

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
THURSDAY, MAY 3, 1979

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

PRESENTING PETITIONS

MR. SPEAKER (OTTENHEIMER): The hon. member for the Strait of Belle Isle.

MR. ROBERTS: Mr. Speaker, I would like to present a petition, Sir, on behalf of and signed by 226 of the residents of the community of Goose Cove in my constituency. The petition, like so many if the truth be known of petitions presented to the House, is not in the precise legal form that, I suppose, Beauchesne would tell us we should use, but I hope it will be admitted nonetheless and that its prayer will be heeded.

I think I can best sum it up, Mr. Speaker, by reading the letter which accompanied it, which was signed by the Chairman of the Community Council in the community of Goose Cove, Mr. Maurice McDonald, and it is a copy of a letter in fact addressed to the Department of Highways, I assume it has come to the attention of the minister; I am not aware whether it has been answered, although it was sent in March. It says, "It is our understanding that this year all the main road on the Northern Peninsula will be paved." And I might add, Mr. Speaker, that understanding is correct, thanks to DREE, to the Government at Ottawa, the Liberal Government at Ottawa -

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: - the entire road between Deer Lake and St. Anthony will be paved this year with Ottawa paying 90 per cent of the cost with the Province paying 10 per cent of the cost.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: In any event it goes on, "Due to this we have asked the people of Goose Cove East to sign a petition in support of Council's request for pavement for the six miles of road from Goose Cove to St. Anthony. We feel that if pavement is not done this year while the equipment is there it will be many years before it is done." Actually it will not be; it will only be until the next election, but

Mr. Roberts: the people feel this way. "Please give this request your courteous attention."

And I am not sure, Mr. Speaker, whether that letter has been answered, perhaps the Minister of Transportation and Communications (Mr. Brett) could answer it. I do not see him in the House; maybe he is still on -

MR. N. WINDSOR: He will be here shortly.

MR. ROBERTS: I am sorry?

MR. N. WINDSOR: He will be here shortly.

MR. ROBERTS: I am glad he will be here shortly because I would hope that he is back from Fogo Island. I was very pleased to hear the news from Fogo Island and I am glad he will be here, and I hope he will respond in some way to the prayer of this petition.

I support it, Mr. Speaker. I think the request is a reasonable one. There is today on the Northern Peninsula and in Southern Labrador in the district of the Strait of Belle Isle, the Northern Peninsula in the district and the Southern Labrador portion that is still in the district, not one single inch of pavement that

MR. ROBERTS:

has been laid at the expense of the present administration during their seven years in office. Now I suppose the main thing is to get the main road done and we have got the main road done, ninety per cent Ottawa, ten per cent provincial, and we will give ten per cent of the credit to the government of the Province. But the fact remains that this government during their term in office have not seen fit to put one single inch of pavement on the Northern Peninsula North of a magical line. If you go into the community of Bird Cove it is paved. You go one inch North of that into the community of Blue Cove and it is not paved, and the only reason there can be is precisely the reason that people have adopted, of course it is the political representation. In other words, the people in that district are being penalized because they have elected a member who at this stage at least - or in the last election at least, I should say, is not supporting the government of the Province. Whatever reasons there should be to justify where pavement is laid or where it is not paved, that is not an acceptable reason and I know the present Premier will not allow that state of affairs to continue. He shows a willingness to walk away from the misaffairs of his predecessor and I would hope that he would carry on with this. And his colleague, the House Leader, a fair minded gentleman, I am sure will feel exactly the same way. We will know when the results come out, when the paving programme is announced this Summer. But I do support the petition, Sir. I think that the request is a reasonable one. The road in question is the main road to the community of Goose Cove, the only road linking Goose Cove to the provincial highway network. It is about six miles. It needs some upgrading work done but it is in reasonably good shape. At least the base is there, but it needs to be graded and upgraded and prepared for paving. It serves the road, it serves the fish plant, it serves the fish plant, it serves the schools, it serves the hospital. All of the links from the community of

MR. ROBERTS: Goose Cove to the outside world come back and forth across that road. I think the request is a reasonable one, Mr. Speaker. I present the petition in the hope that some work will be done this year. The paving equipment will be in the Northern Peninsula. I hope we will see something done this year with provincial money because I think that is the only way to show the people in the Northern Peninsula that they are getting their fair share of what they are entitled to, that they are not being discriminated against for partisan reasons, that the government of the Province, whatever failings they may have, are men enough and big enough to spend public money according to the public need and not according to sheer, narrow partisanship. I support the petition, Sir, and I hope it will produce the desired results.

