS: No. No. No. Supposing I was down in St. Anthony and I told them I would like to get back to St. John's now,

MR. R. WELLS: and I would go and have a few drinks somewhere, what would they do with me?

MR. NEARY: The government helicopter would look after the hon. gentleman, Sir. But the hon. gentleman is down in St. Anthony and he wants to have a few drinks, well there would be no harm in the owner saying, "Well now look, Mr. Wells, you are driving back to St. John's, I think you are under the weather, I think you have one too many and if you do not mind I will have to take the keys of your car because if you go out and get in that car and you get arrested for drunken driving or impaired driving, or you kill somebody, especially a little child, I am going to be held responsible for it. So what about giving me your keys? Or what about taking the breathalyzer test before you go?" Now the breathalyzer shows that you are incapable of driving, then I think it should be incumbent upon that tavern owner to call the police right away and say, "Mr. Bob Wells just left here, he is not fit to drive that car, he is likely to kill a little child a mile or two from here." Now what is wrong with that?

MR. WELLS: Would the member yield for a moment?

MR. NEARY: Yes, Sir, I certainly will.

MR. WELLS: I am not knocking by any means the principle of what the hon. member is saying on the seriousness of drinking and driving. In my line of work, I suppose, I have seen more of it and more of the grief and trouble maybe than anybody else in this House, but, you know, you cannot - if you or I are going out to drink you cannot take the responsibility off us and place it with the man who happens to be selling the booze, And you could say the same perhaps

MR. WELLS: with the Board of Liquor Control down there. You know, if I am going drinking, or the hon. member or any of us are going to drink we have got the responsibility to handle it, not to drink to the extent where we are a danger, that final responsibility is with us and we cannot put it off, as I see it, on somebody else. But the idea of some kind of breathalyzer in liquor establishments, not that it would be mandatory, but for the convenience of anybody who wanted to see whether he was near the limit or, you know, in what sort of state, that might be a good idea. You would run into certain technical problems, whether it would be necessary to have a qualified operator or somebody like that, but the responsibility always comes back to the individual.

MR. NEARY: Yes, Sir, and I concede the point. I must say that probably in the heat of debate I probably went a little bit further than I intended to go. Because, you know, I can be very emotional about this problem and I am sure that any member of the House - so I have to concede that my hon. friend is probably correct, knowing the law and the implications of the law and who is responsible and so forth, I would have to concede that my hon. friend is probably right, that it would be very difficult to place the whole blame on the owner of these clubs. But they must, in my opinion, they must - it must be compulsory for them to have a breathalyzer in their club or tavern. Now whether or not the individual then will co-operate and take advantage of the use of the breathalyzer so he will not go out and get aboard of his car and get picked up for impaired driving, even if he did not injure anybody, the damage to himself and his

MR. HEARY: family can be pretty severe as my hon. friend knows, especially if you use your car to earn a living and in the process then you might kill somebody.

So I think it should be compulsory. It should be there for the convenience, if nothing else, of the customers and it would be incumbent on the owners and operators of these clubs and lounges to say, "Well look we have these facilities here, we would like for you to use them before you go because in our opinion you are a little bit tipsy. you are under the weather and we would not want to see you do any damage to yourself or to some other person. I do not think the member would object to that.

The other thing I contend, Sir, is that in this great education programme that we have been talking about in this House now for years and years and years, and this is not the first time it came up, today, about how people should be educated into drinking, it should be a part of our educational system, it should be on the labels of bottles and all this sort of thing. well, Sir, I think this is one time when I agree with the user pay concept.



MR. NEARY: I think that people who use cigarettes, that it should be socked to them because of the medical expenses that are involved, the occupying of hospital beds, the surgery. Well, yes I think I should pay if I smoke the odd cigar and I get cancer of the lip. If I am warned about it and I am told that if you keep up the habit you are going to get cancer of the lip or cancer of the lungs that I should pay a tax on that cigar to take care of the day when I will become a burden to society. And I think the same way with booze. You should have the user pay concept that those people who consume and use booze, especially to excess, then these people are the ones that should pay, not the ordinary taxpayer.

I do not know if the hon. gentleman follows what I am saying. I think the Newfoundland liquor - what I am saying is that the Newfoundland Liquor Corporation is the one that should pony up the money. The more liquor you buy the more taxes you pay my hon. friend. In this particular case, Sir, we have an ideal situation for the user pay concept. And the hon. gentleman will probably realize, being Minister of Finance, that is this day and age nobody really objects to socking it to the drinkers and socking it to the smokers.

MR. DOODY: Except the drinkers and the smokers.

MR. NEARY: And you do not loose any votes even from them because they know in their hearts - I know when I was drinking, when many is the time I bent the elbow with my hon. friend and I knew that I was doing damage to myself, that if I kept it up eventually I would have cirrhosis of the liver, if I kept smoking two and-one-half packs of cigarettes a day I would probably die of lung cancer. I may go out and get killed with an oil truck, I do not know, or I may die of cancer just the same.

MR. DOODY: Or a jealous husband.

MR. NEARY: Yes, or get shot by a jealous husband. But the fact remains that if I continued drinking and I was going to get cirrhosis of the liver and I was using the outpatients, using the emergency facilities, using the Waterford Hospital, occupying

MR. NEARY: hospital beds, having surgery done through foolish nonsense, then I think that I am the one that should pay for it and I should pay for it by adding on a few extra cents onto a bottle of booze or onto cigarettes. But the user pay concept, if we are going to get into this great education programme, should not be taken from people who do not indulge or do not smoke, let those who are smoking and drinking, let them foot the bill. Now there are a lot more things that I could say, I have not touched on the more important aspects of this piece of legislation, Mr. Speaker, maybe when we are into committee I might get a crack at it again. But it is a very, very significant piece of legislation and it is one of the better bills, in my opinion, that has been brought before this session of the House and I commend the minister and the government for bringing it in. I hope that we will see more legislation of this kind in the future, not that we can legislate morality, we cannot, but at least we can make an attempt, we can show the people that we are sincere and genuine in trying to protect people, sometimes, who are their own worst enemies to protect them against themselves and the vultures and the beer barons and the distillers of whisky and the producers of rum in this nation.

MR. SPEAKER: When the minister speaks now he closes the debate.  
The hon. minister.

MR. DOODY: Thank you, Mr. Speaker. I think the hon. member for LaPoile (Mr. Neary) has covered very well most of the points in this particular bill. As I pointed out in my introduction the object of the regulations of the Liquor Control Board as outlined in this bill are simply to make it more onerous on the seller, dispenser, retailer, wholesaler of liquor and alcoholic beverages, to make it more difficult for the sale of alcoholic beverages, particularly to young people, with the onus of responsibility more clearly on the backs of those responsible for selling the alcohol to young people. And perhaps more importantly, as my hon. friend pointed out, is for the first time the very clear definition of a

MR. DOODY: public place which in itself sounds very innocuous and very insignificant but it has been one of the major stumbling blocks in law enforcement agencies invoking the spirit of the law or bringing into effect the spirit of the law with regard to the enforcement of the liquor regulations.

The various points that have been raised by hon. members, particularly the member for Eagle River (Mr. Strachan) who brought forward the premise that it was absolutely essential in order for a motel or a hotel to operate profitably that it have a bar and that a major part of its revenue emanates from that bar, I think in many parts of the country, and in this Province particularly, I think that is true. I think many of these establishments, many of these motels, hotels so-called, the smaller ones particularly appear to me to be not a great deal more than a lounge, a drinking area with a small snack bar and several rooms attached for transients. And perhaps because of the size of these establishments then the sale of alcohol is a very significant one. And I think you will find that in most eating establishments now, particularly across Canada, across North America the sale of alcohol is the least profitable part of their other operations. You will find that the sale of food is the most profitable part of their operation. I have had it explained to me by various proprietors of hotels and restaurants on the Mainland, the turnover of people at a table in a particular period of time, the amount of profit on the selling of food as related to the selling of liquor at that same table, particularly in the sale of beer. A half dozen people will sit around a table all night swilling beer, the profit margin on that beer is not as great and the turnover is not as great as it used to be and the emphasis is on food. That habit has not reached the Province of Newfoundland to the extent that it should, but hopefully it will over the years to come. Newfoundlanders are not famous for eating out, are not famous for visiting restaurants, they

MR. DOODY: are famous, as my hon. friend has indicated, for drinking out and for socializing. And I think the drinking habits of the people of Newfoundland have got to be changed to a large degree and as has been said that can only be done through education, and where it has gone beyond that point through rehabilitation. Certainly it cannot be done through legislation. The point of legislation is to make these establishments as orderly as possible and to regulate the sale of alcoholic beverages as much as possible. I realize that we have a long way to go in that regard. I do believe that we are making steps in that direction. I notice for the first time this year, and I think hon. members should note, that for the first time the vote has been placed in the Department of Rehabilitation and Recreation for a detoxification center. This is the first time that that has been done in the Province and I think that although the vote is relatively insignificant in terms of the total budget, I think that the significance is in the fact that the problem has been recognized and government is taking steps to get the thing started.

MR. H. COLLINS: We have more than doubled the financial assistance to the various groups who are providing these services.

MR. DOODY: That is right. I was going to point out the fact that in the rehabilitation area the Salvation Army Treatment Center is an \$80,000 vote, the detoxification center is a \$50,000 vote, there is alcoholism counseling for \$10,000 and there are various other votes of assistance and so on for these worthwhile -

MR. H. COLLINS: The Alcohol and Drug Foundation.

MR. DOODY: The Alcohol and Drug Foundation gets a -

MR. H. COLLINS: It is more than doubled this year.

MR. DOODY: It is more than doubled this year. And while they are a relatively small amount of the budget, as I say, it is a recognition of a very serious problem that is prevalent in this Province, more prevalent perhaps in some of the outlying parts of the Province.

As for the socializing in some of these clubs and the opportunity of politicians or magistrates or policemen or

MR. DOODY: whatnot to get an opportunity to meet the people, - those politicians who feel that the best places to meet people are in those clubs and so on have had different experiences than I have had. If a politician wants to get himself involved in a good sound brouhaha and a good sound battle and an argument there is no better place in the world to visit than one of these drinking establishments, because there is very little to be gained from it.

I can only say, Sir, as I have said before that this is good legislation, that it takes a number of very important factors into consideration which had not been written into law before.

I move second reading.

MR. SPEAKER: Is it the pleasure of the House that the said bill be now read a second time? Those in favour "Aye", Contrary "Nay", Carried.

A bill, "An Act To Amend The Liquor Control Act, 1973 " read a second time, ordered referred to a Committee of the Whole House, presently by leave. (Bill No. 120) Agreed.

MR. SPEAKER: Before putting the motion that I leave the Chair, I would give a decision on the matter brought up during Question Period when the Leader of the Opposition rose on a point of privilege with respect to the absence from the Chamber of a minister during Question Period. There are not many members present in the House now, and I would hope those to my right and to my left will pass along the gist of the ruling to their colleagues, because I consider the matter of some importance.

First, Standing Order 30 in the Standing Orders of this Legislature reads: "Every member is bound to attend the service of the House, unless leave of absence has been given to him." There is an almost parallel in the Standing Orders of the House of Commons, Standing Order 5, "Every member is bound to attend the service of the House, unless leave of absence has been given him by the House."

Speaking to the point of privilege, the hon. member for LaPoile (Mr. Neary) stated that when he is absent he has informed the Chair in writing of his absence, the reason therefore, and that is correct. He has done that. I have not required it, and I am not requiring it. But on a factual basis that is correct. He has so done.

The statement of the Standing Order is quite explicit. What we have to do in this case now is to, number one, consider the Standing Orders and, number two, the precedents, and number three, the practice in the House of Commons. Our Standing Order is clear. Its application is not immediately clear, because we do not have precedents to my knowledge on this specific point in this Legislature, and we have to bear in mind, I believe, the practice in other Legislatures.

In May, page 218, it is stated - and this is under the heading, Attendance of Members - "On ordinary occasions the attendance of members upon their service in Parliament is not enforced by either House, but when any special business is about to be undertaken steps have been

Mr. Speaker,

taken to secure their presence." He does not say what steps. But further on May says, "The machinery by which the House secured the attendance of members proved somewhat cumbersome in operation. In modern times the ensuring of attendance in the Commons has become a principal function of the party machinery." And that I understand to be the Whigs, that it is part of the responsibility of Whips to require attendance of various members. This matter has come up specifically on a number of times in the House of Commons. And I refer to Hansard of February 20, 1973, and I quote the Speaker. "I think it is unfair on the part of hon. members to make reference at any time to the presence or absence of members of the House." There he is speaking of members in general, not specifically ministers. Obviously ministers are members and that ruling could well be applied in its totality.

On April 27, 1973, a point of privilege quite specifically was made when an hon. member objected to the absence of a minister who was sponsoring a certain bill in the absence of the Prime Minister. And the Speaker of that date ruled that it was not proper to comment upon the absence of these ministers in that it was not a point of privilege.

On May 2, 1972, the Hansard for the House of Commons, the Speaker ruled - the hon. member gave notice to the Chair of his question of privilege - "I agree that perhaps it is not always cricket to mention the absence of fellow members of Parliament. The hon. member may have a grievance on that basis but I do not think that this grievance can be brought to the attention of the House as a question of privilege." There are several others which I will not read, but one which I think is quite germane and that is the Hansard of February 16, 1968, Mr. Speaker, "The hon. member will permit me to say at this time that it is against the usage of this House for hon. members to comment on the presence or absence of other members. It seems to me that this is a practice which is creeping into our debates. Last week we heard members of the

Mr. Speaker.

Government side referring to the absence of members on the Opposition side. Today we heard similar comments from the Opposition. I suggest to hon. members that it is not a good practice." And that is quite a parallel, I think, to what has developed perhaps imperceptibly, I think, unvoluntarily, but has developed during perhaps the past couple of weeks. There have been comments by hon. members on both sides as to absences, and it is quite clear that this is not accepted parliamentary practice.

In general I would only add that it appears to me there are certain courtesies which people extend to one another in various professions and occupations and obviously there are certain courtesies that people extend to one another in Parliament. And it certainly appears to be the practice in the House of Commons and in Westminster that commenting upon absences of one's opponents or one's colleagues is not an acceptable practice and certainly is not a point of privilege. And I would require hon. members on both sides to accept that practice and to desist from further references.

The motion is that I leave the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN (MR. YOUNG): Order, please!

Shall Clause (1) carry?

MR. HICKMAN: There is an amendment to Clause (1) Mr. Chairman, by adding (F.1) "Establishment" means a lounge, a restaurant, tavern, club, hotel, motel, tourist home or military mess;" and by asserting immediately after why, the following.

MR. CHAIRMAN: Shall Clause (1) as amended, carry?

On motion Clause (1) as amended carried.

On motion Clauses (2) through (8) carried.

MR. CHAIRMAN (MR. YOUNG): Shall Clause (9) carry?

The hon. member for LaPoile.



MR. NEARY: Clause (9). I wonder if the Minister of Justice can tell me; Section 59 (1) "All bottled spirits wine or beer kept by a licensee for sale shall, while in his possession, be kept in the bottle in which it was when purchased by him." Now how can you sell it if you have to keep it in the bottle? How can you sell it by the drink?

AN HON. MEMBER: Sell it by the bottle, bottled beer.

MR. HICKMAN: I think if you read Clause 59 (1A) this part of the prohibition against diluting it, putting water in the booze.

MR. NEARY: That is a little bit ambiguous there, is it not?

MR. HICKMAN: I know.

Motion, that the Committee report having passed the bill with amendment, carried.

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

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

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole reports having considered the matters to them referred and have passed Bill No. 120, with amendment and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee reports that they have considered the matters to them referred, have passed Bill No. 120 with amendment, and ask leave to sit again.

On motion report received and adopted, Committee ordered to sit again presently.

On motion amendment read a first and second time bill ordered read a third time now, by leave.

On motion a bill, "An Act To Amend The Liquor Control Act, 1973", read a third time, ordered passed and title be as on the Order Paper (Bill No. 120).

June 16, 1977

Tape No. 4307

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MR. HICKMAN: Order 3, Bill No. 21

Motion, second reading, a bill "An Act To Amend The  
Stephenville Linerboard Mill (Agreement) Act, 1972."

12472

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Mr. Speaker, the object of this particular piece of legislation is the amendment of the Stephenville Linerboard Mill Agreement Act, better known as the Linerboard Act, and that is the statutory limitation on the amount of money which the Province is allowed to spend on or at the mill in Stephenville. At the present time the Province has reached its statutory limitation of \$115 million and without the approval of the House the Province is not in a position to advance any further money to the mill. Obviously, further money is required for the mill as was outlined in the budget and in the subsequent debate on the Linerboard mill, on the resolution, in which all the various areas were explored.

It was explained at that time by myself the rationale behind the budgetary requirement of \$26.7 million and although in passing the budget and in passing the Supply Bill, the authority to spend the \$26.7 million is in the budget. Nevertheless it is impossible to advance that money or any part of that money until the statutory limitation of the Stephenville Act is amended to raise the amount.

Now the bill as it now reads, Sir, suggests that an increase in the amount to be made available to the Linerboard mill for its various purposes be raised by \$75 million. Under the circumstances, as they now appear in Labrador Linerboard Limited, and as they were outlined during the discussion and in the Budget, the number that we were looking at is \$26.7 million and this looks strictly at a close-out situation. What we are suggesting in this particular bill now, Your Honour,

MR. DOODY: is that it be amended to raise the statutory limitation by \$40 million, not \$75 million, the additional funds to be used, partially to help guarantee the bank line of credit which is now in place at Stephenville. Obviously as the section 88 which the Bank of Montreal has advanced us the line of credit on has been drawn down and the inventory and the fixed assets have been reduced. Obviously the bank's security has been reduced proportionately and unless there is some statutory permission or authority from this House, the bank security then is obviously not there. They have no security.

So we are asking the House at this time to vote the \$27 million which we asked for in the Budget, plus these additional monies, to make a total of \$40 million in this particular bill. As I say, it will serve to support the bank guarantee but more importantly it will be in place in the happy event that some subsequent developments occur during the coming months in which the situation, the close-down situation of \$26.7 million takes into account. Without some leeway in this particular bill if we just asked for that \$26.7 million obviously we would be limited to that and it would give us no flexibility in the event that by a happy chance, and by good work and good luck that we managed to get that mill on an operating basis. We do need that additional fund. I guess there is about another \$14 million or \$15 million leeway we are asking for.

So we are asking now that an Act to Amend The Stephenville Linerboard Agreement Act be changed and the sum that we are asking for would be - Has the House Leader got that amount there on that sheet?

MR. DOODY: The amount that we are now asking for I think is \$155 million, as the - It is Bill No. 21.

MR. NEARY: You are really asking for an extra \$5 million. Is that it?

MR. HICKMAN: \$155 million is what you have written here.

MR. DOODY: \$155 million is what we are asking for now. The bill asks for \$190 million as it is before you in the House. So rather than asking for a \$75 million extension, we are asking for a \$40 million extension on the statutory limitation. That is the \$26.7 million that is in the Budget, plus that extra money which will serve that dual purpose that I described. We will have it there in the event that we can keep the mill going.

MR. NEARY: That is the amount needed to buy the golden padlock?

MR. DOODY: No, I do not think it will be a golden padlock and I hope it will not be a padlock at all but in the event that we manage to find some way of keeping the mill operating, obviously, we are going to need some cash or some capital to do it and, as I say, that is the purpose of asking for the statutory authority of the House. If we do not have it, of course, if we cannot spend any more money, the \$115 million limitation has now been reached and the mill just will not be able to get any more money and that, of course, is something that I am sure none of us want.

MR. NEARY: The purpose of this is to carry on after you put the padlock on her. Part of this would be used to -

MR. DOODY: If the padlocks go on part of it will be used to reduce the bank's line of credit.

MR. SPEAKER: The hon. member for Stephenville.

MR. MCNEIL: Mr. Speaker, I am a little confused. I thought the \$75 million would be presented in the House so that it would give the government some leeway to guarantee the operation of the Linerboard mill. Well right now the minister has indicated that he is only looking for \$40 million and that would be the closing cost. In other words the golden padlock.

MR. DOODY: \$26.7 million is the cost.

MR. MCNEIL: Mr. Speaker, it has been said in this House many times that the cost to the Newfoundland people to close Labrador Linerboard is going to be more than the continuing cost to keep it operating. Just last week in the local papers we saw a full page and from the Bay St. George Joint Councils Impact Committee pointing out some facts to the Newfoundland people, telling them the cost to the taxpayer, who owns Labrador Linerboard. It is going to be considerably more to close it than to keep it operating. So I am just confused. I cannot see the government's rationale in moving in the direction that they are moving.

Now the government says, "While we do not want to hold out any false hope to the people of Bay St. George," they say, "we hope a private contractor or a private firm, a private enterprise will take it over." If a private enterprise is going to take it over, number one - he wants to make money. And if the operation is not viable he will not take it over. So if there is any hope of private enterprise taking it over it is brushed aside, if we are looking from a profit basis only. And if we are asking private enterprise to take over and operate that for social benefits then they are the government. The government should be concerned with the social benefits

MR. MCNEIL: to its people.

Just referring back to the ad, "Labrador Linerboard," "Your government has decided to close Labrador Linerboard for economic reasons. There are facts that you should consider." It gives seven points that you should consider on the top of the page. I will table this piece of paper. I do not know if the hon. gentlemen have seen it already.