MR. SPEAKER: (Mr. Ottenheimer)

Hon. member for

LaPoile.

MR. NEARY:

Mr. Speaker, I rise to support the petition presented by my colleague the member for the Strait of Belle Isle (Mr. Roberts), Sir, and I want to congratulate the hon. gentleman for making such a fine presentation and making such a strong appeal on behalf of his constituents. I must say I was rather amazed to hear the hon. gentleman say

MR. NEARY: that there had been no provincial monies as such spent in paving roads in the communities on the Great Northern Peninsula, except in St. Barbe South, I presume. There has been a bit of money spent there but in the old district of St. Barbe North, which is now the Strait of Belle Isle, not one penny of provincial money has been spent on paving roads down in the communities. And the main road, of course, as the hon. gentleman pointed out, 90 per cent of the cost of reconstructing and paving the road on the Great Northern Peninsula has been paid by that great and wonderful Liberal Government up there in Ottawa.

MR. ROBERTS: That government that will be the government on the 23rd.

MR. NEARY: The government that will continue to be the government after May 22nd.

MR. ROBERTS: Get your wagers in, gentlemen.

MR. NEARY: And anybody who has - you know, I am not a betting man, but anybody who wants to -

MR. FLIGHT: Not beyond reason.

MR. NEARY: No, I am not beyond reason, that is right. I am prepared to take on a nominal bet.

But anyway, Sir, the petition is a very reasonable one, as my colleague indicated. They are only asking to have six miles of road reconstructed, and paved and not all done in the one year - that is what I like about it, Mr. Speaker. The residents are approaching the thing in a very civilized and decent manner. So I do hope that the government will see fit, Sir, to include it in the programme.

I will tell you one thing that always disturbs me and sets the devil in me when I hear it said in this House and that is the fact that roads and

MR. NEARY: water and sewerage and other services are provided along political partisan lines in this Province. I am wondering, Mr. Speaker, if that is in accordance with the Canadian Bill of Human Rights? Should this matter, Sir, or could it be - could it not be brought to the attention of the United Nations?

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: The hon. gentlemen can laugh but I am quite serious about it because it is rank discrimination, political discrimination. If it happened in other parts of the world I am sure that there would be riots in the streets, there would be all kinds of social upheavals.

MR. DOODY: (Inaudible).

MR. NEARY: I beg your pardon?

MR. DOODY: The United Kingdom might have (inaudible).

MR. NEARY: So, Mr. Speaker, I do hope, Sir, that the Minister of Transportation (Mr. Brett), not in his seat yet, by the way, Well, I would like to call upon the Premier to comment on this matter. I mean, will the government continue to carry out road paving and reconstruction and building new roads and putting in water and sewerage?

MR. S. NEARY: Will the new Premier continue along political partisan lines or will there be a departure from the policy of the old administration? And my hon. friend will be able to tell his constituents in due course that when the budget is brought down that there is some provision for reconstructing and paving the road in Goose Cove East.

It is a good petition, Sir, well presented and I can not see how the Government can resist doing something to help these poor people on the Great Northern Peninsula in that community of Goose Cove East.

AN HON. MEMBER: Hear, hear.

MR. SPEAKER: (Otteneheimer) The hon. member for Fogo.

CAPT. E. WINSOR: Mr. Speaker, I beg to present a petition which is an unusual petition really. It is not a petition calling for the upgrading and paving of roads, nor water and sewer. But it is a petition from senior citizens and they are the senior citizens of Joe Batt's Arm and Barr'd Island. And the prayer of the petition is: "That we do hereby feel that we are unjustly treated by the said Council by being double taxed. We voice our disapproval and pray that the present system be considered to delete this unjust treatment."

Now, Mr. Speaker, the senior citizens are not objecting to paying a tax. Quite the opposite: They would be very much opposed to not making a contribution in the form of taxation. But what they are objecting to is double taxation and that is where you have a pensioner and his spouse who are subject to double taxation. We have here, Mr. Speaker, senior citizens who, through all of their adult life, have made a contribution to their community. They are the citizens who built their houses, helped build their churches, their recreation facilities, halls and what have you. They have made their mark on society. And they are objecting now to being penalized by councils for double taxation where a pensioner and his spouse

CAPT. E. WINSOR: must pay the council service charge.

Now, I do not blame the councils because I believe in a Municipal Act there is a clause which states that the council can impose such a tax.

AN HON. MEMBER: Or exempt such a tax.

CAPT. E. WINSOR: However, if the council request the Minister of Municipal Affairs and Housing (Mr. N. Windsor) for an exemption for any individual, then the minister would consider exempting that individual. However, Mr. Speaker, I do not feel that the council should be placed in that position. The Act should be changed whereby one or the other is subject to taxation.

Mr. Speaker, as I said before, they are not objecting to paying their taxes.

CAPTAIN E. WINSOR: They want to share in the improvements in their communities. They have shown that desire all down through lives, their adult lives. But, Sir, they do feel now, with the high cost of living and the financial strain, that it is just a financial burden which they are unable to keep.

Now the council, in my opinion, Mr. Speaker, many councils in Newfoundland are not receiving sufficient grant to enable them to carry out and provide the services demanded of councils. And what I would suggest to the government is to change that part of the act whereby there is double taxation and increase their grants, increase their grants to the councils so that it will not be necessary for the senior citizens, men and women, men especially, who we have to respect today. They laid the foundation for us, they laid the foundation in those communities and yet they are being penalized today for their contributions by exorbitant taxation.

Mr. Speaker, I plead with the government to take this matter very serious and increase their grants to the councils in order that they may provide the services required. I support the petition and ask it be received on the Table of the House and referred to the department to which it relates.

MR. SPEAKER (MR. OTTENHEIMER): The hon. for Bay of Islands.

MR. L. WOODROW: Mr. Speaker, I think this is a very worthy petition and I want to let the hon. member know that I am supporting it. Now in some of the communities in my district I have met this on many occasions where the two elderly people getting the old age pension are charged with whatever it is - it could be \$20, \$30 and some cases \$40 - and it places a great burden on them. By the same token, in other places, Mr. Speaker, in other parts of my district I have discussed this matter with the councils and they found fit to possibly charge half

MR. WOODROW:

or a portion to the people concerned. As the former speaker said, these are people in fact who have worked hard. They are people in the outport place of Newfoundland. They have worked very hard to set the foundation that we are enjoying today, for example, in the fishery, in agriculture and the like. And I do not know, Mr. Speaker, what the answer is. I suppose like every other petition, like the one presented by the hon. member for the Straits of Belle Isle (Mr. Roberts), and like the one I presented yesterday concerning the roads along the North Shore of the Bay of Islands, it is all a matter of dollars and cents. But what I would like to do, and I feel the hon. minister will, the hon. Minister of Municipal Affairs and Housing, I would like to suggest that he take this matter under consideration and see if some means cannot be found to correct these measures which I believe I could almost say are unfair to the senior citizens of the communities in this Province.

Thank you, Mr. Speaker, and

I support the petition.

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

MR. W. ROWE: Mr. Speaker, I rise to support the petition presented by my colleague, the member for Fogo district (Captain Winsor). Sir, the petition was certainly sent or given to the right member in this particular case, there is no doubt about that. I have seldom heard a more eloquent, indeed a more heart-rending in many ways plea on behalf of a group in our society who are in many ways ill done by, the senior citizens, in this case the senior citizens of Joe Batt's Arm and Barr'd Island. And in this case in respect of a very pernicious system of taxation, this system of double taxation which is in effect in many communities in the Province and affects the senior

MR. W. ROWE: citizens in a much worse way than any other single group of individuals.