MR. DOODY: Is that an ad that has been in The Daily News.

MR. MCNEIL: It has been in The Daily News and the Corner Brook paper as well. Yes.

The difference between shut-down and opening over the three years is \$28.2 million. The Newfoundland taxpayers appear to save an average of \$9.3 million a year by having Labrador Linerboard closing down. But there are other points it does not consider, like for example income tax revenue loss for the 1977-78 year \$3.5 million, SSA revenue loss \$1.1 million, social security additional cost - it does not have it in for the 1977-78 year - but in 1978-79 it is \$8 million, and 1979-80 it is \$7 million.

MR. McNEIL: Lost municipal replay \$2 million, security of plant \$1 million, water and stumpage revenue loss \$2 million, Newfoundland and Labrador Housing Corporation rental revenue loss \$1 million - a total cost loss of \$10.6 million.

MR. HODDER: I would point out that these are the government's figures.

MR. McNEIL: And yes, these are government's figures. Thus, in three years the Newfoundland taxpayer will spend an additional \$20 million to keep Labrador Linerboard shut. Now, Mr. Speaker, not considering the economic point of it at all, just the base of the operation - the Newfoundland Government will save \$9.3 million.

But when you go down and consider these other things it is about - well, some \$10 million it is going to again cost the Newfoundland taxpayer. And this is not even considering that not included in the above is the cost to the federal government which is approximately \$10 million for UIC payments in the first year plus loss of income tax amounting to approximately \$10 million per year. Mr. Speaker, if the hope lies in a private enterprise taking it over what are they going to ask from the Newfoundland Government? If it is not a viable operation as it now stands they will be looking for subsidies. They will be looking for electrical subsidies, number one. Labrador Linerboard pays four times higher than any other company in Eastern Canada for its electricity and if you want to compare your electrical cost against your operating labour cost on a ton of paper in the year to date March 31, 1977, the cost per ton for your power is \$18.30 and your operating labour is \$22.99. So, Mr. Speaker, your electrical cost and your labour are very close. And then if you add on your electrical cost, your fuel - your fuel per ton is \$21.14 - that is roughly \$39.44 against your operating labour of \$22.99. So, Mr. Speaker, private enterprise, businessmen will not touch Labrador Linerboard as it presently stands without subsidies, so it is still going to cost the Newfoundland Government millions of dollars in electrical power only.



MR. McNEIL: What about wood? Our wood cost in the past years going back to 1972, 1973 have been the single factor which caused Labrador Linerboard not to be a viable operation.

Our wood cost is supposed to be in the vicinity of \$108 per cord, but past reports have indicated that the wood cost is now in the vicinity of \$60 to \$63 per cord.

DR. FARRELL: Would the hon. member permit a question?

MR. McNEIL: Yes.

DR. FARRELL: Are you speaking against this bill, this money?

MR. McNEIL: I am not sure. Actually, if the \$40 million that the government has asked for - the bill was originally \$75 million. Originally I thought that this bill was supposed to give the government some leeway to find ways to make the operation viable.

DR. FARRELL: That is what the minister -

MR. McNEIL: Now the government is asking for \$40 million to close the operation.

DR. FARRELL: That is what the minister said, it was to give him leeway.

MR. McNEIL: Well, why did he ask for the \$75 million in the first place?

DR. FARRELL: Because he felt that the amount was not necessary at this time.

MR. McNEIL: No, because everything is set to close it up now.

DR. FARRELL: It has been carried. Was it \$28.7 million? - Correct me, Sir, that -

MR. DOODY: Yes. \$26.7 million.

DR. FARRELL: - was initially in the budget and this was to give leeway which I am extremely interested in, and I am wondering what your argument is at the moment. Are you quoting statistics against giving this money or are you for giving it or what?

MR. McNEIL: I am sitting over here as the sitting member for Stephenville, all right?

DR. FARRELL: Yes.

MR. McNEIL: The bill was originally brought in, \$75 million - now it is reduced to \$45 million. You originally asked for leeway, you were going to get leeway with \$75 million, and now you are telling me that with \$40 million you still have enough leeway even if you look at conversion.

DR. FARRELL: Could you explain it again?

MR. McNEIL: The government right now is set in motion to close down Labrador Linerboard. They have also set in motion hope to the people in that area that private enterprise will take it over. Well, looking at the facts as they are, if private enterprise takes it over they are going to ask for a huge subsidy in some form, electrical, wood, transportation, you name it. And they will ask for a subsidy which is going to cost the Newfoundland Government probably almost as much as it is costing them right now. The operating of Labrador Linerboard is brought down now, presently, to a degree whereby it should be acceptable to the Newfoundland people. If you are only looking for \$9 million subsidy, and that is what it is - that is going to be the only gain to the Newfoundland Government, \$9 million for closing it down - it is going to cost you more to close it down than to keep it operating. So why do you not state your true position? Are you going to close it down blank-o or are you going to continue to operate it? The terms of reference - when you give it to the advisory board, ask the advisory board to get the cost down where it is acceptable to the government. What is acceptable to the government? - that they do not want the operation, that they want to give it away to some outside firm? And the Newfoundland taxpayer is still going to have to subsidize it. What are you up to? I am totally confused by the whole situation. Our Island wood cost is coming down in the vicinity of roughly about

MR. McNEIL: \$55 per cord of wood. Our wood problem is no longer a problem. Now I agree we have high fixed costs - our operating costs are high.

DR. FARRELL: That is right.

MR. McNEIL: All right, but when you exceed your rated capacity by a couple of hundred tons you are saving money.

DR. FARRELL: When did that happen?

MR. McNEIL: The day that the budget was brought down -

DR. FARRELL: That is right.

MR. McNEIL: - the mill produced - she is rated for 1,000 tons a day - she made 1,220 tons.

DR. FARRELL: That is right.

MR. McNEIL: All right. Now when you are talking to other mills across Canada, when you are operating at a high rate you are saving money. That is where your gravy is.

DR. FARRELL: Why were not the -

MR. McNEIL: If you are operating below 70 per cent no company makes money.

DR. FARRELL: Why was not the production like that a year before?

MR. McNEIL: Mr. Speaker, the hon. gentleman asks, Why was not the production like that a year before? Fact one, you have a new mill, you have an untrained work force, you have all kinds of problems which the government has stated before, with the operation. But in four years the government in its wisdom has said that the operation cannot work - 'We have to close it down because it is such a drain on the Newfoundland people.' But you have already gone over your worst period. There is no company with the magnitude of Labrador Linerboard who after four years gives up. Actually you are not in operation four years, you are only going into it now - three and a half years.

DR. FARRELL: Right, three and a half years.

MR. McNEIL: Even a small business, the accountants will tell you that it takes anywhere from three to five years before you definitely know where you stand. Now after three and a half years of operating you have had all kinds of problems and you have made gains, you have now in the last six months brought down your wood cost - almost cut it in half - the bottom has fallen out of the market and now there are signs that it is picking up, it is improving -

AN HON. MEMBER: Where?

MR. McNEIL: - but it is going to take a little while.

MR. DOODY: Where?

MR. McNEIL: The general forecast that we get for the end of this year, 1978 - 1979 is that it is going to pick up, all the graphs are showing what is forecast for a market pick-up in linerboard itself. The experts are going on to say that by the 1980's the economy will probably be slowed down because we will not be able to provide paper products or cardboards - it will have a direct cause of slowing down our economy.

Well, if all these forecasts are true which the experts have been giving us we should continue the operation and we should use this time when it is slow to bring down our costs, our fixed costs.

DR. FARRELL: Sure, agreed.

MR. McNEIL: And if we carry on the capital requirements that have been suggested by our advisory board with an investment of only \$12.3 million we will further reduce our fixed costs, our operating costs. Mr. Speaker, just take the fuel alone. We do not have a proper press set into the mill itself. The bark taken off the wood is taken from

MR. MCNEIL: one part of the plant and trucked to the dump. Now this bark; if you had the proper press installed you could supplement your fuel by about seventy per cent by using this bark so millions of dollars could be saved there.

We have a plant, it is supposed to be one of the world's best, or shall we say, one of the best in Canada, a modern plant, based on a natural resource and we cannot make a go of it. We have, in my opinion, gone over the major difficulties. We have identified our problems and if we work towards trying to solve them we should bring the operation in line whereby it would be of benefit to our Newfoundland people. When you look at the multiplier effect of three jobs to one that is in the mill you are now going to take out of circulation within the Province anywhere from \$60 million to \$72 million. It has got to have a drastic effect on the Newfoundland economy.

The direction in which this government is going, Mr. Speaker, instead of good government from the Moores PC Government being turned into an industrial now seeing Newfoundland being turned into an industrial junk yard. We saw a turn of events with the Churchill Falls development, another turn of events in Bay St. George with the closure, or the possible closure of Labrador Linerboard. We are now this week seeing the closure of St. Lawrence mines - that is going down from what I am told - Buchans within two years. What else is going to go? The next thing to go is the Moores PC Government and they cannot go fast enough or our Island is sunk.

MR. MCNEIL: Mr. Speaker, there are supposed to be negotiations on the go with private concerns to solve the Linerboard operation. But, Mr. Speaker, no business or no outside firm in their right minds would touch an operation that is not viable. Now if there are companies interested, and the government has indicated that there are a few interested, and I hope there is great competition to pick up that mill, if private enterprise is willing to take the risk of getting involved into it and they can see that the operation can be viable and it can be, what we have seen the past six months has proven that the operation can be viable but you have to make basic improvements. Number one is your wood costs must come down and the reports, the hon. Minister of Finance has the wood reports, or the sub-committee's report, is not complete because it is not the final report of the advisory board so I am told, but the sub-committee's reports are very encouraging. They are bringing the wood costs down to under \$60. Our Island wood can be purchased under \$60, in that vicinity. And our Labrador wood, I am told, around \$75, F.O.B. Stephenville.

Now, Mr. Speaker, speaking with people in the industry across Canada, they have indicated to me that in the year 1977-78, wood costs, if any mill operating in Canada can keep its wood costs closer to \$50 it is going to be more competitive in the market place. Now once you go over \$75 you are definitely putting yourself out of reach.

Now, Mr. Speaker, the reports that have come forward from the sub-committee have indicated

MR. MCNEIL: that it is possible to keep our wood costs down under \$75 and in the \$60 range so therefore wood is no longer a problem.

Production has gone over its capacity, which was 1,000 tons a day, up to over 1,200. The work force, the management, the people whom we are told, whom we have heard are no good, are over paid, etc., etc., can produce. The problem does not lie there. So the problem is not in the wood, which is a basic factor, the problem is not in the operation itself, it can produce. And I am told by the workers there that when the mill is operating at a high ratio it seems to work better, less problems, but when it is operating about 500 tons or 600 tons they have a lot more breakdowns.

So when she is operating at a high ratio, which she was designed for, it operates, mainly trouble free. So the plant can produce. The people can produce. The market place is the problem right now. Okay? The bottom has fallen out of it. But in the past two years, when the original report was drawn up by Planning and Priorities and the people in Finance to close down the operation, there have been leaks all over that Labrador Linerboard cannot survive, Labrador Linerboard is closing. In the market place this has been going around. Then CBC gets it report out, "Labrador Linerboard Closing." The government denies it. Then a little while after we have the government coming out with a statement that it is going to close down within a year, six months to a year. Then we have the advisory board set up and they

MR. MCNEIL: are looking for ways to get terms of reference, looking for ways to see if the mill can be a viable operation and make recommendations to the government so that if it is possible to bring the operation in line the costs would be acceptable to the government. And then lately we have the advisory board, or the government saying just on budget day that the advisory board recommends closure of Labrador Linerboard.

Now, Mr. Speaker, if you want to get any market, if you want to get a reputation on the market place as being a strong competitor and a company that is going to stay around for awhile you do not get it that way. And here you are, you are dealing in an industry that is supposed to be very tough and hard to break into the market, hard to get in there and as a mill that is not integrated with others our problem is doubled. And now only after three years of operation our government are now willing to call it quits.

Mr. Speaker, if the bill that the hon. Minister of Finance has brought forward is to be used to close down the operation, I am against the bill. But if the bill is used to find alternative means to try to make the operation work I will support the bill. But in the course we are going now, there is no doubt that Labrador Linerboard will shut down. It will be down for a period of time I would imagine, maybe six months to a year. The people across the Island, when the full effects are felt, and even felt here in St. John's, will say to the government, "Open the operation. We need it. We need the extra money that comes into Newfoundland. It provides jobs. We have not



MR. MCNEIL: to get the people off the dole." And they will say, "Well it cannot be viable. We will give it to somebody for a dollar, and we will subsidize it."

So, Mr. Speaker, I do not see putting our Newfoundland people through any more frustrations, any more agony. The operation has been brought down to where it can be acceptable to the taxpayer. The government is only going to gain \$9 million on the operation closing down. Not considering the other social effects, I think \$9 million - not even going into what it is going to cost - we have an infrastructure built in Stephenville right now, we have schools, three new schools have been built there that have cost the Government of Canada and this present administration millions of dollars. Now we are going to just

MR. MCNEIL:

Let it all go aside.

I said before, Mr. Speaker, that the trend now set in Bay St. George, if it continues to go down, that trend is going to spread right across the Island, and we are starting to see it now. Look at St. Lawrence.

MR. HICKMAN: What does government have to do with that?

MR. MCNEIL: Well look at what is happening. It is going down, and the government are not saying a word. Not saying a word. Blaming it on the unions, on the people themselves.

Mr. Speaker, we in this Province need a success story. The government have in their midst right now an operation that can be turned around. The Labrador operation, the woods operation has been closed out, but we now know that wood can be purchased from Labrador and landed into Stephenville for about \$75 per cord. Now if the government were interested in its people, and interested in the people of Labrador they would set up a wood harvesting corporation which was recommended to the government about a couple of years ago, it was brought before Cabinet. But then they were looking at a wood cost of up to about \$108 per cord and they figured they would have to subsidize about \$50 per cord, so they were looking in the vicinity of about \$20 million subsidy, according to the memorandum that went to the Cabinet.

The recommendation was made by the hon. Don Jamieson, he was in DREE at that particular time, to set up a wood harvesting corporation that would supply wood to the Linerboard operation at competitive rates so that the operation would not be put under with the high cost of wood. It would also provide employment for the people in Labrador, loggers would have continuous employment. The corporation would buy wood from the loggers and then they would sell it to Linerboard, mostly to Linerboard if they needed it, and to other mills they could also supply it. They would also export wood, if they could find anyone to purchase it.

But that suggestion was brushed aside, and every

MR. MCNEIL: effort in the last couple of years has been made to close down Labrador Linerboard. If the same effort was taken to make it a viable operation there is no doubt in my mind that it would now be a viable operation. In 1972-1973 it was pointed out then that the wood was a problem, and that something quick had to be done. And it is only now that we are seeing that something is being done. And from what I am told it is mostly because of the effort of the advisory board.

I was shocked about a year ago or maybe about six months ago to hear the hon. Minister of Forestry mention that negotiations with Bowaters and Price for timber concessions had ceased until the government made up its mind what it was going to do with the Linerboard operation, until it knew what it was going to do with the mill.

AN HON. MEMBER? Who said that?

MR. MCNEIL: Now, Mr. Speaker, - The hon. Minister of Forestry, 'Mr. Maynard' -

MR. MAYNARD: - That is a lot of B.S.

MR. MCNEIL: Well I can get the tapes for you, and I will play it back for you.

The Minister of Forestry said that the negotiations with Bowaters and Price had ceased until the government made up its mind what it was going to do with Labrador Linerboard. The key factor in making the operation viable is this wood, and here the Minister of Forestry sat back and said, 'Well we are going to wait and see what the boys in Cabinet are going to do.'

Mr. Speaker, make no wonder our Province is going under. Make no wonder. I wonder sometimes if it is worthwhile to even waste one's time speaking in this House trying to influence the government, to show that they are moving in a wrong direction. Now maybe the government have something in mind, maybe they got something up their sleeve. But if they do they should let the people know about it, it is the people's money they are playing with. And if we ever want to get something back on our investment the way to go is not to close it, it is to keep it operating. If we close it the Newfoundland people are going to lose over Three Hundred and some odd million dollars,

MR. MCNEIL: well over that. Plus only after three and-a-half years of operation, we are willing to close it up. and yet we still hold out to the people a little bit of hope, that private enterprise will take it over.

If this government cannot operate that mill— or maybe not the government, because the government should be out of it directly, but if they cannot get a management team to put it in place and leave all of the decisions that are affecting the industry with them—take your politicians off the board of directors - if the government cannot make a go of it, what will private enterprise do? The government are not concerned with making a profit, all they are concerned with is breaking even, but private enterprise is concerned with making money. But if you had a management team in there, and to all the people in the plant from the janitor up held out a bonus clause whereby after you break even on your operating basis that the profits would be shared amongst its people, its workers and management people plus government, I am sure that you would have a different morale in the whole operation itself. The same people are there now as were there about two or three years ago, except for one exception: the president. We have a new president who has in the last six months come in put his hands on the right things and turned them around. But it generally has the same team, just a different captain, and he has proven in the last six months that they can produce, that the work force is excellent, and that the plant operations can go.

MR. HODDER: They laid off ninety men and she is still designed, she is still going over her capacity.

MR. MCNEIL: The hon. member for Port au Port (Mr. Hodder) mentions that they laid off ninety men, and she is still designed, she is still going over her capacity. I would not doubt they can still lay off more and bring her down in line, and she will still be able to produce. because you now have people in the plant who come in green, who now have a few years of experience under their belt, I am sure there is no other plant in Canada that has shut down, and started up as many times as Labrador Linerboard. So they must get a lot of experience from that

Mr. McNeil:           itself. I am told that in Bowaters itself when they shut down, then start up again they have a lot of problems because the men are not used to shutting her down and getting her going again. But you do not have that problem with the Labrador Linerboard because she is up and down every week. So as a result you are getting a very good trained staff, workers. I guess it is what you would call on-the-job training.

MR. HODDER:           Except their expertise should be used starting her up not shutting her down.

MR. MCNEIL:           Yes, and keeping her going.

MR. HODDER:           That is right.

MR. MCNEIL:           Mr. Speaker, besides if a private enterprise takes it over, a private company from outside takes it over, they are going to want electrical subsidies to the tune, I would say, of a couple of million dollars. Your water rates that you are paying, I am sure they are going to want subsidies there. Your transportation and your wood costs, if your wood is high they are only going to pay per cord what is accepted in the industry itself, so that they can stay in line. And what other tax concessions are they going to ask for? And I am sure that all of the concessions they are going to ask for are going to amount to more than the \$9 million that the government are going to save by closing her down, and if it is not there is going to be very, very little difference.

MR. McNEIL: Mr. Speaker, when we look at the operation we see the woods operation itself, we see the mill, we see people who have never run a linerboard operation before - the first time ever - coming directly from high school into the operation and now are at a rate where they are considered to be very proficient. And when government tells our Newfoundland people that the operation cannot be viable, cannot work, and after we have gone over the major part of the hurdles then I ask myself what is the matter with our educational institutions? Why are we educating our people? Why do we have a university? Why do we have technical schools? Why do we have Fisheries Colleges, etc.? Our university and our educational institutions are supposed to be some of the best in North America. We are up there among the best and yet when it comes down to handling an industry, a resource based industry, we, the Newfoundland people, cannot handle it. If that is the case, Mr. Speaker, there is something fundamentally wrong with our whole process of education and it should be questioned. Maybe we are spending too much on education. I do not think so. I think the university has contributed an awful lot to our Island Province - and our technical schools, but we are not taking full advantage. If we do not have experts right now in industry, if we have problems in marketing why can we not have our educational institutions provide the expertise and within five to ten years we will have experts. Our young people will be trained and enter the field for awhile and they will become experts. What makes an expert - but a little bit of knowledge and training in the field.

And right now the only problem that we can see with Linerboard is in the area of marketing, and if that is the major weak area, if our wood costs are no longer a problem, and the plant operation itself is no longer a problem, and if we put the required capital investments into the mill to bring down our fixed operating costs to bring it in line, well why do we not put more effort into the marketing of the product and break the

MR. McNEIL: market and concentrate more on our Canadian market? I am told that the Canadian market in 1978-1979 will have trouble meeting its own demands and here we are moving away. We have a brand-new plant, an excellent plant and we are moving away from it, we are going to close it up, put it in mothballs.

Mr. Speaker, I do not want to hold up the House speaking of the benefits of Labrador Linerboard more than is required. I have explained time and time again my belief in the operation, my belief that the people of Newfoundland can handle an operation of that type. I feel if we are lacking in some areas now there are educational institutions that can provide the necessary training to make the grade. We have it all in our midst, and I beg the government, do not close down the operation. Assess it, evaluate it, draw in, tighten where you have to, tell the people the truth, do not lie, let us know what you are doing and if it is a lost cause bring every bit, every scrap of information, lay it onto the table, prove it to us and once you prove it I will shut my big mouth. But it has to be proven to me that the operation cannot work and it is not viable, and no matter what we do that it will never work. Because on one hand you are telling me that it cannot work and on the other hand you are telling me that private enterprise will come in and take over the operation or that there is a possibility. You are out trying to sell the operation to private enterprise.

So, Mr. Speaker, I know there were reports done about two years ago recommending to the government, to the Cabinet from Planning and Priorities and from your group down in Finance showing the benefit to the Province of shutting down the operation. I also know that that report, since it was first done has been done over several times because it is off-base, they do not have the total picture. The sub-committee report that the hon. gentleman has on the wood clearly indicates, and these are some of the facts, that the wood problem is no longer a problem or is not

MR. McNEIL: as great a problem as it was. The reports from the Advisory Board that were tabled in the House the last time also show the government ways in which within three years they can bring the operation to a break-even basis again in operating itself. So, Mr. Speaker, the operation can be a viable one from an operating point of view and I believe from the information that I have that if the government walks away from it now - because I think they are capable - well I will not say -

DR. FARRELL: That is not the correct word to use. They are capable but not capable of what you are thinking of.

MR. McNEIL: Well that is what I was correcting myself, capable in different forms.

DR. FARRELL: That is right.

MR. Mc NEIL: The government has in their midst right now an operation which they can control fully if they put in the right incentives, the right people with the right team and let the team operate it. Do not stick your finger in there for political reasons. And as I proved the last time, in different memorandums that I brought forward when I spoke in the House on the Linerboard debate, there is definitely political interference. When our market was down, when the forecasts were pointing ahead that the market was going to be very bad and when you increased your wood inventory by 240 per cent against the wishes of your management people that was political interference and that is what caused the strangulation of the Labrador Linerboard. It is little things like that. Granted the general concept that you were after to protect the small operators, the loggers, was good but what did it do to the total operation? You had it within your midst. It was recommended to you to set up a wood harvesting corporation independent of the Linerboard operation itself. set it up so that you would keep these loggers who are the independent operators who are providing wood to Labrador Linerboard, that is if they were cut off they would lose the total investment they



MR. McNEILL: had in their equipment. And if you had set up that wood harvesting corporation you would have still helped them and you would have also helped the linerboard operation by not dragging them down with more wood than they could have handled. They asked to have their inventory cut down by 240 per cent - or 40.9 per cent.

MR. SPEAKER: It being one o'clock I leave the Chair until three o'clock.

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD:  
3:00 p.m. - 6:00 p.m.  
THURSDAY, JUNE 16, 1977

The House resumed at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: The hon. member for Stephenville.

MR. MCNEIL: Mr. Speaker, I will just close now. I only have two minutes of my forty-five so I will use that two minutes to close my remarks.

AN HON. MEMBER: By leave.

MR. MCNEIL: Thank you.

Mr. Speaker, I think that maybe the people in the Bay St. George area, and maybe the people in the Province as a whole, will probably have to give up hoping that our government will come through with some type of solution. I think they are going to have to take the bull by the horns themselves and follow through with one of the committees that the joint councils in Bay St. George have set up, which is one of the takeover committees of the operation. They have done it in other parts of Canada. For example, that principle was applied in Timiskaming, Quebec, whereby the workers and a few management people and the towns people got together, in order to save their community and the operation which was said by the industry to be a non-viable operation. They took the bull by the horns and now their plant is not only successful, but they now own two other US plants and I think another one in Canada today. So they are now a multi-national corporation who were just ordinary people in a community. First of all they set out to save their community and their livelihood. By taking a reduction in salary and other benefits, and by having the provincial and federal governments working co-operatively together in order to save the community, they did so and today they are a viable operation. And I think maybe that will be the only direction for the mill in Stephenville to go because I do not think private

MR. MCNEIL: enterprise will step in in Stephenville in a big way. If what we have been told, that the mill is a non-viable operation, or if it is a profitable operation or can be turned into a profitable operation, I hope that the government will make a good sale for the benefit of the Newfoundland people and not throw away the investment that we have in it. I think we should try to regain some of the investment, and an operation that will contribute to the Newfoundland community in the future. Thank you.

MR. SPEAKER: The hon. member for Port au Port.

MR. HODDER: Mr. Speaker, I just have a few comments to make on this bill and on the Linerboard situation in general. So I guess it was about a month ago now, during the Linerboard debate I believe most of the facts regarding mismanagement and the history of Labrador Linerboard Limited were brought out at that time so I just have a few general comments about the situation. As well I wanted to talk a little about the woods reports which I have seen and some of the conclusions that I came to.

Now, Mr. Speaker, at the present time I would ask the government, I would ask the Premier, I would ask the Chairman of the Board of Directors and the Minister of Finance, to let the people of the Bay St. George area know exactly what has happened. The particular circumstances in Bay St. George at the present time are that - I suppose it is normal when this sort of thing happens to any community, and perhaps if I had lived through the closing of Bell Island or whatnot - there are rumours, there are hopes and people are dismayed, but the one thing that has not happened as far as

MR. HODDER: this government is concerned, no one has gone out to talk to the people of Bay St. George. We are living under a cloud of uncertainty. My friend and colleague from Stephenville (Mr. McNeil) mentioned the civilian takeover of the mill. There is a committee who are studying this particular prospect but as long as we are up in the air, as long as the government continues to throw out little tidbits of encouragement, and then a little later on announce that nothing is happening, as long as hope is held over our heads then we do not know which way to move.

I think it is about time now the cards were laid on the table in no uncertain terms. I think it is time for a public meeting in Stephenville and for the government to sit down and tell them exactly where they are in the negotiations with all those companies.

Now we are told from time to time that there are negotiations going on with Consolidated Bathurst, we are told that there are negotiations going on with CIP, we are told that there are negotiations going on with any number of linerboard mills across this country, but yet all of those reports serve only to keep the people interested, I suppose in suspended animation in the Bay St. George area. They do not know whether they should leave, whether they should stay, or what they should do. And never once has the whole thing been laid clearly on the table. I think it is time that this government went out there, held in a large public meeting and told the people exactly where the government stands at this particular time. Because I think it is time

MR. HODDER: to end the rumours and end the uncertainty and end the speculation. Let us decide one way or the other what is going to happen.

Now, Mr. Speaker, one of the reasons, when the announcement was made that the mill was going to close down was markets. And, of course, once the announcement was made - I believe one of the reports which I tabled here in the House sometime ago, I believe it was the Capital Requirements Report or the Alternative Products, I am not sure which, but one of those referred to the fact that if an announcement were made that the mill was going to close or - no, I think the statement was that if there was an announcement made that they were going to change products it would be the same as an announcement that the mill would close and it was estimated that they would probably lose \$50 per ton on linerboard in Europe. As well, an announcement of closure, of course, did not help our markets at all because everybody knows now throughout the world that they cannot enter into long-term contracts with Labrador Linerboard Limited. But yet, at the present time the mill is going full blast and I am told, I was told as late as yesterday morning, that they have all the orders that they can handle at the present time and there has not been - even while, I believe, Price has announced some down-time because of markets, the Linerboard mill is going flat out and I must say again it is amazing to me that the mill has closed at this particular time. Because here we are, even with

MR. HODDER: an announcement of closure. orders are coming in hand over fist, I suppose, for use of a cliché, into that Linerboard mill and the mill going flat out. Now I do not know if that is because of lower prices on the market or whether there is a fire sale going on, I could not tell the House that, but I do know that they are getting the orders and there is every indication, I think, we will continue to get orders for paper.

Now, Mr. Speaker, there are two reasons, I suppose, that the mill has not made money and that it has not become profitable immediately. One we have been told is slack markets, the other one was the wood supply. I think generally across this Province, if you were to just poll the general public as to the reason why Labrador Linerboard closed, most people would say, "Well they did not have an adequate wood supply, it was put in the wrong place," and all that sort of thing. But now over the past two or three weeks I have been sort of trying to dig into the wood supply as best I can and I have looked at some of the reports and I understand that government has seen them or seen parts of them. I have talked to many people in the industry

Mr. Hooder: and I have seen some various reports on the wood situation in this Province.

Mr. Speaker, they say if you can keep your prices close to \$50 a cord then you are in a competitive position. Now there were two camps which the Labrador Linerboard operated from or used while the mill was running in full production last year. One was the Coal Brook Mill, Coal Brook is very close to Stephenville, I suppose it is about two miles away from the mill. Coal Brook can give 50,000 cords a year. It can give a yearly harvest of 50,000 cords, and the cost of Coal Brook wood is \$42.95 a cord. That is what it cost the mill, \$42.95 a cord.

Now Southwest Brook is another logging camp which is close to - it is in the District of St. Georges - close to. I suppose, the Town of St. Georges where there was a large woods camp. Now that particular area can again give 50,000 cords of wood per year, at least for the next five years, and that wood can be delivered to the mill at \$48.50 a cord. So in both of those cases - now we are only talking about 100,000 cords of wood that can be delivered to the mill on a yearly basis, and in both of those cases the cost of the wood is below the \$50 mark.

Now there is also an area in Newfoundland known as Management Unit No. 13 which is in the Lloyds Lake region. Now this particular area is owned by Price (Nfld.), and it is my understanding that they have consented to trade that particular block of land for a block known as - I believe it is known as the Horwood Block which is Management Unit No. 8.

AN HON. MEMBER: In the Lewisporte area.

MR. HODDER: - which is in the Lewisporte area, yes.

Now it seems to me that from what I can gather the advisory board and the people who have been working on the particular woods problem have made some significant strides. Now this exchange of Management Area No. 13 to Management Area No. 8, I understand, would have beneficial results for both companies, and it would bring the wood for both mills in closer proximity to the two particular mills, and this would allow for a more direct contact, more direct control of the particular mills,



Mr. Hodder; both Labrador Linerboard Limited and Price (Nfld.). And I understand that the particular block we are talking about has an annual sustainable yield, I think, that is what they call it, or wait now, I believe they call it an annual allowable cut of 61,000 cords of wood. So now we are into 161,000 cords of wood which is available to Labrador Linerboard Limited.

Now when Labrador Linerboard Limited woods operation were operating last year there was so much wood that they purchased, they purchased from private contractors. And my understanding is at the time of the announced closure that the management or the woods division of Labrador Linerboard Limited had somewhere around 120,000 to 150,000 cords. I believe somewhere close to about 150,000 cords, but it could have been less or more, that had been negotiated already at that particular time, and this wood was somewhere around \$50 a cord. That was the purchased wood.

Now at the same time these woods reports, you know, are recommending hardwood. Hardwood should be cut simultaneously, or bought or whatever, with the cutting of the regular softwood, and this in itself could add considerably. And I think 10 per cent of the requirement of the mill could be made up by the use of hardwoods which can be harvested simultaneously with softwood. As a matter of fact, also, the wastepaper at the present time which is, you know-- the last time I spoke here I pointed out that there was machinery needed for wastepaper. Wastepaper can be purchased at somewhere around \$90 a ton, and at that \$90 a ton I believe that there is about two cords per ton. I think a ton of waste is equivalent to two cords which would work out to about \$45 to \$50 a cord on scrap paper.

Now in addition to this, Mr. Speaker, at the present time in Nova Scotia-- now the reports and everything that I can understand, and everything that I have seen, and people I have talked to and one thing and the other tell me that, you know, the wood can be gotten on the island. Now in some cases we might have to continue looking for further supplies in the future, but, you know,

Mr. Hodder: at least for the next five years we can find a supply on the Island. Now Nova Scotia-Prince Edward Island -

AN HON. MEMBER: (Inaudible) not being facetious as anything but we cannot hear you on it.

MR. HODDER: And at the present time with other wood in the Province which is available at the present time, I understand that in Nova Scotia, that in Cape Breton itself there is something like 2 million cords, an estimated 2 million cords of infested wood. Now we are not looking, I suppose, to Nova Scotia wood to run the mill forevermore. But it looks like for quite a long time, five years estimated right now, but for quite a long time Nova Scotia is going to need to harvest its wood, or it is going to want to harvest this infested wood, and there is an estimated 2 million cords in Cape Breton. And these figures here, by the way, are Nova Scotia's figures. I forget the name of the outfit in Nova Scotia, it was some government concern that these figures came from. but the cost f.o.b. the dock \$35 a cord. That is the Cape Breton wood, Loading and barging somewhere around \$20 a cord, overhead costs \$1.50, and then they have a cost tacked on there receiving at mill \$2.65 a cord for a total cost, f.o.b. Stephenville Linerboard Mill, \$59.15, Now that is not Linerboard's calculations that is Nova Scotia's calculations, but they feel they can supply that wood.

So for the next five years - that is an estimate for five years that they could use that wood but for the next five years we can avail of this wood from N.S. at roughly \$60 a cord. Now that is not the cheapest wood in the world, but it is not the most expensive wood either. It is much cheaper than what we have been operating with.

Now, when you consider as well that, you know, the mill - I think I pointed out when I spoke here last in the House of Assembly on the Linerboard issue that the mill, I think, it was in 1974 to 1975, even though she was going flat out in 1974, it jumped by 144 employees doing the same sort of work. Now we see a reverse trend, I think there have been fifty laid off in Stephenville at the present time, and I think somewhere around ninety workers are

Mr. Hodder: not at the mill now that were there perhaps five or six months ago, and yet the mill is still going flat out.

Now, you know, there has been considerable cost savings at the mill, and with the capital improvements which Mr. Sweeny has asked for, which are \$17.5 million over the next three years, and with the cost of wood as it is at the present time, and with the markets as they are at the present time - see here, Mr. Speaker, we have this situation, we have the highest wood cost which would be Nova Scotia's wood \$60 a cord, and I am not saying that all these - these figures are guesstimates, but most of them run around the \$50 mark. The highest wood cost to the mill at the present time would be Nova Scotia wood which is \$59 a cord landed on the wharf at the dockyards in Stephenville. We have the situation where the woodlands have been straightened out and we can operate that mill for the foreseeable future on the wood that is here on this Island, and if we have a problem with wood we can bring it in for half the cost that we brought it from Labrador.

Secondly we have a work force which has been greatly reduced, and yet the mill is still going at full production. The markets at the present time,

MR. HODDER: even with the mill shut down as I mentioned before, we have lots of orders at the mill, the mill working every day, no down-time whatsoever. We have for the first time in my estimation, good management at the mill and he is living in the area. And I have said this before, the stories I have heard about the mill, if only one-quarter of them or if only one-tenth of them is true it is enough to make your hair stand on end, but for the first time all that sort of thing, these rumours have stopped. There is good, tight management at the mill. The man must have saved millions and millions and millions and millions of dollars, because, I mean, now there is not a cent spent in that mill unless it is looked at about twenty times. And with the projections of the markets, the market forecasts from the advisory board, it all goes up at a forty-five degree angle. Granted we have been waiting for two years for it to start - we know that - but at least, you know, there are no predictions whatsoever that the markets are going to be bad. So if we have the markets and we have the wood and we have the management what else do we need? I will tell you what we need, we need a little bit of positive thinking, we need the belief that the thing can operate and the full backing of this government and there is no reason why that mill cannot operate. Everything is in place. And I think that the announcement of the closure of Labrador Linerboard Limited was made at the wrong time. There could not have been a worse time to pick to close that mill, because it was closed on the eve of the markets picking up. And, Mr. Speaker, I would say one other thing in closing, that I suppose if we go another two or three weeks and the mill does not start to operate, or the woodlands division does not start to operate, or the government do not change their decision the mill is not going to be able to operate anyhow - it is closed for sure, because the mill is now working on inventory which was built up over the years or built up in the last year and-a-half. Now there are no woods operations at all. If the government decided to change their

MR. WODDER: minds at the present time and open that mill or to make the announcement that the mill is going to go on and they are going to give it their full support there would be an awful scramble for wood. And the thing is if we do not make the decision in the next two or three weeks to keep the mill going, if something does not happen in the next two or three weeks then the mill is gone, that is it. I mean, if then by some chance we were to change it the mill would probably have to stay down for a year just to get the woods operation in progress again, because you have to get the people in the woods, we have to cut the wood and we have to get it out of the woods. Although there is a fair amount of wood lying around at the present time it will be used very quickly. So, Mr. Speaker, I, like my friend and colleague from Stephenville (Mr. McNeil) would implore and beseech the government to change their decision on the closure of Labrador Linerboard Limited. As well, I have total belief that the mill will operate and can operate. I have spent, I suppose, most of this year looking at the operation. I am no woods expert, but I am starting to know what is happening down there and I talk to everybody in every field and read everything that I possibly can.

There was one other point I wanted to bring up, that not only do we have the markets, do we have the wood, do we have the management, but I was looking at Fortune, and some of the magazines that have been saying - and Forbes Magazine and whatnot - and I believe there was one report I read the other day that said that only the biggest of the paper companies in this particular business can afford to build new mills anymore, because the cost of building a mill now is so expensive that they are unable to - you know, most companies are just not building them. There are no new mills going onstream to speak of around the world. And here we have in Stephenville, not only a wood supply and everything else as I was mentioning, but we also have a mill which, if it were built today, would cost more than twice

MR. HODDER: as much. It is one of the best, most modern mills in the world. There is nothing to keep that mill from operating except determination - we need that determination to keep the mill operating.

So, Mr. Speaker, these are the only things that I have to say - I do hope the government will change their mind, I hope that they will do it quickly. I am not particularly all that keen on - it seems that the government has hinged everything on a new company coming in and picking it up. A company that picks up that mill is going to want to make good profits and if we feel that the mill is attractive enough for a private investor to come in to buy the mill or to take the mill over then I believe that we must also have the belief that the mill can be run profitably and we are the best ones to do it. And if it can make a profit it should go back to the people of Newfoundland. Now I am not going to say that if somebody takes it over that I am not going to be happy, because I am happy - if the mill goes and Bay St. George region prospers, I will be happy either way, but I do think we should keep that mill going, make it operate, show that it can operate, and then we will find that the buyers will be willing to come in and look at the mill. But they have seen nothing only mismanagement and problems with that mill and I think it is up to us to show them that that mill can work, and I think we should change our minds, open up the mill and keep the thing going.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, you have to admire the pluck, Sir, and the courage and the determination of the two hon. gentlemen who represent districts in the Bay St. George area where this disaster is about to take place. In three or four months from now if the government go ahead with their plans the linerboard mill will close. And you would certainly have to admire the courage and the determination, Sir, of the two hon. gentlemen who just spoke

MR. NEARY: and I am sure that their constituents must be proud of them, Sir, because they are right in there fighting to try to keep this linerboard mill going.

Now, Mr. Speaker, we have no choice in this House but to vote for this bill, not because it is a good bill - it is a money bill by the way and it is money that will be spent on the Labrador Linerboard Mill in Stephenville - we have to vote for the bill, Mr. Speaker, because if we do not vote - it is one of these situations where you are damned if you do and double damned if you do not. The money is needed whether the mill keeps operating - whether the mill keeps going or whether it closes. The money is still needed. Now I want to make it abundantly clear and I want to go on the public record as stating that the reason I am voting for this bill to give this money to the Labrador Linerboard Mill is to keep it open and not to shut it down. I am voting, Sir, hoping that the linerboard mill will continue and that some of these negotiations that are being carried on now with Consolidated Bathurst and all the other companies that are interested in the Labrador Linerboard Mill whether it be to pick it up at a bargain basement price - to hope to get it in a fire sale of some kind - that some of these negotiations will bear fruit and that that linerboard mill will keep on operating. I think though, the member who just spoke prior to my standing up made a very valid point indeed when the hon. gentleman suggested that the chief executive officer, the head of the government, the Premier of this Province, should go to Stephenville and explain what is happening to the people, update the people on what is happening - not a minister, not a civil servant, no flunkys, do not send out the flunkys - let the Premier himself go out and in man fashion give the people of the Bay St. George area a progress report on what is happening in connection with that mill - call a public meeting, call two or three public meetings if necessary. But I think, Sir, the Premier - every time we have had a major shut-down in this Province the Premier has gone - to Bell Island, to Goose Bay,

MR. NEARY: to Stephenville when the United States Air Force pulled out, and now the Premier of this Province should go to Stephenville and call a public meeting or two and tell the people what is happening in connection with the negotiations. Is she or is she not going to shut down at this stage? Is the government still maintaining its target date of say four months from now of shutting it down when we hear so much about improvements in the markets? I hear that Castro - that Cuba for instance - is very disappointed indeed that the Linerboard mill is shutting down. They were one of the customers of Labrador Linerboard. They liked our Linerboard and they are very disappointed, and I understand that they have placed new orders with the Labrador Linerboard Mill.

Now, Sir, having made these few remarks, I hope that when the minister is responding that he will tell us that the chief executive officer, the Premier of this Province will go out to Stephenville and call a public meeting and update the people in the Bay St. George area on what is happening in connection with the linerboard mill. Is it still going to close down or will they keep it open? Are any of these negotiations progressing satisfactorily or are we still on a collision course and going to shut



Mr. Neary:

the Linerboard Mill down in three or four months time?

MR. SPEAKER: The hon. member for Fogo.

CAPT. E. WINSOR: Mr. Speaker, listening to the hon. members who just spoke, I think, we are all very much concerned about the Linerboard at Stephenville. But there are one or two questions that I would like to ask the minister before he closes the debate. It appears to me with all of the cartons, the fish cartons, all cardboard cartons that we import into this country, there are millions of them for packaging fish and everything else that goes out of the country, cannot that mill be converted into producing such a carton? Now there may be the need for an additional machine of some type, I do not know. If this could be converted into producing the sort of cartons that we see, by the truck load and by the ship load, coming in here every few weeks, and from what I see being dragged over the streets of St. John's, and compare this with what is used up around the Island in the fish plants there must be a great need, a great many dollars spent on imported cartons that we should be producing, somewhere. That is a question that I would like to see answered.