I would go further, Mr. Speaker, than the hon. member. He mentioned that these senior citizens are not objecting to paying taxes, property taxes or poll taxes to the municipality. And naturally the paying of taxes in general was not the burden of the petition. But I would go further, and I would say that in my own travels around this Province there is no other matter which has been brought to me more constantly and supported by better data, better facts, better arguments than the case for exempting senior citizens from the payment of municipal taxes altogether.

Mr. W. N. Rowe: Some would argue there are some senior citizens who are making enough money have a large enough income to pay their municipal taxes. But I would say, Sir, that that group is far outweighed in numbers by the group of senior citizens, the individuals who do not have sufficient funds to pay municipal taxes, and concerning whom the fact that they do not have sufficient funds does not often turn up when these means tests or other tests are employed in order to find out whether they should pay municipal taxes or not.

I had a heart-rending case presented to me in person in Deer Lake, for example, not more than two or three months ago, where a person was making a pretty good income, old age pension and a small pension on the side, but who was required, because he fell into a certain income group, was required to pay his municipal taxes, but was also paying out \$80 or more every single month of his life in order to pay for a prescription medication and drugs which he was required by the doctor and by his state of health to take on a regular, on a chronic basis. And he pointed out to me, gave me examples of other people who were in exactly the same situation and the same terrible predicament as he himself.

I think, Sir, that there can be a genuine case made for exempting all senior citizens from the payment of municipal taxes. Councils, municipals councils should not be forced in any way to exist or to maintain themselves off the backs of the senior citizens of this Province. It is not the fault of the municipal councils. And if some such arrangement were made to exempt senior citizens from the payment of taxes, there would have to be a system brought into effect whereby the Provincial Government would have to see to it that councils, in order to conduct their business, to maintain themselves, to provide capital works and so on, and to maintain their capital works projects would have to be reimbursed by the government of this Province.

I do not think, Sir, for one moment that we as members of this House should require citizens who have reached the age of sixty-five years and older, who have made such a contribution already in

Mr. W. N. Rowe: terms of taxation, in terms of work they have done for their community and the Province as a whole, contribution in terms of volunteer effort, children they produced who are now making a contribution to society, and many of whom, elderly people, senior citizens who are now living on fixed incomes, diminishing all of the time as a result of inflation and the declining value of the dollar, these senior citizens, Sir, should not be required in the so-called golden

MR. W.N. ROWE: years of their lives to make the tremendous financial sacrifice of having to pay these additional municipal taxes. It should be remembered, Sir, that the municipal taxes are not proportionate to, or in any way commensurate with, the overall income that a person may be making. And as long, in most cases, as you have a certain level of income then of course your taxes are paid, not proportionate as in the case of an income tax, but you just pay your tax and that is it regardless of what other drains and strains you may have on your own personal purse.

So I think that a strong case can be made out for exempting senior citizens from the payment of municipal taxes as long as the government assumes the financial burden of making sure that the municipal councils themselves will not then be made to suffer as a result of that, remembering also, Sir, before I sit down, that this additional income in the pockets of senior citizens, which they will then of course spend, is also subject to taxation by way of sales tax and that the cost to the government would not be nearly as great as it would appear on the surface. But what it would do would be allow our senior citizens, our elderly people to live out the rest of their lives, many them with small incomes, with a degree of prosperity and dignity that I think all members of this House and the population at large owes to this admirable group of people. Thank you, Sir.

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for Trinity-Bay de Verde.

MR. F. ROWE: Mr. Speaker, I would like to take a few brief moments to support the petition presented by the member for Fogo (Captain E. Winsor), Sir. Sir, seldom have I heard a more reasonable petition presented before this House of Assembly. And in fact when I hold clinics in my own district and when I go to my own district door-to-door or hold clinics, one of

MR. F. ROWE: the major complaints I hear from the citizens in Trinity - Bay de Verde, and it is obvious that this is the case over most parts of the Province, is the case where senior citizens are doubled taxed by incorporated communities. And, Sir, after each one of these clinics or daily visits to a certain community, I would arrange to meet with the various councils, local improvement districts, or town councils or what have you and I would bring this matter to their attention and their answer, Sir, is simple and straightforward: 'We are forced to tax these people the way we do in order to scrape together just a few dollars to carry out some of the work that the people are demanding of us.' So the problem basically is this, that the councils, incorporated communities