And then the other question is, is it not possible - we all hear about the exprbitant charter that we are paying for those ships transporting the product across the Atlantic or to the market wherever it may be, are we getting the best price? Now maybe we are locked into a charter which we cannot break without paying the full shot. However I would ask the minister if he would consider looking into this matter of cancelling that charter, and calling for tenders again. I am sure there are a great many ocean going tankers today, you know, the supertankers, there are scores of them lying at anchor today that cannot be used in the transportation of oil. Now with the Suez Canal opened up again we do not have to have that long drag around the Cape, and there are certainly an awful lot of vessels, an awful lot of ships that could be used. I am sure

Capt. Winsor:

any charter, is a paying proposition, not if it is an exorbitant charter as we hear the Linerboard has with the company which they now have for transporting their product to market.

So those are just a couple of questions. I know the minister is anxious to reply to the questions that have been asked by the other members, but, Sir, I think, and I have mentioned this before, that somehow, some way should be investigated to see whether or not the plant, or mill cannot produce the kind of cartons that I referred to, and there are millions of them I suppose during the course of a year used in this Province.

MR. SPEAKER (MR. YOUNG): If the minister speaks now he closes the debate.

MR. W. DOODY: Mr. Speaker, the points that have been raised by my friends and colleagues opposite, you know, are heartfelt sentiments and ones that are very, very close to them, and I fully appreciate the concerns that they feel. I wish that there was some way that I could assuage their fears and say to them that, Yes we will throw the whole thing out in the middle of the floor now, and there is a private company coming in to take the thing over and look after it all, and all the problems of the Linerboard situation are going to be resolved, but I am afraid that is not the case.

AN HON. MEMBER: (Inaudible).

MR. DOODY: We are contacting and working ourselves in conjunction with the Advisory Committee, with the Linerboard management group, with other interested people in trying to find somebody who is interested in taking over that operation. Obviously, it would be a great deal more beneficial to the Province as a whole, to the Bay St. George area particularly to have that mill operate.

But that mill, if it is to operate, has got to operate with a degree of economic reality. To say that to close the mill down, as my friend for Stephenville (Mr. McNeil) mentioned earlier, will haul \$71 million out of the economy is an over-simplification that that is very, very difficult to accept. To follow that argument to its obvious conclusion is to open a store or a business

Mr. Doody:

or an operation or an industry in every community, and every corner, and every part of the Province, and you would immediately solve the unemployment situation. There is no question about that at all, everybody would go to work immediately, you know, it is an obvious fact. The fact that these things would be all losing propositions would simply mean that all these people would be at work for a very, very short period of time before the Province went wrong side up.

To bring that argument back to the Labrador Linerboard situation, all the arguments and all the deductions, and all of the statements to the contrary do not detract in any way at all from the fact that it is going to cost a minimum of \$55 million to keep the mill in operation this year, without any promise during the next three or four years of -

MR. MCNEIL: How much is it going to cost to close it?

MR. DOODY: - a profitability situation.

Now the hon. gentleman opposite says, How much is it going to cost to close it? Well it will cost over the next three years -

AN HON. MEMBER: Put the known tab on it.

MR. DOODY: - if my memory serves me correctly about \$118 million to keep it open.

MR. NEARY: That is an expensive close-down.

MR. MCNEIL: And to close it?

MR. DOODY: And to close it would be considerably less than that.

The crucial year is this year. If private industry can make all these things happen which hon. gentlemen opposite can happen, and which hon. gentlemen on this side -

MR. NEARY: Paul, can make it happen.

MR. DOODY: - hope can happen -

DR. FARRELL: Order, order!

MR. DOODY: - then hopefully that will happen, If private industry needs government help to make it happen then government will do

Mr. Doodv:

all that it possibly can to facilitate that. But it has to be done within the realm of reason, and within the realm of good sense. It is simple to say that we have only given this mill three add-a-half years to prove itself, or close to four years to prove itself. That is a little beyond the usual testing period in industry, but it is still not an unfair testing period in terms of the social and economic upheaval in the area.

You know, the Province of Newfoundland as it now stands financially just cannot keep pumping the money in there. It has been demonstrated that now the mill out there has more orders than it can handle. My information is that it has orders up to probably the middle of July, and hopefully they will have orders subsequent to that. But orders at what price? There is no product in the world that one cannot sell if one is willing to sell it cheaply enough, with no respect or no regard for the cost of the product.

Unfortunately the cost of the product in Stephenville is a great deal more than the return. And the lower the price that you sell it for the more anxious the marketplace is to buy it. And so I just want to clarify that. I am not arguing with hon. members in this regard - you know, I can - well appreciate the situation - I am simply trying to state the facts as they exist. There is a limit beyond which the people of the Province cannot afford to pump money into the mill. And the answer has got to be found elsewhere. And the answer is going to have to be found outside the government situation. It has been said that adequate wood supplies are available for the next three or more years, perhaps up to five years depending on how badly the spruce budworm infestation occurs in the Atlantic Provinces, and perhaps even in some of the Northeastern United States, but that destroys the credibility of this very doubtful - with great respect for the people who put it together -

MR. DOODY: -sheet in the newspaper.

MR. NEARY: Send for Paul.

MR. DOODY: If you got 1,600 people involved, as this thing is demonstrated or predicated on, then these people obviously are not working in Cape Breton or in the Northern United States or in other parts of Nova Scotia or in New Brunswick, and so, you know, it is a self-defeating argument. It does not help the situation and I am not trying to dampen the situation.

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

MR. DOODY: Yes, sure.

MR. MCNEIL: Are you saying that you do not believe in the multiplier effect with regard to industry?

MR. DOODY: Oh!

MR. MCNEIL: And, you know -

MR. DOODY: One has to. One has to believe in the multiplier effect. One has to believe that if I earn

MR. DOODY: \$100 this week I am going to spend it somewhere and the people in whose stores I spend it will in turn spend it elsewhere and so on.

One has to rationalize that with the fact that if I keep borrowing that \$100 that I am spending the multiplier effect is going to have a backlash in a few years time that will dissolve the whole Province. If one is assuming that the multiplier effect is predicated on new dollars that are being generated then it is a logical and reasonable economic argument and one that one cannot dispute. The size of the multiplier effect, of course, will be something that people will argue for years but the fact that there is a multiplier effect is beyond dispute. But if the multiplier effect is being generated by borrowed money, by a false economy, then the multiplier effect is only multiplying the problems, the economic problems of the Province, it is not solving them.

I think you have another question.

MR. NEARY: Three dollars to every one. Three to one.

MR. DOODY: No, that is -

MR. MCNEIL: We have all agreed that the operating expenses have been high and that they can come down in line. When the government set up this Advisory Board it asked for acceptable levels and when you get in the vicinity of under \$10 million, subsidy to the operation - if we are hoping for a private concern to come in we are going to be expected to subsidize it, so would you state what is acceptable to the government in dollars and cents and millions?

MR. DOODY: Well that is a question that cannot be answered until (a) we get the final report of the Advisory group and all their subcommittees and so on, and the forestry report as well which the hon. gentleman has mentioned. The conversion report is another one which

MR. DOODY: the hon. the member for Fogo (Capt. Winsor) mentioned a few minutes ago, and if I may divert a minute from your question, Sir, the obvious simplicity of converting the plant into the production of cardboard cartons just is not, at this point in time, a practical realization.

There have been demonstrations in terms of ballpark estimates of anywhere from \$60 million to \$260 million in conversion costs irrespective of the marketplace. If one were to suspect that a mill as large as the Labrador Linerboard Limited mill in Stephenville was to be able to actively continue its operations on the cardboard or paper box market for the fish business in the Province of Newfoundland, then one would be predicating your hopes on a false premise, because the market is just not here to that extent.

But once again, when that final report comes in there will be a conversion study on the costs and so on, and hopefully we will be - and the marketability of the various product options will be demonstrated. I diverged a little bit from your question which was - what was the last part of the question?

MR. MCNEIL: What is -

MR. DOODY: Oh yes, what does the government want, what are they asking for in terms of accepting a proposal from outside, interested business firms to take over the operation.

MR. MCNEIL: Not really.

MR. DOODY: No?

MR. MCNEIL: What form of subsidy would you give to the operation whereby it would be accepted by the government.

MR. DOODY: Right.

MR. MCNEIL: You know, you are not looking at fifty some odd million now, you are looking at a

MR. MCNEIL: subsidy under \$10 million.

MR. DOODY: I have to take exception to that figure, the \$10 million figure that the hon. member mentions as predicated partially, I think, on the statistics that are in this particular page and partially on the extension of the numbers of the next few years that average down to about \$10 million on the loss and operations over the next few years.

I would say that government would be quite receptive to an offer from a company that would come and say, For a \$10 million subsidy we would be willing to undertake the operation of the mill.

AN HON. MEMBER: I should say.

MR. DOODY: Yes. That I think is worth looking at and worth accepting. But I would like to see that and I would like to see how it is done. Because Consolidated Bathurst have come in with a set of figures which are worse than the Department of Finance's numbers which will be demonstrated in that final report. Our prognostications, and I say ours, the figures of Finance, the federal government's numbers, Abitibi's - Price's numbers and now the new Connie Bathurst all look worse than the numbers that the management of the mill has come up with, Sir, during the past few months, so we are really in a quandry, in a box on this and we would like to see the justification of how one set of numbers outdoes the others and which of them are correct. And to that end we are looking forward to seeing this final report which they tell us will be - they say early July. Giving the usual credence to that sort of promise I would say that probably by the middle of July we should have the final report of the Linerboard Advisory Group and by that time we should be in a position to look at it seriously and say to the industry generally, With a given situation what is it you need? Is it possible to make it work?



MR. DOODY: Can it work as a Linerboard mill? Can it work as some other sort of mill? How much does government have to put in there? What plans can you put forward? Is there something that we can do to make it happen? Is there something that we can do to make it work?

MR. MCNEIL: Would the minister permit a question?

MR. DOODY: Sure.

MR. MCNEIL: If you have so many conflicting different figures and you are trying to sell the operation to private industry, how are you going to do it until that final report comes down if you cannot get in position yourself?

MR. DOODY: That is what I said. Until such time as that thing is finalized in early July or no later, hopefully, than mid-July, I do not think we are in a position to answer the question you just asked me.

MR. MCNEIL: So actually you are still holding out a carrot in front of the people of Bay St. George, just giving them hope when the operation is going down, and saying. Hopefully a private enterprise will take it over. What you are saying right now is that there is not a hope in hell.

MR. DOODY: That is not a fair question. If it will make the hon. member happier, I know it would not and I know this is not a fair thing to say, and I know this is not what the hon. member is asking for, but if the hon. member is asking government to say yes we are going to close the mill down period, you know, we can do that.

MR. MCNEIL: Did you not already do that?

MR. DOODY: No, I do not think so. I think that we have said that unless circumstances change beyond where they are right now, we have no option but to close

MR. DOODY: the mill. But we are hoping circumstances will change, we are hoping that reports, situations, numbers, statistics, wood supply, whatever will put us in a position where we can interest some private group in taking over this mill and making it operate.

But if hon. members want government to make an absolute and firm conviction, or commitment that the mill will close, you know, I guess we can do that quite simply. But I do not think that is what hon. members are asking. I do not really think so.

MR. MCNEIL: You have a wood inventory over there that you have to use up to realize some money back so by giving the people false hope you will get it used up.

MR. DOODY: But I mean this idea of holding a carrot out in front of the people of Bay St. George is not really a fair thing to say. The other side of the coin is you either say that we are trying to get private enterprise interested in operating the mill, whether it is on a management agreement or whether it is on a purchase agreement or whether it is on a rental agreement or some sort of an agreement, details of which we have not finalized because obviously we are not in a position to finalize. The numbers that you have and the numbers that you have seen I am sure many of them are contradictory. Certainly the ones that I have seen become more and more contradictory as more and more experts get involved in it. Hopefully they will come together with a package during the early part of July that we can offer the industry and then we will know whether or not that the absolute solution, if you can use that rather disgusting expression that was used some years ago, is the only solution or if there is a hope and a possibility, and hopefully there is, to get the thing back in operation.

MR. DOODY: Maybe not in the same size or shape or scope as it is now, maybe in some other sort or shape. But to ask us, to put us in the position of saying yes, we are going to close it down period or if we do not say that, that we are holding a carrot out in front of the people of the Bay St. George area, I do not think that that is what either of us are looking for and neither of us want.

MR. MCNEIL: Yes, but you are basically saying that it has to go down, there is no way of helping that it has to go down.

MR. DOODY: As of this point in time we have received no indication that things have changed.

MR. MCNEIL: And after July when they have most of the wood inventory used you will not be able to start it up for about another year.

MR. DOODY: Now that is not true. You know, and hon. gentlemen opposite mentioned earlier, that you can get wood in from Cape Breton very

MR. DOODY: quickly if there is a demonstration of the fact that that mill can operate. You can haul that wood in there in a very short period of time and it is piled up there now, it is cut, there is a lot of it that diseased wood that the hon. member mentioned.

MR. HODDER: Is that diseased wood cut in Nova Scotia now?

MR. DOODY: Yes. Some of it has been clean cut for forestry practices to try to control that strange bug that is killing all the wood around, the spruce bud. And they would be only too happy to find a market to clear out some of the rest of it. But even on the most optimistic report that came in on the wood thing it was predicated, as I remember it, on the assumption that 165,000 cords would come from the Island and the balance would come from the Mainland and that is obviously a partial solution. But if it is only a partial solution and a temporary solution, and it turns out to be one that we can live with, you know, we would be delighted to do it. But in the meantime on the order side of it, the gentlemen are absolutely right, you can produce the stuff, no question at all. You can bring the material in and produce it and the people out there are quite capable of producing it and they are quite capable of selling it, but if you want to produce something for \$400 a ton and sell it for \$180 a ton and call that good, reasonable, sensible economics in terms of the overall situation that this Province is in, you know, then I have to, with great respect, argue and dispute the matter.

But right now what we are asking for is the permission of this House to spend an additional \$40 million over and above the statutory limit that we are now confined to in order to keep the mill going for the present, to meet the obligations of the mill in case it has to close, in the probability that it will close under the present circumstances, without holding any carrots out.

MR. HODDER: Would the minister permit a question?

MR. DOODY: Sure.

MR. HODDER: I was just wondering. You were saying we were selling for \$160 a ton -

MR. DOODY: \$180, somewhere in that area the mill nets, yes

MR. HODDER: - \$180 a ton, and producing at somewhere around \$400 a ton, how does this - with the woods reports and one thing and the other talking about \$60 a cord or averaging out around \$55 a cord which is comparable to other mills, how are the other paper mills in the industry managing to keep afloat at all. Because it seems to me that once we get our wood costs down and everything else is normal that we would be able to compete with other mills.

MR. DOODY: Yes, well are you talking about paper mills now or linerboard mills?

MR. HODDER: Linerboard mills.

MR. DOODY: Linerboard mills. Yes, well I went through that in the earlier debate if hon. gentlemen remember, I had a document demonstrating the comparative costs of the production in competing mills in the Southern United States. I think these mills count for something like ninety per cent of the linerboard production in the world and their costs were - I cannot find the document now but anyway gentlemen remember roughly what the difference was and the difference was far more than the savings. You know even with the most stringent controls, we are always in that position of hoping that there will be such a demand in the market that people will be willing to pay us this premium to get the product. Because we can never compete in a normal marketplace because of that cost advantage they have, not only on the Southern Pine chips and so on, but also on production

MR. DOODY: costs and expertise and then market establishment.

They have been in there for so many years and they have done all sorts of sales agency situations and so on which we have never been able to accomplish. The situation is an extremely complicated one.

MR. MCNEIL: It is also true that we were offered \$265 per cord from the Canadian market which was never tapped before?

MR. DOODY: Yes, that is right but that is a very, very limited market.

MR. NEARY: How about Cuba? How much did they take?

MR. MCNEIL: It is there though.

MR. DOODY: The Cuban mill nets were pretty reasonable, pretty high. They were never close to the cost of production. Our cost of production, taking the cost of the capitalization of the mill and the cash costs is well over \$400.

MR. NEARY: It is not fair to do that.

MR. DOODY: But you have to because it is all a cost to the people of the Province. All right we will take it out.

MR. NEARY: If you give it to Consolidated Bathurst -

MR. DOODY: All right. We will take it out.

MR. NEARY: Right.

MR. DOODY: We will take it out. We will say that it costs us \$260 a ton to produce. We can get \$250 in Cuba. You know two or three weeks production out in Stephenville will fill that malaprop market in Cuba and they have not picked up the last tonnage, they have not picked up all they contracted for they found a cheaper spot to find it.

MR. NEARY: You mean there are no new orders from Cuba?

MR. DOODY: None that I know of. As a matter of fact they have not picked up the old orders.

MR. NEARY: The minister may be interested in knowing, when I was out there the other day, the day before yesterday I heard they had some new orders from Cuba.

MR. DOODY: They may have gotten a ship to come in to pick up some of that old outstanding order from Cuba. We have been in touch with a grand gentlemen, elegant chap from Ottawa who is the Cuban ambassador. As a matter of fact, James McGrath, the member for St. John's East, took it on himself to come down here with the ambassador from Cuba to convince him that he should get more than that.

MR. NEARY: I always knew he had a little socialistic tendency.

MR. DOODY: A little bit to the left of centre.

MR. HICKMAN: The Rule of relevancy applies you know.

MR. SMALLWOOD: Yes.

MR. DOODY: Mr. Chairman, is it absolutely necessary that I be harrassed by the hon. House Leader.

SOME HON. MEMBERS: Hear! Hear!

MR. MCNEIL: Mr. Chairman, what the hon. gentleman is saying is very interesting to us in the Bay St. George and to the people of Newfoundland. We would like to hear him and we would like him to continue without harrassment from the hon. House Leader.

MR. HICKMAN: So do I, but when we got on to Castro, I got carried away.

MR. DOODY: Thank you, that was one of the - we had two markets that were fairly profitable in terms of the cost of production of the place; one of them was United Fruit Growers, the banana experts down there in Central America and the other crowd were the Cubans. The Cubans was a relatively small order in terms of production of the mill and the other one was a fairly large one.

MR. NEARY: It is good linerboard.

MR. MCNEIL: The best quality ever.

MR. NEARY: Did they like our linerboard in Cuba?

MR. DOODY: I do not know. Mr. Crosbie went down and talked to them about it and things do not seem to have been the same since. I think that they probably were -

MR. NEARY: That is not why he went up to Ottawa, is it?  
Did he talk to Castro?

MR. DOODY: No, no! I do not think he saw Mr. Castro.  
I think he talked to the people who are in the industry down there.

MR. NEARY: Was he waiting for him long?

MR. DOODY: No, not as long as your erstwhile leader waited for the hon.  
cigar smoker.

Anyway we have digressed, and we do not have  
the time. It is a far too important subject.

The Cuban market is a very small and very limited  
one. And now they have found a cheaper - once again they have  
found a cheaper place to buy. And the reason that the Cubans  
are buying it from Stephenville at a higher price than the  
Southern U.S. is because the law says, The U.S. are not allowed  
to ship anything into Cuba.

MR. NEARY: That is going to be changed.

MR. DOODY: But that is going to be changed which does not  
help, does it? It does not help the situation.

MR. MCNEIL: It was a better quality stuff they were  
receiving from Stephenville and they were using it with the other  
stuff they had.

MR. DOODY: That is right. That is right. And once that  
law changes about the trade bit between the U. S. and Cuba  
even that little piece is going to be tenuous at best.

The United Fruit Growers have found all sorts of  
reasons why their ships were not available to come in. They were  
tied up. They could not find the time. The ship was going to be  
somewhere else, and lo and behold, they have never run out of  
linerboard. The bananas have been shipped all over the place, but  
suddenly over the past two years -

AN HON. MEMBER: (inaudible)



MR. DOODY: And so it goes. It has been an uphill struggle and it has been a battle. The marketplace is certainly there and if you want to dump the product in at that kind of a price it can be sold, but you know, we go back to that again.

All I can say to the hon. gentleman, as I have said a few minutes ago, is that to keep the mill going and to look after the day-to-day operations and to look after those people who are out there, we are asking the House's permission to raise the statutory limit on the Stephenville Act from \$115 million to \$155 million which would give us an extra \$40 million. I have flipped these figures off the top of my tongue now just as easily as the previous Premier used to. You know, it is an awful lot of money.

MR. NEARY: He is gone but not forgotten.

MR. DOODY: but it is an important and a necessary thing. If things develop - and I do not want to be accused of holding out carrots and I do not want to be accused of chopping off heads - I am just trying to find a middle ground here and get enough money to keep the mill in operation, and if it has to close down, to close it down in an orderly way and make sure that all the people who are working out there and are associated with the mill, who are employees of the mill, and so on, are properly looked after. I hope it does not come to that, but if it does, I certainly want to make sure that this House has given us the authority - the financial authority, at least - to be able to do that. And so, Sir, I move the second reading of the Bill.

MR. SPEAKER: It is the pleasure of the House.

MR. MCNEIL: Before the Minister sits down - what was the reason why when you introduced the bill, it was introduced at \$75 million? You requested \$75 million, and now you have dropped down to \$40 million in the light of the closure. Is this \$40 million to close it down mainly? To pay some of your debts and to close it down? And why not, if there is still hope at the end of the tunnel, why not still ask for approval of the \$75 million?

MR. DOODY: If the hope materializes at the end of the tunnel, if that dim light that is down there materializes, we will be back to the House and ask for the extra money if it is necessary. Hopefully, an agreement will be made if it is possible with a private company or by this - this will be sufficient funds. There has been some dispute here in the House about the accountability of funds, and about giving people or organizations or Crown corporations too much flexibility or too much spending authority without reference to the House. We feel that this \$40 million can handle the bank line of credit, can give the Bank of Montreal the guarantees that they need to advance us the funds that will be necessary for an ongoing operation and at the same time take care of the close down plans or costs that might be incurred as is shown in the budget.

MR. NEARY: Mr. Speaker, I wonder could the minister guarantee the House that before any deal is made with Consolidated Bathrust or the Republic of Korea or anybody else - even if it is during the Summer vacation - that the House will be called into emergency session to debate this matter before any deal is made with anybody in connection with this?

MR. DOODY: No, I cannot make that guarantee. This is a different administration and, you know, one particular minister does not make a commitment like that.

MR. NEARY: But I am sure that the minister must have consulted with the Premier and his colleagues to find out what the -

MR. DOODY: On the Republic of Korea, I can definitely give the House a commitment that we will be called together before we get them in here, because I feel reasonably certain that Mr. Jamieson and the Government of Canada will insist on it.

MR. NEARY: What about Consolidated Bathrust?

MR. DOODY: Consolidated Bathrust which is a great, and well-known, and respected and honoured Canadian company, owned by one of the great Canadians of all time,

MR. NEARY: Paul Demerais and his crowd.

MR. DOODY: Mr. Paul Demerais, a very close friend of your friend Pierre.

MR. NEARY: And a very close friend of the Premier of this Province.

MR. DOODY: Just a coincidence.

MR. NEARY: Supported Mr. Brian Mulrooney for the leadership of the Tory Party.

MR. DOODY: That is right.

MR. NEARY: And so did the Premier of this Province. And they went to the same school.

MR. DOODY: I did not go to the same school.

MR. FLIGHT: A semi-private school.

MR. DOODY: I did not go to the same school as the hon. gentleman.

MR. NEARY: Well, before that kind of a deal is made with Mr. Paul Demerais and Consolidated Bathurst and Power Corporation of Canada will the House be called together?

MR. DOODY: I cannot make that guarantee. No.

MR. FLIGHT: Why?

MR. NEARY: Well, I mean, are you just going to go ahead -

MR. DOODY: But I will tell you this much that before it is ratified the House will meet.

MR. NEARY: Yes, I know, before it is ratified. That could be a year and one-half from now.

MR. DOODY: No, the House can turn it down.

MR. NEARY: Yes, sure.

MR. DOODY: The House can turn it down if it does not agree. I mean that is what the democratic process is all about.

MR. NEARY: Do not be so naive.

On motion, a bill, "An Act To Amend The Stephenville Linerboard Mill (Agreement) Act, 1972," read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 21).

MR. HICKMAN: Mr. Speaker, for the benefit of hon. gentlemen, the agreement is that I call certain routine bills to get them out of the way and then we go into the Loan Bill, hopefully, to finish at 5:30 P.M.

Order 12, Bill No. 121.

MR. SPEAKER: Order 12.

Motion second reading of a bill, "An Act To Amend The Local Government Act, 1972." (Bill No. 212).

The hon. Minister of Municipal Affairs.

MR. DINN: Yes, Mr. Speaker, previously in the House we passed similar items in the Community Councils Act, the City of Corner Brook Act, etc., with respect to property. This bill - just to go through a couple of the clauses that are being amended. Clause 1, the amendment will clarify the voting provision when a councillor refrains from a vote. Clauses 2 and 3, the purpose of these amendments are to change the provision respecting a salary suspension, during a suspension from office of employees. Clause 4, this amendment would permit the auditing requirements to be set aside when the minister prescribes specific regulations relating to councils. Clause 6, the reference to the Assessment Act, and definition of real property. Clause 8 and 9 are basically the same things with respect to the Assessment Act. So, Mr. Speaker, I move second reading.

On motion, a bill, "An Act To Amend The Local Government Act, 1972," read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 121).

MR. HICKMAN: Order 11, Bill No. 114.

MR. SPEAKER: Order 11.

Motion second reading of a bill, "An Act To Amend The Department of Municipal Affairs and Housing Act." (Bill No. 114).

MR. SPEAKER: The hon. Minister of Municipal Affairs.

MR. DINN: Yes, Mr. Speaker, this is with respect to some words in the Municipal Affairs and Housing Act with respect to water supply, and we are adding in this case sewage systems so that in some unincorporated areas, for example, we can now go in there and put a water system in, as we are having health problems in some of these areas. We can now apply that to sewage systems. So, Mr. Speaker, it is a matter of changing words in different sections of the act, to change water supply and adding sewage disposal pipes, etc. So, it is adding now a new dimension to the department in that we are now providing for the supply of sewage systems.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: I cannot resist the temptation now, Sir, but to say that the minister will now become the Minister of Municipal Affairs, Housing and Sewerage.

On motion, a bill, "An Act To Amend The Department of Municipal Affairs And Housing Act," read a second time, ordered referred to a Committee of the Whole House, presently by leave. (Bill No. 114).

MR. HICKMAN: Order 9 - Bill No. 105.

MR. SPEAKER: Order 9.

Motion, second reading of a bill, "An Act To Establish A Municipal Grant System." (Bill No. 105).

The hon. Minister of Municipal Affairs and Housing.

MR. DINN: Yes, Mr. Speaker, as hon. members know we had a Steering Committee set up as a result of the Whelan Royal Commission report which recommended a new municipal grant system. The Steering Committee has gone through the Whelan report and have made certain recommendations with respect to special grants to municipalities. Right now, as Whelan has set out in his report, the grant system does not quite fit in that the larger municipalities will get a larger share than they are getting now, and the smaller ones would be very seriously affected. So we are asking for enabling legislation here only pending the

Mr. Dinn.

outcome of a proper formula so that the smaller municipalities will not be affected. And, as I said, Mr. Speaker, it has been discussed by the Steering Committee and passed on to me for legislation. And on the Steering Committee members might note that the president of the Newfoundland Federation of Municipalities and his executive director are on that Steering Committee. And as a result of that the Steering Committee came through with these recommendations. So I move second reading.

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

The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I have no objection to the principle of the bill, but the government seems to be getting itself in an awful lot of hot water lately over implementing the Property Tax, and I think Bell Island is probably a good case in point where the government - I think the Minister of Finance, the member for Harbour Main - Bell Island (Mr. Doody) assured the people in that community that a public meeting would be held to explain the Property Tax, what the implications of the Property Tax would be before the tax was implemented and imposed on the people. This was not done. Would the minister think that it would not be good public relations, be a good idea that before taxes - even if you do have a Steering Committee - that the whole thing be reviewed? It is a terrific shock to a community to discover after paying just a town service fee, say, for the last ten, fifteen or twenty years, that all of a sudden they have got the Property Tax whacked on them, and they find out now that they have got to pay seventy, eighty, ninety, one hundred, one hundred and twenty dollars whatever the case may be. In the case of Bell Island, I think it is forty or fifty dollars.

MR. DOODY: The Property Tax is \$40.

MR. NEARY: Forty dollars.

But nevertheless, it is a bit of a shock, Sir.

MR. NEARY.

And I believe that in order to do it democratically that a public meeting should be called and the people should be advised of what the taxes are, how they are being assessed.

MR. NEARY: They have no idea on Bell Island right now. I was over there the Sunday before last and this is the subject of quite a bit of controversy over there and as a result you are likely to see the whole town council ousted out, cleaned out in the Fall of the year and that may be a Godsend.

MR. DOODY: It may be a tragedy.

MR. NEARY: It may be a blessing in disguise. I do not know, but Mr. Speaker, I think it would be a good idea, Sir, if the minister would send one of his officials around. The government should undertake it as a part of their conventional wisdom to send people around the Province whenever they are imposing a property tax, or water and sewer taxes for that matter. The government has just taken an arbitrary decision, I think, about a year or so ago, less than a year ago, that water and sewerage would not be put into any community unless the people agreed to pay \$12.50 a month. Oh, the minister is - Well what is it? That is my understanding of the problem.

MR. DINN: Community service fee is \$12.

MR. NEARY: \$12.

MR. FLIGHT: Water and sewer service.

MR. NEARY: Water and sewer \$12. Well I was only fifty cents out but that is \$144 a year. That is a lot more, Mr. Speaker, than people were called upon to pay before the minister came in and arbitrarily, in an arrogant fashion, bulldozed this new policy through and will not give the communities in this Province a break. The communities that have been without these services for a good many years, who are now trying to get town councils.



MR. NEARY: community councils, impose property taxes, get a water and sewer system, are not getting a break at all, just sock it to them. And if they do not conform to that, if the people are not prepared to cough up their \$12 a month then they do not get their water and sewer system.

MR. FLIGHT: They will blackmail them into it.

MR. NEARY: \$12 per month, that is correct.

MR. LUNDRIGAN: \$8 a month for water and sewer.

MR. NEARY: The minister has laid down a hard and fast policy of \$12 a month. The ultimatum has gone out -

MR. DOODY: That is cheap.

MR. NEARY: - and municipalities coming into the minister requesting an extension of water and sewerage or a water and sewer system period, new water and sewer system -

MR. DINN: A new one only.

MR. NEARY: - a new one only, the minister will say, Go back and ask your people if they are prepared to pay \$12 a month and if they are not no water and sewerage.

MR. DOODY: How much do you pay in St. John's?

MR. NEARY: How much do I pay?

MR. DOODY: In St. John's, yes.

MR. NEARY: My water tax I would say is about \$28 a year.

MR. DOODY: Never mind the water, the sewerage.

MR. NEARY: \$28 a year is the water tax.

MR. DOODY: Your property tax, how much is it?

MR. NEARY: The whole thing probably comes to about, oh I do not know, \$300 or \$400 a year.

MR. HON. MEMBER: Terrible.

MR. NEARY: Somewhere between \$300 - I do not know. It is all included in my mortgage. I do not know.

MR. DOODY: I wish I was in your position.

MR. NEARY: I really do not know how much it is.

MR. DOODY: I wish I had your money to be able to say \$300 or \$400. I do not know how much it is.

AN HON. MEMBER: \$18.50 water tax.

MR. NEARY: How much?

AN HON. MEMBER: \$18.50.

MR. NEARY: Yes \$18.50, that is right. I got the bill the other day.

MR. DOODY: That is the water.

MR. NEARY: Water tax.

MR. DOODY: Yes.

MR. NEARY: But the minister says, "No." In rural areas where they are starting off from scratch -

MR. DINN: For a new system.

MR. NEARY: - with new systems, where they are trying to put the system in without imposing too much of a hardship on the people, as was the policy of the former administration, the minister is going to sock it to them with a \$12 a month fee. And if they do not like that according to the minister, they can turn it.

Delegation after delegation have been told by the minister, "Go back -

MR. DINN: I have seen every one of them too.

MR. NEARY: Seen every one of what?

MR. DINN: Except one, delegation.

MR. NEARY: So, I think, Sir, there could be better liaison, better relationship between the minister's

MR. NEARY: department and the people in the municipalities. And when the minister does announce, or wants to announce a water and sewer system he lets the member do it, if it is a member on his side, or he does it himself. He does not let the mayor or town councillors do it. But when it comes to putting a property tax in he lets them bear the brunt of that because that is unpopular. But if it is some project the minister or one of his colleagues, or some politician on the other side will announce it.

AN HON. MEMBER: Disgraceful.

MR. NEARY: Take the credit. Try to take the credit away from the town.

MR. DINN: Who announced Rose Blanche out on the West Coast?

MR. NEARY: The hon. minister did, or -

MR. DINN: I never had a word to say on that.

MR. NEARY: The hon. Mr. Jamieson did.

MR. DINN: You never had a word to say on it yet?

MR. NEARY: Oh I certainly did because of the federal involvement. I was kept informed, not by the minister's department, I was kept informed by Ottawa of what was going on in connection with it, in case the hon. gentleman does not know. I believe I asked the hon. gentleman about it a couple of times.

MR. DINN: I sent you a letter on that.

MR. NEARY: That is right. That is what I said. I asked the hon. gentleman about it a couple of times and I got some information out of him but I got more information out of Ottawa. Freedom of information up there, Sir.

But anyway these are just a few

MR. NEARY: points that I would like to raise in connection with this bill, Sir, and I hope that the minister can tell us now that there is going to be no more bulldozing these heavy taxes on an already heavily overburdened taxpayer in this Province, and that the public meetings will be held as was promised on Bell Island, and that promise has not been kept.

MR. DINN: Not by me.

MR. NEARY: No, promised by the minister's colleague. The Minister of Finance, who represents Harbour Main - Bell Island, told the people there would be a public meeting before the property tax was implemented and that promise has not been kept. Like a good many more promises made by this hon. crowd.

MR. SPEAKER: The hon. member for Windsor - Duchans.

MR. FLIGHT: Mr. Speaker, I have very few comments, and what prompted the comments I have to make is the hon. member for LaPoile because he is right. The problem is he is only half right, or at least he only told half the story.

MR. NEARY: That is all the time I had.

MR. FLIGHT: The member indicated that when new -

MR. NEARY: The Minister of Justice was looking at me.

MR. FLIGHT: - when new councils and new communities -

MR. HICKMAN: You will be able to look over here now.

MR. FLIGHT: - new communities are coming in and asking for water and sewerage systems that the minister is leaning on them and saying, "Yes, go back and tell your people it will cost you \$12 a month." But the minister

MR. FLIGHT: knows that that is only half the story. The minister is doing that to councils who already have water and sewerage systems, who come in and want \$5,000, \$6,000 to upgrade their services. He is leaning on those councils and saying, No assistance, go back, when you get your rates up to \$12, no regard for ability to pay.

MR. NEARY: Hear! Hear!

MR. FLIGHT: Get it up to \$12 or do not talk to us, or we will not talk to you. And, Mr. Speaker, as such he is placing undue hardship and causing undue hardship in the community and he is going to find, if he keeps following the line of thought that he is following and keeps going the route he is going, he is going to find it very difficult to maintain councils in this Province. He might be surprised at the number of people who will be seeking public office come November in some of those smaller communities.

And it is a fact, Mr. Speaker, and the minister knows it is a fact, as a matter of fact he is going the route his predecessor now the hon. Minister of Mines went, only he is carrying it a little bit further. He is getting a little bit tougher and he is laying it on the line and he is setting dates and times when we should get up to the \$12. And, Mr. Speaker, that is all right for a minister who represents a district in St. John's, but Mr. Speaker, I would suggest that if the Minister of Municipal Affairs were from rural Newfoundland he might be prepared to take a little softer look, he might be able to consider

MR. FLIGHT: the feelings and the ability to pay of the smaller communities who, number one, have got a water and sewerage system, and are struggling to maintain it, or a non-incorporated community that is looking for one. And have no doubt, let the word go out, Mr. Speaker, that this present Minister of Municipal Affairs is making life very miserable for the municipal councils around Newfoundland. Thank you.

MR. SPEAKER: The hon. member for Eagle River.

MR. STRACHAN: Mr. Speaker, I find it very difficult to be able to address myself in a brief time -

MR. FLIGHT: Thirty-five minutes.

MR. STRACHAN: - with the hon. House Leader glowering over the House. He is trying to put us off our comments but however, I understand his rush.

My only objections are the objections I have already voiced many, many times before, that in order, for instance, to get a tax incentive grant, it is very much related to property tax. And in dealing with rural and isolated communities, that is where land is virtually not owned by people themselves, their homes are built on land but the land is not owned as such. In many of the communities the householder, or owner, does not own the land around, there are no deeds and so on. Also because there is no tax base in the community, then it is very difficult for any revenue to be collected from these communities. The councils already are having difficulty even collecting their basic fees of \$20, I believe, which is the minimum fee. In fact some councils in my district have asked me many times if they can reduce it to \$10, the old fee figure because they feel that they are not providing services because they just do not have the finances to provide services. So they collect \$20 a year from

MR. STRACHAN: the residents in a community, that is away beyond the amount of services they are providing the people in the community.

So I am concerned that these tax incentive grants and so on, and the way this system is working does not apply to rural, isolated communities, nor will it assist them in many ways. For instance, in a couple of areas here it is to assist a municipality to do something. And as the minister knows many of

Mr. Strachan: the communities we are dealing with, even if we assist to 60 per cent or 70 per cent, even in some cases 80 per cent, they just cannot meet the vast 20 per cent in order to get that water or sewerage or any other capital project. And so I think there needs to be a different setup for some of these communities, otherwise there is just no point in having a council there under tremendous flak from the local residents, And yet they are hamstrung, they do not have that money. And this system of real property tax is not applicable in a community because there is just no way of assessing these kinds of things. And I know the minister is aware of this. We have talked about it a number of times, but I had hoped that something different could be set up or some different basis could be set up for rural and isolated communities in this Province.

MR. SPEAKER: The hon. member for Fogo.

CAPT. E. WINSOR: Mr. Speaker, there are one or two points I would like to bring to the attention of the minister. And one is there does not seem to be any consistency in the tax formula which is imposed upon many citizens. I think I mentioned -

AN HON. MEMBER: Up to now.

CAPT. E. WINSOR: Pardon?

AN HON. MEMBER: Up to now.

CAPT. E. WINSOR: Yes, prior to this.

We have old age pensioners, and both the husband and wife are assessed the service fee which is \$20. Now in some councils this is imposed and in others it is not. Now there is no consistency there. Because an old age pensioner receives his old age pension, and his wife or spouse receives the old age pension both of them are taxed for the service fee, which is \$20. Now if they ever hope to get water and sewer then they are going to be charged \$12 a month for water and sewer, \$12 a month, \$144 a year plus the \$40 they are paying. You know, you are going to tax them out of existence.



MR. NEARY: We are going to put that in our platform we are going to exempt old age pensioners.

CAPT. E. WINSOR: One or the other. There is no consistency there now because -

SOME HON. MEMBERS: Oh, oh!

CAPT. E. WINSOR: But, Mr. Speaker, this is very serious and it is imposing a hardship on some of those people. Now the old Act, I believe, stated, if my memory serves me correctly, that a male and a female earning more than \$600 a month were subject to this tax. But now the Act is changed, I believe, where the male must pay if he is earning. No it does not say whether he is earning or not. If he is a resident of the municipality, owns property, he has to pay the service fee. But the female if she is making or earning \$600 or more, she pays. But in the case of the old age pensioner those poor devils are taxed, both of them, and it is a little unfair, I think. But you go to the council, and the council says, Look it is in the Act. And I cannot determine - you know, it is difficult to determine what that really means because one council, within a ten mile radius, is imposing the tax and the other is exempting the old age pensioner.

So here is one area of aggravation I think the minister should check into and make it consistent all through the councils. So I would say that amendment should have been in this Act as well.

MR. SPEAKER (DR. COLLINS): If the hon. minister speaks now he closes the debate.

MR. J. DINN: Mr. Speaker, just to get to the main points brought up by hon. members opposite. The hon. member for LaPoile (Mr. Neary) talked about not giving communities a break in imposing a \$12 per month rate on councils that are acquiring new water systems. When the fact of the matter is that this \$12 a month rate is about what it takes, about what it takes in most cases to operate and maintain them. Now I have since I have become minister, and the previous Minister of Municipal Affairs and Housing indeed went this

Mr. Dinn:

route — it was initiated by the previous minister, and continued by me — the fact of the matter is my main concern right now, in Newfoundland, is getting new water and sewer systems in place, and not having to maintain and operate those systems. I think we got an obligation to the people of Newfoundland to get systems in and ask them, you know, in most cases not to pay for the capital cost of the systems but to operate and maintain them. I do not think that is too much to ask of municipalities. And if it is, then I am wrong. But the indications that I am getting in travelling around, and the results of the little circular that we sent out, were the fact that those people who really want them are willing to pay the \$12 per month.

Now with respect to increasing; the hon. member for Windsor-Buchans (Mr. Flight) brought up the fact that we are increasing the water and sewer rates for those municipalities that already have water and sewer in their municipalities. And again the idea here is that every year we are giving out thousands of dollars to municipalities for operation, maintenance, upkeep and so on of water and sewer systems when down the road we got municipalities that have no water, and no sewer systems in them. And I think the emphasis should be, from the point of view of government, to provide those people with water and sewer systems, and that is basically the direction we are going in. We are asking the municipalities to keep, operate and maintain their systems, in the hope that we can get a few more dollars to put in more systems around the Island, and that is basically where it is at. And if you will notice, the budget for Municipal Affairs and Housing this year has increased somewhat, but there is only so much money in the bucket, and you know you just cannot go and keep asking for money to operate and maintain systems that are already in, when we have so many systems that are required in Newfoundland today.

The other thing, Mr. Speaker, with respect to the hon. member for Fogo (Capt. Winsor), who brought up the point of the old age pensioners. Well there may be inconsistencies from council to council in that anybody in a municipality, you could have a multi-millionaire

Mr. Dinn: in a municipality, basically, who happens to be an old age pensioner who could afford the service fee and/or the water and sewer rate. So the fact of the matter is that this basically says the council has the option on an individual basis to submit names to the minister requesting that these taxes for individual people in a municipality be forgiven. Well if it is their wish -

CAPT. WINSOR: Very often councils will not do it.