MR. F. ROWE: are carrying out the rules and regulations of government for the waste disposal areas, are carrying out the rules and regulations of government, and they are absolutely desperate for funds because they are simply not getting the appropriate grants or funding from the government itself. But, Sir, you know this could possibly be blamed on the restraint programme or what have you, but the simple fact remains that councils, the people who are providing a voluntary service, the mayors, the chairmen, the councillors, the members of local improvement districts are working without pay in most of these cases and they are forced to tax the senior citizens in this manner. And of course they receive criticism from the citizens of their communities for work that they are unable to do in spite of the fact that they have to double tax the senior citizens.

Now, Sir, let us look at the senior citizens themselves. They have made a tremendous contribution over the years. They have made a tremendous contribution to society in Newfoundland. Most members realize the importance of the Churches in our history in the past. These people served with their various denominational heads. They provided practically the only education, the only culture in these various communities. They paid their taxes. They have brought up their children and in many cases they have brought up their grandchildren and in too many cases they have been forced to bring up their great-grandchildren. Now, Sir, when were the most productive years for these senior citizens? I submit that the most productive years for these citizens who we are talking about now were during the mean, lean years, namely the post-Confederate years. So they paid their debt to society.

AN NON. MEMBERS: During pre-Confederation.

MR. F. ROWE: During pre-Confederation.

I am sorry. What did I say? Post? Yes, pre-Confederation days.

They paid their debt to society during the mean, lean years;

MR. F. ROWE:

the pre-Confederation days and now they are faced with ever increasing cost of living, with inflation and I think they deserve a break, Sir, at this particular stage in the game of their livelihood, their lifehood. I give this petition my wholehearted support, Sir, and hope that the Premier will see fit to support this particular petition and give some indication of the direction that his administration might take in terms of providing some help for the senior citizens of our Province with respect to double taxation in the communities within which they live.

MR. SPEAKER: (Mr. Ottenheimer)

Hon. minister.

MR. WINDSOR:

Mr. Speaker, in

accepting this petition from the hon. gentleman from Fogo (Capt. Winsor)

I would like to

MR. N. WINDSOR: note that a week or so ago, or last weekend, in fact, in Pogo at a great Conservative rally of 350 people, I did meet with two of these gentlemen from Barr'd Islands, two elderly gentlemen who brought this subject to my attention. We discussed it at some length.

The Act provides at the moment that any female who is earning more than \$600 per year is liable to the service fee, as hon. gentlemen know; therefore, of course, any senior citizen, any lady, who is receiving an old age pension or supplement is liable to the service fee, and this is the question that the hon. gentleman is broaching.

Exemption for senior citizens is a very broad topic, of course. Blanket exemption is not a policy that I could support in whole although the concept of it is certainly very favourable, very acceptable, very desirable. I think you should always keep in mind that any exemption that you give to senior citizens will therefore have to be spread over the other taxpayers of a municipality, and I am not sure that the fact that a person has reached the magic age of sixty-five is in its -

MR. FLIGHT: Not over a municipality, over the Province.

MR. N. WINDSOR: What is the difference? It is the same taxpayers.

I am not sure that reaching the magic age of sixty-five is rationale for persons not paying municipal taxes if they are able to pay it. Do not forget there is always provision whereby, as the hon. gentleman said, a person can ask for an exemption or a remission or reduction of municipal taxes from their council. The hon. gentleman suggests that council should not have to make that decision. I disagree. I think the

MR. N. WINDSOR: people who are elected by the municipality, the people who are living there, the people who know the person involved are the people who are in the best position to make such a decision, and their recommendation is to me, as the hon. gentleman said, that I should exempt these people. That is something that I think is a little redundant. A minister should not have to rubber stamp - and essentially that is what it is - a decision of a local council. It is an authority that I think the local council should have, and we are addressing that subject. I do agree to some extent that in this particular case where we have two senior citizens living together that perhaps the female member may well have a good case being made for exemption from that particular service fee. It is a subject we will be addressing ourselves to in the drafting of the new Municipalities Act that hon. gentleman, I am sure, is aware of. So it is something that we are considering, but a blanket exemption is not the policy that I could support in its entirety.

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

MR. NEARY: Mr. Speaker, we just heard the difference between Tory philosophy and Liberal philosophy, Sir.

I support the petition, Mr. Speaker,
but if there were an

MR. S. NEARY: exemption granted to one of the senior citizens, one of the spouses, instead of having double taxation, it would mean the whole Province would carry the load not just the community in which the people live. But, Sir, let me say this just to show the House how unfair this tax is. When the head of the household is working and earning good money, only one pays the tax in the house, the man who is working. If his spouse is not working, only one pays the tax. Let us say, Mr. Speaker, that a couple living in Burnt Islands in my district of LaPoile, let us say the income of the head of the house, the man, is \$20,000 a year and his spouse is not working, he will only pay the tax once. When they both become senior citizens their income is slashed by about fifty per cent and both of them have to pay the tax. Now, does that make any sense, Mr. Speaker? This particular family, man and wife paying double taxation, may be living side by side to a millionaire or a person of very high income who only pays the tax once.

AN HON. MEMBER: Property tax.

MR. S. NEARY: I beg your pardon.

AN HON. MEMBER: Property tax.

MR. S. NEARY: The hon. gentleman, obviously, subscribes to the means test. We say, make it universal. That is the difference between the philosophy. And this is income that they do not have anyway, Mr. Speaker. It is new income. And I can tell the House that I attended a meeting recently of a newly formed town council in the community of Isle aux Morts and one of the things that was bothering the mayor and the councillors in that community was the fact that they did not have any elbow room, any room to move, they had to charge double taxation to senior citizens. And, Burnt Islands, just a few miles down the road, had already gone through that, and there were some pretty hard feeling in the community. There were resignations from the council, by the way over that particular issue, that the council did not have the authority to exempt one of the senior citizens from the taxation.

MR. S. NEARY: They could ignore it. They could just leave it on the books and come back to the Minister of Municipal Affairs and Housing (Mr. N. Windsor) after a couple of years and ask permission to write it off. But according to the rule, according to the local Government Act, they have no choice but to collect the tax. And it is a very unfair situation, Sir, one that is bothering an awful lot of municipalities.

I can say now it is certainly troublesome in Burnt Islands where you have a new council that was put in there a year ago. This became a major issue. There are a lot of senior citizens living in the community of Burnt Islands and in Isle aux Morts and, as other hon. members have pointed out, have made their contribution to society, have contributed to the welfare of this Province, to the economy of the Province -

MR. F.B. ROWE: That is right.

MR. S. NEARY: - and contributed to the social and economic gains that we have made in this Province. And now, in their twilight years what do they get in return? They get slapped with double taxation. And, Mr. Speaker, it is incumbent upon us, as members of this House, to change it. It is the sort of thing that we should be doing in this House instead of the type of thing we saw yesterday from the member for Grand Falls (Mr. J. Lundrigan) and the Government House Leader (Mr. W. Marshall). This is the type of thing we should be doing, Sir. We can only be as good in this House, Mr. Speaker, as measures that the Government brings in. The Government calls the order of business in this House. If the Government called that order of business to exempt one of the senior citizens, where you have two people living in a home paying taxation, double taxation, if the Government brought in a bill, I am sure you would have lively debate and you would have complete agreement. But we do not get that sort of thing, Sir. We do not get that sort of thing in this House. We have no issues to discuss.

MR. S. NEARY: The Government calls the order of business and the Government has not presented a programme of policies that we can get our teeth into. And this is the sort of thing that we should be doing and I challenge the Government now to bring in a piece of legislation.

MR. SPEAKER:(Otteneheimer) Order, please! Order, please!
I think the hon. gentleman is wandering somewhat from supporting the prayer of the petition.

MR. W.N. ROWE: Well intentioned though, Sir.