MR. DINN: Well I mean you have to give these councils responsibility. They have the responsibility for operating and maintaining their town, and you know they are in closer touch with the people than I am in here. Say, in the hon. member's district in Fogo, these town councillors are closer to the people out there than I am. And, you know, if it is up to the council, if they are responsible, then if they are requested that taxes be dropped in a particular case they can send the name into me, and I do not know of one case, Mr. Speaker, where I have turned down a council who have sent in a list of names to have taxes forgiven.

CAPT. E. WINSOR: The act gives these people the option but they will not deviate.

MR. DINN: Yes. But they have the option under The Local Government Act to send into the minister to forgive taxes.

CAPT. E. WINSOR: Why not make the -

MR. DINN: To legislate that?

Because there are obviously some people, senior citizens or otherwise, and special groups that cannot afford to pay the tax.

MR. FLIGHT: Can the minister encourage the councils to write in for permission to exempt the senior citizens whom council knows need that exemption?

MR. DINN: Yes. Mr. Speaker, I have gotten requests from senior citizens, for example, whom I have written letters about to council, you know, telling them about the particular

MR. DINN: circumstances and asking them to have a serious look at them. But I have never overruled a council nor should I as the minister of the department. I think that they should have and do have, and should get more local autonomy, and that is what they are crying for today.

So, Mr. Speaker, that seems to be all the questions that have arisen here today, and I move second reading.

On motion, a bill, "An Act To Establish The Municipal Grant System", read a second time, ordered referred to a Committee of the Whole House presently by leave.

MR. HICKMAN: Order 5, Bill No. 96.

Motion, second reading of a bill, "An Act For The Protection Of The Health Of Persons Exposed To Radiation And For The Safety Of Persons In Connection With The Operation And Use Of The Electrical And Mechanical Components Of Radiation Producing Equipment And Associated Apparatus."

MR. SPEAKER (DR. COLLINS): The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, my colleague the hon. Minister of Health

MR. NICKMAN: is not here but the explanatory note says the purpose of this bill is set forth in the long title so I move second reading.

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

MR. ROBERTS: Mr. Speaker.

MR. SPEAKER: Hon. Leader of the Opposition.

MR. ROBERTS: Before I speak on the bill I will do the House the courtesy of finding a copy of it. Has somebody got one? The explanatory note is a little fuller than some explanatory notes I have seen and the long title is a little more revealing than some of the long titles of bills which come before the House. I do not want to say a great deal on it but there are one or two points that I want to make because I think this is a serious matter, it is an important matter, and it is one which should not just be slurred through the House in the dog days of a session without some notice being given it at all.

I want to begin by saying that the unfortunate thing about this bill is not simply the length of time in bringing it in, I mean it has been years, and years and years. I do not say this as a criticism of the present Health Minister or any other Minister of Health. In this House now there are two former Minister's of Health and one present temporary Minister of Health. This bill ought to have been brought in many years ago, here and across Canada but that is not the point of my comment now; the point of my comment is that the bill is one of these innocuous pieces of legislation that is subject to proclamation. I do not particularly like that. I do not see any reason why this bill should not become law the moment that it is adopted by the House as I believe it will be. We are prepared to vote for it on this side and the hon. gentlemen opposite will vote for it and my friend from LaPoile, who is not in the chamber at the moment, I have no doubt will support it as well because I think it is a worth-while piece of legislation.

All I want to say is that we are not putting

MR. ROBERTS: enough effort into occupational health in this Province. We are beginning to be aware of the fact that we have some serious occupational health hazards. The classic case, also a tragic case, of course, is St. Lawrence where the health hazard was radiation. But we have other bad situations. The situation with Iron Ore Company at their operations in Labrador West is a bad one. I think it is forty cases of silicosis that have turned up now and I believe they are attributed to the conditions, the dust conditions particularly in the pelletizing operation there. We also have the situation at Saie Verte where apparently - and thankfully no cancer related diseases have as yet turned up - I am not sure I can pronounce them so I will not but I am sure that my friend from Exploits (Dr. Twomey) knows the kind of conditions to which I refer, asbestosis and the other one - I might be able to stagger it, I am not sure I could get it out - mesothelioma or something close to that. I hope the ladies in Mansard do not call and ask me to spell that but it is a cancer condition or a malignancy related to and caused by asbestos fibers in the lung. We have those situations and we also have the silicosis problems which have shown up, I believe. There have been some in Buchans and other occupational health hazards in the Province.

My concern is simply that we have not done enough. I do not blame that in any partisan sense, I think the record of the previous administration was not anything to boast about in this field. When I was Minister of Health it was one of the areas with which we tried to cope. I think we made some progress but certainly if you asked me to list the areas in which I felt we had not done nearly enough, or in which I had not done nearly enough as Minister of Health, the occupational health field would have been one of those. Perhaps it would have been the chief one on the list, and remarkably little has been done in the five or six years since. That is not a happy state of affairs. The significant thing about occupational health hazards as opposed to industrial

MR. ROBERTS: hazards, the significant thing about them is that they take a long time to manifest themselves. Industrial hazards are usually very obvious the Workmen's Compensation Board early recognized them indeed, I suppose, they were recognized long before there was Workmen's Compensation. Workmen's Compensation is a way of taking care of them, a way of sharing the burden of risk and insuring that a man or a woman does get compensation. But industrial hazards are the obvious things, losing an arm or a finger in a sawmill accident, or being run down in a trucking accident or all the types of accidents that occur on the job. Along those lines I understand that an amazingly high proportion of the industrial accidents that have come to the attention of the WCB are back related injuries. I find that both interesting and significant and it has very interesting implications but that is another story.

The occupational hazards of the type dealt with in this bill take a long time to manifest themselves. I do not know how long it was after the opening of the mine at St. Lawrence before the malignancies and the health problems started developing. It might have been fifteen or twenty years. I do know for a fact that the mines operated for a long time and nobody was the least bit concerned about occupational health, nobody, including the miners or the people in government or anybody else, no other element in society spoke up.

The same type of situation exists at Saie Verte where no malignancies as I understand it have as yet been discovered. Maybe there are none, maybe there will be none but the fact remains that it is still too early to tell because the mine there has only been in operation-I believe it is thirteen or fourteen years and it takes twenty years I understand before you can say that - and the gentleman from Humber East (Dr. Farrell) who is a medical doctor and knowledgeable in this field along with many others I gather concurs that what I am saying is a correct statement.

MR. ROBERTS: In any event we are moving to have an occupational director, an occupational health director - I do not know whether that will be Dr. Colohan who I gather has been doing this work and a very competent official indeed. He became Assistant Deputy Minister of Health during the period I was minister, during the latter part of the period.

MR. W. COLLINS: He is Director of Occupational Health.

MR. ROBERTS: And as I say, the appointment was made some time ago as Director of Occupational Health and that is continued by this bill and he is the official who is given the responsibility for implementing it. I do not want to comment on it in detail. I am glad we are moving and I think it is a sensible area in which to move.

The only other comment I would make is that I think we need an educational campaign because I said that occupational health diseases take a long time to show up and they do. The other significant point about it is that the men and the women most directly exposed to the hazards often are not conscious or do not want to be conscious of the hazards. There maybe an item or an element of wishful thinking in their approach but the fact remains that until the gentleman from Grand Bank district could speak on this with eloquence, and I have heard him speak often on it with eloquence and great sincerity-until death started appearing among the miners in St. Lawrence, the miners themselves did not believe there were any significant hazards connected with the radiation. I think that is correct and I understand even now there are some of the miners there who just will not make the connection between the radiation to which they were formerly exposed. I gather now the exposures are much less and are well within the generally accepted, what are called TLV, tolerance limit values, the threshold limits, the same as at Baie Verte.



MR. ROBERTS: The union has recently wakened up to it and indeed it is now very prominent but it is only laterally that the union became involved and I understand that many of the workmen in the mine still do not regard it as a terribly serious hazard. Yet we all know that asbestos is a very useful mineral but it is a very dangerous one. It was just the other day that some agency on the Mainland that was testing wines, and apparently wines are filtered through asbestos filters and this has an affect on the wine and now - there is nothing left, you know the wine is not fit to drink apparently, in which case a number of us are candidates for asbestosis.

MR. DOODY: Is the hon. member for LaPoile aware of that?

MR. ROBERTS: I do not know whether my friend from LaPoile is aware of it or not but asbestos is a terribly, terribly dangerous mineral. It is a very useful one, indeed it is possibly an essential one in our modern industrial society because it is completely fire resistant, not just fire retardant but I understand asbestos will not burn under any conditions. But the point of the educational campaign would be to convince the workmen involved - and I think they are becoming more aware of it - more needs to be done to convince them of the hazards and of the steps that must be taken. There is always a degree of risk but there is a degree of risk in driving a bus around St. John's or driving a taxi cab or indeed walking across the street. I mean there are risks associated with any activity but what we must do is to make sure that the risks are the very minimum ones possible. I have the feeling that many of the men in Baie Verte still do not think there is a terribly great element of risk, I do not think many of the men in Labrador City have a terribly great feeling - my friend from Menihek has returned to the Chamber - the pelletizing plant is the least desirable place to work at 10C I am told and that is where the new employees go and they get out as quickly as seniority allows them.

June 16, 1977

Tape 4322 - Afternoon

AH-6

MR. ROUSSEAU: Probably in the whole Province.

MR. ROBERTS: The least desirable place in the whole Province.

Is that what the minister is saying?

MR. ROUSSEAU: That is what I am saying.

MR. ROBERTS: It may well be. I have been in there on occasion and it reminds me of Dante's Inferno or what one imagines Dante's Inferno would have been like, vast

Mr. Roberts: heat, great heat, almost intolerable heat, and dust, you know, very thick in the air, even though I gather there have been some improvements. But I think men have got to be made aware of these, and I think we as a society have to be prepared to cope with it.

I think this bill is a step forward. I regret that it is subject to a proclamation, I suppose we will be told that it is going to be necessary to work out regulations and everything and all of that, to which my answer is, you know, the regulations and the schemes for implementing the bills ought to be worked out before the legislation comes before the House. Because people now who read in their newspapers or hear on their television sets that, you know, the House today passed a bill to set up an authority to deal with radiation hazards, and have set up some standards, and all things provided for here, will not then make the connection to realize that it may well be a year or two or three, well the minister shakes his head negatively, and I am glad of that, and perhaps he will say a word on it. But, you know, I would like an assurance that it will come quickly. The hazards are there.

MR. FLIGHT: Is that Bill No. 54?

MR. ROBERTS: I am sorry?

MR. SIMMONS: It took four or five years to proclaim the notice of severance legislation.

MR. ROBERTS: Yes, my friend and colleague from Burgeo-Bay d'Espoir reminds me that it took four to five years to proclaim the notice of severance legislation, the termination of employment, the mass unemployment as opposed to one man being laid off. Our Statute Books are filled with Acts that are subject to proclamation which have not been proclaimed. You know, it is a minor quibble in connection with this bill perhaps, but it is a major quibble, a major point in connection with the general legislative process.

Let me add just one other point by way of a question. I am intrigued by Section (14) "That no person shall operate or maintain any shoe-fitting device or any shoe-fitting

Mr. Roberts: machine that uses fluoroscopic x-ray or radiation principles. I can remember years ago buying or being taken to have bought for me shoes, at Parker and Monroe I guess it was, and putting your foot in a machine and you would look down through the viewer like the viewer on a radarscope and you would see what purported to be, and I am sure was an outline of one's foot, the bone structure.

CAPT. WINSOR: Corns and bunions.

MR. ROBERTS: Well my friend from Fogo (Capt. Winsor) has corns and bunions, I was not like that - I think that is a breach of privilege of the House for the hon. gentleman to expose his bunions publicly in that way. Corns perhaps, but corns and bunions, no.

CAPT. WINSOR: I did not say I had them.

MR. ROBERTS: The hon. gentleman will have to take his shoes off, his former leader once took his shoes off on a platform to prove that he had cloven hoofs.

CAPT. WINSOR: Khrushchev did too.

MR. ROBERTS: Khrushchev did too.

MR. SIMMONS: That was his former leader's leader.

MR. ROBERTS: But be that as it may. I am intrigued by that. I was not aware there were any such machines in the Province. I thought it was a merchandising gimmick that had no longer any relevance.

Let me also ask one other question, what is the effect of this going to be on the hospitals? Much of the radiation equipment as opposed to the radiation hazard--the only radiation hazard of which I am aware in this Province at present is St. Lawrence, I suppose there is certainly the prospect of radiation hazards in connection with the proposal to develop the uranium deposits at Kitts Lake and Michelin and Seal Lake in the Makkovik area of Labrador - but what effect is this going to have on hospitals? Almost every hospital, I guess, now has x-ray equipment which, of course, constitutes a radiation hazard. Will this bill have any appreciable or any apparent affect upon hospitals? And I say that because I am of the opinion, based on what I know be it right

Mr. Roberts: or wrong, I think I am right, that the way x-rays are administered in this Province now is not a hazard, it does not create a hazard, indeed I am not aware of any situations - perhaps my friend from Exploits (Dr. Twomey) who has been thirty years practicing medicine, you might say thirty years at the scalpel as opposed to thirty years at the Bar, as we say in my trade - that I have not heard of any complaints of -

MR. DOODY: There is a very thin difference.

MR. ROBERTS: I am sorry?

MR. DOODY: There is a very thin difference.

MR. ROBERTS: My friend who spent thirty years in the pickle barrel says there is a very thin difference. I vow to his knowledge of the matter.

MR. DOODY: The hon. member is out of order.

MR. ROBERTS: Am I out of order, Sir? I would think that radiation hazard, the radiation that comes from bars is sometimes a hazard.

MR. HICKMAN: The only time I think that you are out of order is when you do not speak.

MR. ROBERTS: Well I am glad that my colleague and the gentlemen opposite think I am out of order, that confirms the fact that I am in order. But I am not aware of any problems that have arisen over the years with x-rays. I know that standards have changed. The things which were done five, ten, twenty years ago would horrify any modern radiologist or any modern doctor.

AN HON. MEMBER: It used to be bad.

MR. ROBERTS: Well it used to be, nobody realized them at the time, I mean you would have -

DR. FARRELL: You were only allowed to take so much.

MR. ROBERTS: Yes you are only allowed so many - are they roentgens - r-o-e-n-t-g-e-n-s.

AN HON. MEMBER: Roentgens.

MR. ROBERTS: Roentgens. Well as my friend for Conception Bay South (Mr. Nolan) is fond of saying if you say it you clean it up.

MR. DOODY: We discovered it a few days after Brother Strapp -

MR. ROBERTS: Discovered it a few days after what?

MR. DOODY: Brother Strapp up at St. Bon's discovered it just earlier.

MR. ROBERTS: I find this tone of levity, Sir, to be levitating. But as we are all radiating good will at this point, a quarter of five, and in the hope of cleaning off most of the Order Paper, I will not say a great deal more, But I would be grateful if the minister would say a few words on this question of hospitals, or whichever minister is handling the bill. I am aware of improved practices. Things that were done five, ten years ago when called good radiological practice would result in the doctor doing them today being descalpelled as opposed to being disbarred, but that is because the medical profession like any profession does learn despite what people may sometimes feel. But what affect will it have on hospitals? I would not want to see any more regulations imposed, things made any more cumbersome. I think we are getting to the stage in some ways in which, you know, we spend so much time regulating ourselves we do not spend any time protecting ourselves or doing the jobs we ought to do.

But generally, Sir, I am glad the bill is coming in. I hope we will see the effective implementation of it very quickly.

MR. SPEAKER (DR. COLLINS): If the hon. minister now speaks he will close the debate.

The hon. Minister of Health.

MR. H. COLLINS: Yes, Mr. Speaker, I was outside on a phone call when the bill was introduced. To allay any fears which the Leader of the Opposition might have let me reassure him and the House that there has been a tremendous amount of consultation between the department and the Medical Association, the Nurses Association, the Radiologists, and Radiologist Technicians as well. And I must say a lot of things in the bill is a reflection of their

Mr. H. Collins: views, and in many cases the requests which they have made to us.

I can also give him assurance that the fact that there is a sentence in the end of the bill indicating that it will only come into effect on proclamation, certainly does not mean that it is going to be delayed, and we will be developing the regulations just as soon as we humanly can to put the whole thing into place, because we think it is necessary. And we also believe it is - not only is it necessary in terms of the protection of the workers in the hospitals where most of the x-ray equipment is now located, but I do not think it will interfere with the operation of hospitals. The regulations which will be introduced will be in the best interest of all concerned.

I take pleasure in moving second reading.

On motion, a bill "An Act For The Protection Of The Health Of Persons Exposed To Radiation And For The Safety Of Persons In Connection With The Operation And The Use Of The Electrical And Mechanical Components Of Radiation Producing Equipment And The Associated Apparatus," read a second time, ordered referred to a Committee of the Whole House presently by leave.

MR. HICKMAN: Order 10, Bill No. 54.

Motion, second reading, A bill, "An Act To Amend The Newfoundland And Labrador Hydro Act, 1975."

The hon. Minister of Justice.

MR. A. HICKMAN: The hon. Minister of Mines and Energy is not in his place at this time, but as he said yesterday when he was introducing another bill that passed this House, his remarks applied to both. I believe the hon. gentleman from Windsor-Buchans (Mr. Flight) has a question he wishes to ask me, and I move second reading.

MR. SPEAKER (DR. COLLINS): The hon. member for Windsor-Buchans.

MR. FLIGHT: Are they operating the sound system up there?

MR. HICKMAN: I can hear you anyway.

MR. FLIGHT: Okay.

MR. ROBERTS: No, it is not recording. If the mike is not on it does not record.

MR. DINN: That is right.

MR. ROBERTS: That is the problem.

MR. SPEAKER (DR. COLLINS): Order, please! I would ask the Clerk of the House if he would make the necessary investigation.

MR. ROBERTS: It is not just in the Chamber.

SOME HON. MEMBERS: Oh, oh!

MR. HICKMAN: Is the light on there, 'Graham'?

MR. FLIGHT: No, it is not on.

MR. SPEAKER (DR. COLLINS): Order, please! I believe the mike is now in order.

MR. HICKMAN: You are on now, you are in colour.

MR. ROBERTS: You may proceed.

MR. FLIGHT: Yes, Mr. Speaker, I have a few brief remarks to make. Basically the minister indicated this again as a housekeeping bill, but I would notify the House and the people of this Province, that there is one section in this bill that is not strictly housekeeping. And the only thing that stops me from taking complete claim is the fact that I am a very modest man. Clause (5), Mr. Speaker, gives Newfoundland Hydro the right to go to public tender for its petroleum and Bunker C requirements in this Province, and I think that is something that is long overdue in this Province, and Mr. Speaker, I do not think the - and I want the minister - I am sorry the Minister of Mines and Energy is not here because I want to hear the minister assure the House that Newfoundland Hydro will, as of the time that this bill becomes effective, go to public tender. When I raised the issue in the House requesting that hydro would go to



MR. FLIGHT:

public tender on the basis that if by going to public tender there may be some savings to Newfoundland Hydro which would then be passed on to the consumer we would presume. It was not that I was interested in seeing Golden Eagle lose that business. My concern was that Hydro would not be committed to buy its petro-chemical products, Bunker C, what have you from Golden Eagle the way we had been up to this point in time. There is no provision here in this particular clause that Newfoundland Hydro will indeed have to go to public tender. If the minister assures the House then I am prepared to accept that, but the only thing this clause does is to indicate that there is no obligation now on the part of Newfoundland Hydro to buy their products from Golden Eagle. And I would like some assurance that it will not be a situation where Newfoundland Hydro will go to some other company and buy their products. My interest is that it goes to public tender so that the Province gets the advantage of the lowest price tendered from any of the major oil supplying companies.

And, Mr. Speaker, while I am on my feet, and the minister seems to be anxious to get me down now - I suppose the clock is running out - but this is very important, Mr. Speaker, and I am going to take another minute, because I am concerned now this legislation has only gone so far, it deals with Hydro only. But the Province, the Government of Newfoundland is buying vast quantities of petroleum products, purchasing for all their agencies in the Province, and I believe that the same thing that applies to Hydro should apply to the government and all government agencies, Mr. Speaker.

Right now, again to point out the situation, the Province is committed to purchase all their petroleum products from Golden Eagle and I do not think this is in the better interests of the Province. And I think legislation is necessary to permit the government and all its agencies to go to public tender for all their petroleum products, and I would like to hear the minister address himself to that.

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MR. FLIGHT: And the Minister of Mines and Energy made a commitment when he introduced first reading yesterday that he would introduce into the House - he was asked - I have asked these questions and I do not have the answers, just how many dollars the Newfoundland Hydro spent last year on petroleum products, Bunker C - dollars and cents and gallons. And I understand the Minister of Justice does not have those figures available: however, I am disappointed that the Minister of Energy is not here. He has had two months to come up with the figures. I asked the question in Oral Question Period and he took it under advisement and guaranteed the House that he would provide the figures. He has not provided the figures and I think we are entitled to have those figures. So, Mr. Speaker, these are the points I want to make again before I sit down. I would follow the line of the hon. member for LaPoile (Mr. Neary) a few days ago when he was addressing himself to a clause, and he said, 'I stand up here and I take full credit for this particular clause that it should be the 'Neary Clause'. And I stand and take full credit for Clause 5 - only that I am very modest I would make a forty-five minute speech and that is the 'Flight Clause'.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Speaker, the hon. gentleman can relax - I am not going to make a long-winded speech, I am going to take -

MR. SPEAKER: Order, please! Order, please!

If the hon. member will permit me for a moment. In the public galleries Mr. Ron Fagan, who is President of the Federation of Mayors and Municipalities, and Mrs. Fagan are present. I am sure hon. members of the House would wish to recognize the fact.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER:

The hon. member for LaPoile.

MR. NEARY:

Well I am sure, Mr. Speaker, that

Mr. and Mrs. Fagan are aware of the fact that in certain isolated communities in the rural parts of this Province we have communities that are using a great deal of gasoline and heating fuel, furnace oil and stove oil and so on, and the gasoline and heating fuel have to be delivered in casks. The oil companies - and I have been advocating this now for over two years - the oil companies have refused to put storage tanks in the smaller communities in this Province, especially the communities along the Southwest Coast. I did manage when I was minister to start a movement to put storage tanks in Northern Labrador, and as my hon. friend knows now, as a result of my great crusade storage tanks were put in the communities from Main - I do not know if they all have storage tanks now, but I know Main does - from Main down to North West River. But the oil companies have stayed away from the Southwest Coast despite the fact, Sir, that Golden Eagle has had a monopoly in this Province especially with the Newfoundland Hydro and in the communities where electricity is being generated by diesel generators. And I have three of them in my district, Petites, LaPoile and Grand Bruit. and the Golden Eagle supplies the heating fuel in these communities for the school and for the diesel generating plants. And I suppose there are other people who buy oil from Golden Eagle and they buy it from Gulf I suppose and they buy it from Imperial, but Golden Eagle and Imperial, the two companies that I approached, absolutely refused point-blank to put storage tanks in these communities. And as a consequence of that the people are still back in the horse and buggy days, dragging casks of gasoline and casks of heating fuel up over rocks and boulders, up over the cliffs to try to keep their homes heated and to try to keep their boats going. And I think this is scandalous in this day and age. One of the conditions of this bill is that whoever gets the contract to go into these smaller communities to supply the gasoline and to supply especially the diesel

MR. NEARY: fuel that will be used by Newfoundland Hydro is that they have to put storage tanks there and allow the local residents to use these storage tanks. I think it is scandalous in this day and age, Sir. If hon. members could only go to my district - and I am sure you will find it all along the Southwest Coast. And the first time it struck me was down in Main. The first time I stepped ashore there were barrels lined up on the wharf and strewn around everywhere, and all I was afraid of was that there was going to be a fire or some kind of an explosion. And there was a big fire down there. And for safety reasons alone these oil companies should be forced, they should be made put storage tanks in every community in this Province and have tankers going around replenishing the supply a couple of times a year. That should be one of the conditions of any agreement that is made with oil companies in the future. I could not get Golden Eagle to do it. Golden Eagle had a monopoly - they are supplying the government - I do not believe there is any way out of that contract, but fortunately there is a way out for the Newfoundland Hydro.

MR. DOODY: They have been bidding for the past few years.

MR. NEARY: They have been bidding. Well, they are not bidding strong enough.

Whoever goes into these communities - whoever goes in and puts up a storage tank will get all the business in that community, and they do not have sense enough to see it. Right now you have three or four companies supplying heating fuel, stove oil and gasoline in the small communities, and it is time to put that to an end.

MR. STRACHAN: And those that -

MR. NEARY: Pardon?

MR. STRACHAN: And those that go in first get the business.

MR. NEARY: And those that get in there first, Sir, will get all the business, and they do not have sense enough to realize

MR. NEARY: it. I remember when I was talking to Imperial Oil about this. They said, 'Oh, well, we do not put very much furnace oil and gasoline into LaPoile and we do not put very much into Grand Bruit - we put some in there - and we do not put very much into Petites. The other oil companies put their share in. And I said, 'Well, do not be so stunned, if you put your storage tanks in there, out down the price by a few cents,' which they can do if they had the tankers going around filling up these storage tanks -

MR. STRACHAN: Save money and lots of it.

MR. NEARY: - they will save - I suppose they will. But they said, 'Well, because of all the environmental apparatus and all the regulations and so forth we do not think it is feasible.' And the oil companies are so wealthy, Sir, that they can shaft the ordinary person, put the gears to the consumers, and they are still forcing these people to drag their casks. First they have to pay to get them filled up. They have to buy the drum, they have to pay to get them filled up in Port-aux-Basques, they have to pay the freight down and then they have to drag them ashore and drag them up over the rocks and they have to buy it by the cask, and then not only that, they have to have the cash in their hand, they have to pay out the cash, they have to buy a winter's supply practically.

MR. STRACHAN: Eighteen dollars a drum.

MR. NEARY: Eighteen dollars a drum, and I think it is scandalous in this day and age, Sir. And I hope that when we pass this bill that in communities where Newfoundland Hydro are operating diesel generator plants that one of the conditions of supplying oil by the oil companies is that they will have to put a storage tank there in order to get the business.

MR. HICKMAN: Mr. Speaker -

MR. SPEAKER: The hon. minister will close the debate.

MR. HICKMAN: In closing the debate, Mr. Sneaker, may I first concur with the comments of the hon. member for Windsor-Buchans (Mr. Flight). He has been crusading for a long time to eliminate problems with respect to Newfoundland Hydro and this bill most assuredly does that and it is the intention of Newfoundland Hydro in the future to call tenders for their Bunker C, their petroleum products requirements. With respect to other government agencies, that would be a very, very major policy decision to totally vitiate a contract that was entered into as a means of inducing an industry into the Province, and I would not want to hold out hope that that would be done at this time.

With respect to the comments from the hon. member for LaPoile (Mr. Yearv). That raises fond - I will not say fond memories, memories for me. When I was growing up in Grand Bank we used to be paid ten cents an hour in the Summer to roll these casks from the head of the wharf into Foote's premises, and let me tell you that was hard work. Because there were no paved roads in these days and there were rocks and potholes, but we did it. These were the days when Imperial Oil had practically a total monopoly in this Province. And it was really not until 1950 that Irving Oil appeared on the scene, certainly on the South Coast, and started to build storage tanks in areas where there were fish plants and then continued to move along.

I move second reading.

On motion, a bill, "An Act To Amend The Newfoundland and Labrador Hydro Act, 1975, (No. 64), read a second time, ordered referred to a Committee of the Whole House presently by leave.

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MR. SPEAKER: Before I leave the Chair, I inform hon. members of one matter of which notice has been given me for debate at five-thirty this evening. Notice was given by the hon. member for LaPoile (Mr. Heary), arising from a question asked the Minister of Municipal Affairs and the subject matter - Regional government for the St. John's area. That is a one-matter notice which has been given which will come up at five-thirty. The motion is that I leave the Chair.

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

COMMITTEE OF THE WHOLE:

MR. CHAIRMAN: Order, please!

MR. HICKMAN: Bill No. 21.

A bill, "An Act To Amend The Stephenville Linerboard Mill (Agreement) Act, 1972," (No. 21).

MR. CHAIRMAN: Shall clause one carry?

MR. HICKMAN: There is an amendment to clause one, Mr. Chairman, and I move that 1 (3) be amended, strike out the words, "\$190 million", and substitute therefore "\$155 million."

On motion clause one as amended, carried.

Motion that the Committee report having passed the Bill with amendment, carried.

MR. HICKMAN: Bill No. 96, Order 5.

A bill, "An Act For The Protection Of The Health Of Persons Exposed To Radiation And For The Safety Of Persons In Connection With The Operation And Use Of The Electrical And Mechanical Components Of

Radiation Producing Equipment And Associated Apparatus,  
(No. 95).

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

MR. HICKMAN: Order 9, Bill No. 105.

A bill, "An Act To Establish  
A municipal Grant System." (No. 105).

On motion clauses one and two, carried.

MR. CHAIRMAN (MR. YOUNG): The hon. member for St. John's  
South.

DR. J. COLLINS: A question on clause three, subsection  
(c), it says, "An amount per capita as prescribed by  
regulations based upon the road mileage." Does that  
refer to streets in the case of a city or does it  
refer to some streets in the case of a city?

MR. DINN: Yes, Mr. Chairman, that is more or  
less to protect those municipalities that have a large  
road mileage area to cover and to give them a little  
more assistance because they simply cannot operate  
under the conditions they are operating under now.  
So a lot of these smaller municipalities cannot afford  
the sixty - forty programmes and this part here will  
judge how much in road mileage they have in the area  
and it covers the city and local councils, local  
municipalities and so on. So it is going to be  
dependent on how many road miles they have and  
the grant will increase or decrease based on that.

MR. ROBERTS: Who will determine whether they  
increase or decrease?

MR. DINN: The Committee that is set up.

MR. ROBERTS: The Municipal Grants Committee.

MR. DINN: That is right.

MR. ROBERTS: An inter-departmental thing.

MR. DINN: Project, yes.



On motion clauses three through thirteen, carried.

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

MR. HICKMAN: Order 10, Bill No. 54.

A bill, "An Act To Amend The Newfoundland And Labrador Hydro Act, 1975." (Bill No. 54).

On motion clauses one through four, carried.

MR. HICKMAN: Clause 5 23 B (b) after the word "employee," "since January 1, 1967." I move the amendment.

On motion clause five as amended, carried.

On motion clauses six and seven, carried.

Motion that the Committee report having passed the bill with amendment, carried.

MR. HICKMAN: Order 11, Bill No. 114.

A bill, "An Act To Amend The Department Of Municipal Affairs And Housing Act," (No. 114).

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

MR. HICKMAN: Order 12, Bill No. 121.

A bill, "An Act To Amend The Local Government Act, 1972." (No. 121)

On motion clauses one through nine, carried.

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

MR. HICKMAN: It is moved that the Committee rise, report progress and ask leave to sit again.

On motion that the Committee rise, report progress and ask leave to sit again,

Mr. Speaker returned to the Chair.

MR. SPEAKER: The hon. the Chairman.

MR. CHAIRMAN (Young): Mr. Speaker, the Committee of the Whole have considered the matters to them referred and report having passed bills No. 21 and No. 54 with amendment, and bills Nos. 96, 105, 114 and 121 without amendment and ask leave to sit again.

On motion, amendments read a first and second time.

On motion, report received and adopted, Committee ordered to sit again presently, by leave.

On motion, the following bills were read a third time, ordered passed and their titles be as on the Order Paper.

A bill, "An Act To Amend The Stephenville Linerboard Mill (Agreement) Act, 1972." (Bill No. 21).

A bill, "An Act For The Protection Of The Health Of Persons Exposed To Radiation And For The Safety Of Persons In Connection With The Operation And Use Of The Electrical And Mechanical Components Of Radiation Producing Equipment And Associated Apparatus." (Bill No. 96).

A bill, "An Act To Establish A Municipal Grant." (Bill No. 105).

A bill, "An Act To Amend The Newfoundland And Labrador Hydro Act, 1975." (No. 54).

A bill, "An Act To Amend The Department Of Municipal Affairs And Housing Act." (Bill No. 114).

A bill, "An Act To Amend The Local Government Act, 1972." (Bill No. 121).

MR. HICKMAN: Motion 2.

On motion, that the House resolve itself into Committee of the Whole to consider a certain resolution, Mr. Speaker left the Chair.

MR. CHAIRMAN (Young): Order, please!

RESOLUTION

That it is expedient to bring in a measure to authorize the raising from time to time by way of loan on the credit of the Province the sum of One Hundred and Fifty Million Dollars (\$150,000,000) and such additional sum or sums of money as may be required to repay, renew or refund securities issued under any Act of the Province.

MR. CHAIRMAN: The hon. the Minister of Finance.

MR. DOODY: Mr. Chairman, this is the loan bill that is brought before the Committee and the House every year. I guess the easiest and the simplest way to explain it is to refer hon. members to the budget document, on the budget supplement No. 2, that peculiar puce coloured page.

MR. NEARY: I beg your pardon!

MR. DOODY: Puce. P-U-C-E. It is a disgusting word and it is a disgusting colour.

MR. NEARY: Did Rollie Martin pick that one?

MR. DOODY: No, I think an inferior decorator put his fist in the ink-pail.

MR. NEARY: The way they are making such a financial mess of this Province they must all be interior decorators down there, they are not financial experts.

MR. DOODY: Is the recording system working now, Sir?

AN HON. MEMBER: Yes.

MR. DOODY: Fine, it is on the record.

MR. NEARY: I hope that went into the public record.

MR. DOODY: That is all right, it is on record.

Page 1 of the Table of Contents shows the summary of borrowing requirements and the source of funds, 1977 - 1978, and the revised figures for last year which you are already familiar with. These have been changed in Committee of Supply during the estimate debate so that the total on the bottom of that total source is now \$201 million. So for all practical purposes the sum total is \$200 million.

The borrowing requirements for the Province for the coming year then, we are asking for, is \$150 million which we break down as the \$200 million which we require on the bottom line, less that \$50 million Albertan pre-borrowing which we had some discussion about a little while ago, which everybody remembers very well. That brings us down to the net requirement which we hope to borrow.

MR. ROBERTS: That is not right. You will need \$100 millions. You borrowed \$50 million, you will need \$100 millions and authority to refinance.

MR. DOODY: Yes, but if you look there there is a \$54 million debt requirement.

MR. ROBERTS: But that is allowed in the refinancing.

MR. DOODY: That is right, but it is included in this \$150 million.

MR. ROBERTS: Yes, but that is where there is going to be a difference of opinion.

MR. DOODY: That is right, and it will be until that Act is changed, until the Act is reworded, or rechanged, or changed, or done, obviously. And that is

MR. DOODY: why I do not want to mislead anybody, and that is why I am pointing that out. The total budgetary requirement, as I say, is \$200 million less that \$50 million pre-borrowing on the Albertan loan which brings it down to \$150 million. Then there is that \$54 million debt retirement and sinking fund which may or may not be included. Legally, as the hon. Leader of the Opposition says, it is perfectly correct. Morally it may not be in the spirit of the Act. I, personally, have reservations about it myself, and feel that the Act should be amended. \$100 million may very well be the accurate sum.

MR. ROBERTS: Amended to what effect?

MR. DOODY: In such a way as to allow the Province to have some flexibility to take advantage of a borrowing situation that may occur in an interim, somewhat the same way as a supplementary supply might happen.

MR. ROBERTS: That was the famous Dennis Groom idea.

MR. DOODY: No. no. Just let me finish now, and I do not even know if this is practical or not. I have been talking to our people in the department and to others outside the department since that, and there has to be a way of resolving both problems. There should be a system whereby if an opportunity or an emergency arises that opportunity can be grasped. But there should be an obligation to come to the House with it for ratification within a certain period of time, just as Supplementary Supply is done.

MR. ROBERTS: It is pretty hard to think of an emergency. It is easy to envisage a situation whereby somebody would ring up and say, We can get you a good deal on \$20 millions.

MR. DOODY: Yes, that is right!

MR. ROBERTS: And you know you are going to need it so you say -

MR. DOODY: Yes.

MR. ROBERTS: That is essentially what we used to do.

MR. DOODY: That is the sort of emergency that I am thinking of. But there has to be a limitation on that effort.

MR. ROBERTS: Yes.

MR. DOODY: It could be in the interest of the Province to the tune of \$3 million, \$4 million, or \$5 million.

MR. ROBERTS: It is a good deal so you save points on it.

MR. DOODY: So you save a point and a half, you save \$1 million or \$2 million on a \$50 million issue. You could restrict it to exactly that \$100 million. Actually as I rounded out here in the figures and things that I have done I think \$116 million - or \$115,751,400 is the amount that we estimate would be the total budgetary requirement of the Province.

MR. ROBERTS: I get \$95 million.

MR. DOODY: And I suppose if it is the wish of this House that bill could be amended to vote us the right to borrow \$115,751,400 -

MR. ROBERTS: Would the minister do the arithmetic again? - because my arithmetic came to \$95 millions.

MR. DOODY: Okay, I will just run through.

MR. ROBERTS: There is something wrong somewhere.

MR. DOODY: Yes, there is.

MR. ROBERTS: Start with the total gross borrowings for the year.

MR. DOODY: Total borrowings required, \$201,191 -

MR. ROBERTS: No, hold on now, you have got those damned zeros again.

MR. DOODY: No, \$201,191,700 - the dots again -

MR. ROBERTS: Yes.

MR. DOODY: - that Mr. Churchill used to have difficulties with - less the \$50 million Albertan effort -

MR. ROBERTS: So that gives us \$151,191,700.

MR. DOODY: - less CPF and other borrowings which is \$39,960 say \$40 million which brings us down to capital market requirements of \$111,275,000.

MR. ROBERTS: Oh, no, but let us do it the other way, given the fact that there is authority to borrow such additional sums etc., etc. to refinance, to roll over, to use a -

MR. DOODY: That is on that page here -

MR. ROBERTS: Yes.

MR. DOODY: - page one. I am starting at -

MR. ROBERTS: Why are we going to need to borrow \$95 million new dollars this year?

MR. DOODY: Pardon?

MR. ROBERTS: We are only going to borrow - the way I mean -

MR. DOODY: Five million or six million new dollars.

MR. ROBERTS: - is to borrow \$95 million new dollars -

MR. DOODY: Yes, that is right.

MR. ROBERTS: - given the \$50 millions that Mr. Lougheed was kind enough to lend us, you know, earlier this winter.

MR. DOODY: That is right, this Heritage Fund.

MR. ROBERTS: Yes. But is my figure not - we are in committee so there is freedom -

MR. DOODY: No, your figure does not -

MR. ROBERTS: My figure is \$200 million gross total borrowings -

MR. DOODY: Yes, that is right - rounded.

MR. ROBERTS: - of which \$50 million has been borrowed -

MR. DOODY: Right.

MR. ROBERTS: - leaving \$150 million in round figures -

MR. DOODY: That is right.

MR. ROBERTS: - of which \$55 million according to the -

MR. DOODY: Is a debt retirement.

MR. ROBERTS: Actually, it is \$54.1 million is retirement - roll overs -

MR. DOODY: Right.

MR. ROBERTS: - leaving again, in round numbers, \$25 million.

MR. DOODY: Ninety-five million, that is right.

MR. ROBERTS: Now, if the minister wants to -



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MR. DOODY: Which I say is \$100 million.

MR. ROBERTS: Yes, okay. I mean, I do not want to say, What is \$1 million? - because \$1 million is a lot -

MR. DOODY: That is right.

MR. ROBERTS: - but if the minister wanted to change the figure of \$150 million to \$100 million or \$110 million or \$115 million then I for one would consent to pass the bill without any further debate, but he will have an argument from us if he sticks at \$150 million which is \$55 million more than the Province will need to borrow net of refinancings and of course, refinancings are specifically authorized. I would suggest \$115 million or \$120 million.

MR. DOODY: Yes.

MR. ROBERTS: That gives the Province a \$20 million cushion.

MR. DOODY: I am quite satisfied, you know.

MR. ROBERTS: Well, let us change it to \$120 million then.

MR. DOODY: As I said to the Committee as I stood up here earlier, I do not like the way the bill is worded and if it is the will of the House that \$120 million be the net amount -

MR. ROBERTS: Well, why do you not say -

MR. DOODY: - this Province can go through until February without -

MR. ROBERTS: I mean, the House can always - if we get a terrifically good deal, the House could come together on very short notice -

MR. DOODY: Fine, no hesitation at all.

MR. ROBERTS: - and that leaves the government a \$20 million cushion which is pin money of substantial -

MR. DOODY: That is fine.

MR. ROBERTS: - make it \$120 million plus the refinancing.

MR. DOODY: Yes.

MR. ROBERTS: The refinancings are authorized separately and I do not argue it - that is not new debt, that is just rolling over.

MR. DOODY: Right.

MR. ROBERTS: Well, the minister cannot amend his own resolution, but any one of his ministerial colleagues can.

MR. DOODY: One of the ministers - one of our -

MR. ROBERTS: Then I would, for one, would put it with minimal debate.

MR. DOODY: We will just change the loan bill to read \$150 million to \$120 million moved by the Hon. House Leader.

MR. ROBERTS: Well, the resolution and the bill to go with it.

MR. DOODY: The resolution and the bill that goes with it, the House Leader will move that the amount be \$120 million rather than \$150 million, and if that is satisfactory to the Committee, well, it is certainly satisfactory to me. And, you know, if that is okay, then it is okay with me. I agree, I do not like the way that Act is worded and I think, you know, you can drive Mack trucks through it. We demonstrated that with that Highway thing we brought in.

MR. ROBERTS: Well, Mr. Chairman, if the minister has, you know, finished his remarks for the moment.

MR. DOODY: It will be amended in Committee anyway.

MR. ROBERTS: I am glad that one of his colleagues will make the amendment. It certainly removes a major objection we had. We do not object to the loan bill. You know, we could have a long row over what went on years ago, but there is no point in it. I like the new procedure, I think it is an improvement. The previous procedure was done by the government - it was done on the advice of their officials. It does not make it any less done by the government.

I wonder as there is only one item on the Late Show might it be an idea to ask if by agreement the Late Show could be, say, quarter to six -

AN HON. MEMBER: Sure.

MR. ROBERTS: - and then, you know, we will carry on? Because we ought to be able to dispose of this bill in ten or fifteen minutes, because essentially it is only authority to spend money which has been extensively debated in the Committee. So I do not want to talk about the way the money is to be spent. I will talk instead about the procedure.

MR. DOODY: Yes.

MR. ROBERTS: The previous procedure which was adopted on the advice of the officials - that does not make it any less the action of the government, it was the government's action in doing it - was certainly open to objection, was certainly open to abuse, and the government, the present administration decided to change it, and they did so with the support of those of us on this side of the House. We do not object at all, but as the Minister of Finance has just said, the experience with the Alberta loan showed that, "you could drive" I think the Minister's words were "a Mack truck" through the principle of the Loan Act and that is what we objected to and we debated it at some length on the Address in Reply. We put down a specific sub-amendment. It was debated for a day or so and we made our points and that was that.

The minister's amendment will meet my point. As I understand it now if we make the figure \$120 millions we are allowing the administration the authority to borrow \$120 millions in addition to the refinancing that is needed, you know, the roll overs, because most of our debt is not paid off, it is refinanced as it falls due. That is the way that the Province's debt, and I guess the debt of every large commercial corporation in North America or the debt of the Government of Canada or any other province, is handled.

MR. HICKMAN: Debt retirement.

MR. ROBERTS: Debt retirement. Oh, yes, but I mean, we roll it over - you go and borrow more money. The only problem is, money that was borrowed in the 1950's at 4 per cent is now being replaced by money

MR. ROBERTS: that is being borrowed at 8 per cent or 10 per cent or 12 per cent, but that is the nature of public finance given the financial facts that face the Public Treasury of this Province and it does not matter in this case whether it is a Liberal Treasury or a PC Treasury, - the facts are the same, I mean, it is going to be that way. And if we form an administration, I mean, I am not going to say we would not be borrowing more money than we would like to borrow and not enough. We would not be borrowing as much as we would like to borrow.

MR. DOODY: We are both on the same wave length.

MR. ROBERTS: So let us make it \$120 million - that gives the government \$25 million leeway which is pretty substantive leeway. And if they are offered a deal on some money that is a very attractive one, and it is more than \$25 millions, then the House can come together very quickly and, I am sure, would deal with the matter expeditiously. So that meets the major objection we had and I am grateful to the minister. I may have been a little too generous at \$120 million, but at least the principle is established now that the administration borrow what they project in their budget plus their refinancing plus a reasonable amount that will give them sort of - I do not know what the phrase is - 'on spec', you know, until they come back to the House and show how they are going to spend it. So as far as I am concerned that meets our objection and on that condition we will go along with it, Sir.

MR. CHAIRMAN: (Young) The hon. member for St. John's East.

MR. MARSHALL: Just a few short words if the Minister of Justice will give me leave - I shall not be too long.

But it is now going to be reduced, I understand, to \$120 million, and the Minister of -

MR. ROBERTS: Plus the refinancing.

MR. MARSHALL: Yes, well, plus the refinancing, but that is covered by the Act anyway. But the Minister of Finance has

MR. MARSHALL: brought up a point about this Act, and I do not propose to go into the reasons for it - we have gone over that for a long period of time - but the desire to have a cushion as contrasted with putting into the bill the actual accurate amount estimated as to be necessary to borrow constitutes really the old tug of war between the administration and the bureaucracy on the one hand which wishes to have a nice little cushion so it is nice and easy for them to borrow money and which represents the reason why the previous administration carried on in the borrowing practice the way they did, because it was nice and convenient for the public servants on the one hand, and on the other position is the argument that to provide specifically the amount that has to be borrowed in the Loan Bill will require there to be accuracy in the presenting of the estimates. Now I very much opt towards the latter one. Even if we give a cushion here, we recognize, of \$20 million I do not really know whether that really brings about the effect which we wished when we brought in that amendment to the Financial Administration Act. And I think though that before - I suppose you have to have a cushion - and it is a good gesture on the

Mr. Marshall: government's part to bring it down to \$120 million. But I think that consideration should be given - that Act itself is a very good Act - there should be consideration given to amending it though to the stage that in the event that extra monies are required, and to meet the bureaucrats so they can

MR. DOODY: And available at cheap rates.

MR. MARSHALL: Yes. Available at cheap rates. And then in that event perhaps the Legislature should be reconvened. But I do not think it is fair to say that the Legislature should be reconvened to subject it to a debate, you know, for three or four weeks when time is lost for taking up this money. Perhaps we ought to amend the Act to provide that the Legislature would reconvene, and in that case the debate would last over a certain period of time, say, two days or three days or however long, you know, it is.

But I think the Act is a good one. It is an Act that really - you know, this is the one area where the civil servants, the bureaucrats as it were, can present their estimates, they can be out in their estimates, and this is one area where the cushion can be used to disguise inaccuracy in the provision of estimates itself.

MR. ROBERTS: Inaccuracy is more intentional.

MR. MARSHALL: Yes. it could be. Well, it could be even to take the intentional concealment out of it.

MR. ROBERTS: I do not mean intentional by the government, I mean intentional or negligibly.

MR. MARSHALL: You know, it diminishes their responsibility that they have to wield in estimates, because the revenue comes on the one hand from revenues generated in the Province itself, from Provincial taxes, and then from the Federal Government, and from borrowings, so that we have a nice little \$20 million cushion or \$50 million cushion, whatever the cushion may be, even \$2 million or \$3 million or \$4 million, you know, it leaves it open for inaccuracy in estimation.

MR. ROBERTS: But this is authority to borrow, not authority to spend.

MR. MARSHALL: No. I know it is authority to borrow, and not authority to spend, but you see your estimates, they have already been predicated on certain expenditures that have been voted. But these expenditures have also in turn been predicated on certain revenues including the -

MR. ROBERTS: The capital accounts side of it?

MR. MARSHALL: Yes.

MR. ROBERTS: Yes.

MR. MARSHALL: Including the borrowing. Now if they are out on their estimate of their taxes, or how much they are going to get from the Federal Government they can nicely fill it up unnoticed by us by borrowing, because it will go unnoticed.

MR. ROBERTS: I agree. But the real problem is the way in which we handle supplementary supply, you know, after the fact and with no real choice except to ratify.

MR. MARSHALL: Yes. But that is another issue again, you see, supplementary supply. What I am mainly - supplementary supply, it comes before the House after the fact, and, you know, that is another issue itself- but what I am concerned about is them being able to fill up the deficit in their revenue by additional borrowings which given the cushion, whatever the cushion is that, you know, this will result.

So, I feel, really what we must look at is the championship of the political arm and the responsibility for their expenditures over the bureaucrats, as it were, and the administration and take another look at the Act so that the amount actually borrowed is exactly as estimated or within \$2 million or \$3 million. Because as the Act presently exists now in any event you can borrow for temporary purposes so that if you had an extra amount that you had to borrow I think you could really do it under the Act itself.

But having passed these remarks, because I do not want to prolong the Committee, and now we are getting on to a quarter of six and the minister will have something to say, I think it is a good move by the government to reduce it down to \$120 million, but next

Mr. Marshall: year I would look forward to -

MR. ROBERTS: It is a step in the right direction.

MR. MARSHALL: Yes. - I would look forward next year to the actual loan bill being nearer to the amount that is estimated in the budget, and I am sure, knowing our competent Minister of Finance, that he will triumph over the bureaucrats -

MR. ROBERTS: We are getting a new minister are we?

MR. MARSHALL: - in a much greater fashion than his predecessors did, one of whom I can think but will not name.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The hon. Minister of Justice.

MR. HICKMAN: Mr. Chairman, I move that the resolution be amended by striking out the word "fifty" on line 3 and substituting, therefore, the word "twenty", and then it will be (\$120 million) instead of \$150 million.

MR. CHAIRMAN: Shall the amendment as put forward carry?

SOME HON. MEMBERS: Carried.

On motion resolution as amended carried.

MR. ROBERTS: I was going to say one thing, I think the minister has done the right thing and I welcome it, and it is progress but I would not want him to think that he will not be back next year asking that the cushion be reduced somewhat. I have no objection to the idea of a cushion, maybe I am not as inherently suspicious of the bureaucracy as is the gentleman from St. John's East (Mr. Marshall), or maybe I am a little more aware of some of the pressures which legitimately and properly come to bear. But I would hope that next year we will get closer to it, and at the same time I would hope - I think one of the great areas that we have never looked at in this House is the whole financial procedure, the way in which this House controls expenditures, and I think that is an area - I think that is really what was underlying the hon. gentleman's remarks, and there he and I share a concern, I think most other hon. members share it, the House's controls over public



Mr. Roberts: expenditure are really outdated. In many ways we have no effective control over what is spent. The supplementary supply is largely a debating issue, it is a farce. I mean the money is spent, we have no choice except to authorize it, because the money has been spent, and the credit of the Province is at stake, and if the House were to repudiate it, not only would the government fall, which may or may not be a good thing at any given point, but you know we are still on the hook. And the same with these guarantees that are authorized retroactively, the same with the local authority, you know, I can list a number of them. And perhaps where we should be directing our attention is not just specifically on the Loan Bill, but where we should be putting our thought is trying to introduce improved control procedures both before money is spent and after it is spent. The Public Accounts Committee is certainly a significant step forward to that end, but there are certainly other steps which need to be taken. And I think that is one where all hon. gentlemen ought to be concerned because I fully share the concerns voiced by my friend from St. John's East (Mr. Marshall) that, you know, the political arm, I do not mean the partisan arm, I mean the political arm, those of us, the forty-eight of us who are here today, the fifty who will be here next week, you know, who have one thing in common, we have all been elected, and all have been elected accordingly to the same set of rules, and under the basic concepts we are the guys who ought to have the final say as a group of forty-eight men and women, fifty-one when we are at full strength, because that is the very basis of the whole parliamentary system. And in a large measure we do not have that now, and that is not the result of any devious design on the part of any government or even any officials. It is simply the result of the fact that we have not recognized that public expenditure has - you know, it was not very many years ago that \$100 million was the budget, and now you know, we are borrowing \$120 million, plus financing, and plus refinancing and thinking nothing of it. You know, we do not think this

Mr. Roberts: is a staggeringly large amount. And I would think anybody interested in public affairs in the Province could profitably put his mind to this problem, and if he can find some new ideas and new solutions he would be doing the Province and the Legislature, indeed all of Canada, a very real service.

But I do think the minister has made a significant concession. I welcome it, and I hope that next year we can persuade him or his successor, as the case may be, to go along and come much closer to the actual amount estimated.

AN HON. MEMBER: We are not having an election until 1980.

MR. ROBERTS: We are not going to have an election, but certainly not until 1980, and longer if they can find a way to avoid it, but we may or may not have a new Minister of Finance. That is another issue altogether, Sir.

MR. FLIGHT: After tonight they will have no stomach for an election.

MR. CHAIRMAN: Shall the resolution as amended carry?

MR. DOODY: I just want to say a word, and almost literally a word. I have absolutely no hesitation on behalf of government, as I have said, of conceding the points that have been raised, and there are points that I have raised myself and indeed our colleagues have wrestled with this for some time. The people in the departments responsible for the financial controls or the borrowings of the government have a very legitimate concern, of course, and theirs is a business operation and they try to find the best possible way at the least possible expense to raise the monies that are necessary for the Province.

On the other side there is a point that the hon. members for St. John's East (Mr. Marshall), and the Leader of the Opposition, and myself and many others feel very strongly about, and that is that the ultimate control of the purse has to rest here in this House, and this House has to control it. In between there somewhere there has to be a happy medium and there has to be a resolution to that problem. I think it can be found and it has to be found. The new Financial Administration Act which came in a few years ago, I think, was a major step in that direction. It has been tested,

Mr. Doody: it has been found to be wanting in some areas. I think with the experience that we have had over the past few years we can come in perhaps during the next year or so with other improvements and significant improvements, and still accommodate the real fact of life which is, you know, there are literally - the size of our borrowings, and the size of our debt now come to, you know, there are differences of millions of dollars in interest points, and commissions and what have you that can be saved by getting into the market at the right place and at the right time and so on.

MR. ROBERTS: The interest points on the \$10 million loan is what, \$100,000 a year interest alone.

MR. DOODY: That is right, and you know that is a significant amount of money. And so somewhere in between to imprudent business practice and our responsibility as guardians of the press we have to strike a medium, and hopefully we will find that during the coming year. And I have no hesitation in recommending to the Committee the resolution which authorizes

MR. BOODY: the Province to borrow that \$100 million plus the refinancing and so on and I ask the House to approve the resolution.

On motion the resolution as amended, carried.

On motion Clause 1, carried.

MR. CHAIRMAN: Shall Clause 2, carry?

MR. HICKMAN: No. Clause 2 is amended. Under this Act, \$120 million in place of \$150 million at the appropriate price. Also, there is a typo there, the last line should be 'issued.'

On motion, amendment, carried.

On motion, clause 2 as amended, carried.

On motion, clause 3, carried.

Motion that the Committee report having passed this Resolution and a bill consequent thereto, carried.

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

MR. SPEAKER: The hon. the Chairman.

MR. CHAIRMAN(Collins): Mr. Speaker, the Committee of the Whole have considered the matters referred thereto, have passed a certain resolution and a bill consequent thereto, being Bill No. 70 with amendments, and ask leave to sit again.

On motion report received and adopted, Committee ordered to sit again on tomorrow.

On motion, amendments read a first and second time.

On motion, a bill, "An Act To Authorize The Raising Of Money By Way Of Loan By The Province," read a first, second and third time, ordered passed and its title be as on the Order Paper.

MR. SPEAKER: It being five-forty-five, there is one matter for debate. The motion before the Chair is that this House do now adjourn. The subject matter of the debate is the regional government for the St. John's area.

The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, Bill 101, "An Act To Establish The St. John's Urban Region" will go down in the history of this

MR. NEARY: House as one of the most dastardly acts ever brought before this Legislature. It is a diabolical plot, Sir, on behalf of the government and the minister and the administration to take over control of whole greater St. John's area and the minister has the gall to stand before us in this House and tell us that he has the agreement of all the municipalities in the area and the Newfoundland Federation of Mayors and Municipalities. Well what has the Newfoundland Federation of Mayors and Municipalities got to do with it? It is the people in the greater St. John's area who are the ones who should decide by referendum, by secret ballot whether or not they want this super-government that has been recommended by Mr. Henley in a report that should have found its way into the trash cans, into the garbage cans of this building.

Mr. Speaker, the unseemingly haste with which the government wishes to close the present session of the House of Assembly is going to work to the detriment of the people who live in the Eastern part of the Avalon Peninsula. Mr. Speaker, the hon. minister is trying to stampede this piece of legislation through the House. The hon. gentleman is trying to set up another organization that will joy ride at the expense of the taxpayers in the greater St. John's area. The Newfoundland Federation of Mayors and Municipalities have no say in it at all and yet the hon. gentleman puts this up as an argument. The Newfoundland Federation of Mayors and Municipalities recommended it when Wedgewood Park is against it, Mount Pearl is against it, St. John's is against the bill the minister has brought in, Kilbride is against it and yet the minister in his dog in the manger attitude, with his swell-headed attitude that the minister has had since taking over that department - he has been on an ego trip - he is going to stampede and railroad this piece of legislation through the House in the dying hours of the House.

Mr. Speaker, I have no doubt but tomorrow, when the bill is introduced again, it will be brought in with all kinds of

MR. NEARY: amendments because the member for St. John's East (Mr. Marshall) and the member for St. John's North (Mr. J. Carter) and the member for Kilbride (Mr. Wells) and the member for St. John's South (Dr. Collins) and all the other members representing St. John's have been in caucus all afternoon. They are frightened to death, they are scared - no I cannot use that term - they are scared to death, Sir, that the minister is going to insist on ramming this bill through the House in its present form so there will be all kinds of amendments brought in. They can bring in all the amendments that they like and there is no way that they are going to smooth this situation over. There is no need, Sir, of appointing four members to this regional board. All the minister needs to do is appoint a chairman. There is no need to elect four people at large. If the minister wants an organization to operate the regional water supply he has the Metropolitan Board that can do it now until the municipal elections are over in November.

Mr. Speaker, the hon. gentleman up to now has been most receptive towards the metro system that they use up in Toronto where they have a population of three and-one-half million people operated in just the very way that I just described, by having the town councils, the municipalities appointing, electing one of their members to serve on the metro board. And if Toronto can do it for three and one half million people I am sure we can do it down here with one hundred and fifty thousand or so souls.

Mr. Speaker, in my opinion it is absolutely ridiculous for the minister to try to force another bureaucracy on the people of the greater St. John's area, to force another organization, another level of government that the people will have to support, another layer of politicians that they will have to support in one form or another.

This bill, Sir, I do not know if members have read it, the power in this bill, the sweeping authority that is given to

MR. NEARY: a group that is controlled by the government. The government appoint the majority of the members to this board so therefore they control it and I think the Mayor of St. John's and the council in St. John's are absolutely correct, the whole idea, Sir, is to try and undermine the corporation of the City of St. John's and the surrounding municipalities.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Hon. member of Municipal Affairs and Housing.

MR. DINN: Mr. Speaker, just to reply to that. I mean that we will just get into a little bit of arithmetic. There are fifteen members on the regional council, there are five appointments and how the hon. member makes that a majority is beyond me. Five is majority of fifteen, that is fantastic mathematics, that is just a starter, Mr. Speaker, on the kind of logic that we have to listen to day after day from the hon. member for LaPoile (Mr. Neary). Day after day he comes at it with this kind of logic. Now he will come in tomorrow with amendments here and amendments there.

Well, Mr. Speaker, just to go through what actually happened and how this legislation got to this House of Assembly. The Henly Commission Report came in with a recommendation for a regional council.

MR. NEARY: It should have gone in the garbage.

MR. DINN: The hon. member should be put in the garbage, Mr. Speaker. If we could get a regional dump I would recommend that be the first move they would make. The next thing, Mr. Speaker, is that I did not say that the Federation of Municipalities were in favour of this bill. What I did say

MR. DINN: is that the Federation held meetings, three, in St. John's, invited all councils from the region into those meetings to discuss regional government and the makeup of regional government, and at those meeting all councils attended, many represenatives of concerned citizens groups attended, and they all recommended that in the St, John's Urban regions we should have a regional government. That was the consensus of elected people, of people who were elected to be represenatives of concerned citizens. They all came to this meeting and recommended this.

Now there was one outstanding exception to this: The City of St. John's did not attend. Councillor Ray O'Neill attended the first session as the Eastern Vice-President, I believe, of the Federation, in that capacity. The second meeting no councillors from St. John's attended. The third meeting we had some officials attend. Those officials appeared to understand what this bill is all about. If the hon. member just communicated with some people instead of sitting off in his own little ivory tower and not listening to the people, and telling us what he feels is happening instead of listening to what the people are saying, if he would realize, Mr. Speaker, that if he had the pulse of the people in the St. John's urban region he would know that that is what the people want. Or at least that is what the people are telling their elected representatives they want.

Now, Mr. Speaker, can I speak and have the hon. animated larnyx from LaPoile keep quiet for one or two minutes? I have one or two minutes left, Mr. Speaker, and the hon. member cannot



MR. DINN: stand a little bit of the truth.

MR. NEARY: You are on an ego trip.

MR. DINN: He gets up here, Mr. Speaker, day after day, comes across the House with this oral diarrhea and he cannot sit in his seat and listen to one or two straight facts as to what is going on, not only in the St. John's urban region, but what is going on in his own district of LaPoile. If the hon. member would go back to LaPoile he would know that the people in LaPoile would tell him that he should spend more time trying to solve the problems of the people of LaPoile rather than trying to solve the problems of all of the people of Newfoundland. He has his hands full, Mr. Speaker, just trying to operate and trying to represent the people of LaPoile.

MR. NEARY: They have not heard tell of you down in Pleasantville, yet.

MR. DINN: He cannot keep quiet. There he goes! Look! Do you want another couple of minutes?

MR. NEARY: Carry on.

MR. DINN: Thank you very much. Mr. Speaker, I appreciate that. I normally get this kind of courtesy from the House. I would not expect the hon. member to sit there and take it like a man. He cannot sit there and take it. He can get up and give it, but he cannot take it. He sits there like the big galoot that he is - I am sorry, Mr. Speaker, I withdraw that, it is unparliamentary. I withdraw that.

MR. SPEAKER (Collins): The hon. member has withdrawn.

MR. DINN: The hon. member has no idea what is going on in the St. John's urban region.

MR. DINN: He lives in the St. John's urban region and I do not know if he talks to anybody.

AN HON. MEMBER: He talks to -

MR. DINN: I know he talks to him I suppose. But, Mr. Speaker, everybody in the St. John's urban - I have not gotten one letter, not one letter against regional government.

MR. NEARY: You would not be bothered anyway.

MR. DINN: I have got hundreds for.

MR. NEARY: You would never get a reply anyway.

MR. DINN: Come down and have a look and go through all the letters that I not requesting that we have regional government -

MR. DOODY: Would you get somebody to read them to him?

MR. DINN: - in the St. John's urban region and the hon. member would be flabbergasted. But I doubt very much, Mr. Speaker, if he would listen to anything like that, because it is contrary to anything the hon. member believes in. Dictatorship is what his bag is, Mr. Speaker. Shove it on to him.

MR. NEARY: Right.

MR. DINN: Shove it here and shove it there and I would like to tell the hon. member where to shove his information from.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: The motion before the Chair is that the House do now adjourn. Is the House ready for the question? Those in favour, "aye", contrary "nay". I believe the ayes have it. This House stands adjourned until tomorrow, Friday, at 10:00 A.M..