MR. W. DOODY: A heart of gold.

MR. W.N. ROWE: A heart of gold is right.

MR. S. NEARY: I feel, Sir, that the Government would be remiss in its duties and its responsibility if it did not recognize that this is a major problem

MR. NEARY: for our senior citizens throughout the length and breadth of this Province. With inflation, and the high cost of living, the high cost of electricity, the high cost of drugs, our senior citizens and other people living on fixed incomes just cannot cope. They cannot cope, Sir. And I believe, Sir, that we would be remiss in our responsibilities as elected members in this House if we did not come to the rescue of the senior citizens. We should do it. It is the kind of thing we should be doing in this House and therefore, Sir, I wholeheartedly support the prayer of the petition.

CAPTAIN WINSOR: Hear, hear!

MR. SPEAKER (Ottenheimer): The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, I too would like to add my support to the petition presented by my colleague the member for Fogo (Captain Winsor). Some people will say that there are senior citizens who are very well off financially. I have no doubt that there are. I also know that they are few and far between. And I would hope nobody will drag that particular red herring across this discussion. The point that is being made in the petition, a point, by the way, which I was amused the Minister of Municipal Affairs (Mr. N. Windsor) did not understand at all, the point being made in the petition is not that they not be taxed but that they not be treated unfairly. And the whole brunt, the entire prayer of the petition addresses itself to double taxation. Nowhere do they ask to be exempted from tax. And that is the point, Mr. Speaker, that a group, it so happens that it is a very large group and it is a group of senior citizens, but it is a group which is being discriminated against as no

MR. SIMMONS: other group of taxpayers are at the municipal or provincial level. They are being asked to pay tax twice, in essence. And my colleague from LaPoile (Mr. Neary) gave an example, a man can be sixty-four years of age today, earning \$10,000 a year, he is the only wage earner in a family so he pays, for example, a \$40 poll tax in a particular community. Next year he is sixty-five and say his wife is the same age, they both draw a pension, together they receive about \$6,000 a year, a little more than half that he was earning the year before, but because the money is coming in in two cheques instead of one that couple is obliged to pay twice \$40, \$80 in poll tax, for example. And that is the point, Mr. Speaker, that is discriminatory. I am sure that was never the intent of the act.

The minister quotes to us what the act says, we know what the act says and we know that that is where the problem lies. The problem lies with the act. It is not the council's fault that the act is so inflexible, both in its wording and in the way it is being administered, and the onus is clearly on the Provincial Department of Municipal Affairs to take an initiative on this, to remove the discrimination which exists here now. It is most unfair that these people should be subjected to double taxation. I would be the first to submit that whether in the case of senior citizens or others, taxation of this sort is one which should relate to ability to pay, not the accidents of age or the accident of how many cheques are coming into the household, but what is the total income of that particular household. Let us address a piece of taxation legislation to that question, the ability of the household to pay. And let us not sock it to the people who are on fixed or pegged incomes and with those pegged incomes have

MR. SIMMONS: nevertheless to meet the increasing cost of living, the other costs that they have to bear, the cost of medication for example.

Mr. Speaker, last Fall, six months ago now, the Federation of Municipalities submitted a resolution to the Provincial Department of Municipal Affairs on this very subject. This is significant for two reasons and the first is that the Federation itself, representing the municipalities around this Province, are not in favour of this double taxation for senior citizens. They asked the government last October to take some steps and the resolution said in part, Mr. Speaker, "Be it resolved that the provincial government be approached to provide a reduction in the rate of taxes for all senior citizens. It is now six or eight months since last October when that resolution was submitted to the minister and I was very disappointed that he did not address himself to that particular question. This is not a new request we have had today, Mr. Speaker,

Mr. Simmons: We have had today, Mr. Speaker, it is a request that you are going to hear more about because it is so discriminatory, it is so unfair to the people involved. And we on this side will continue to press it and push it in every way possible until we can beat some sense into the minister on this particular subject.

SOME HON. MEMBERS: Hear, hear!

MR. SIMMONS: These people are being discriminated against unfairly and the ball is in his court, Not in the municipality's court, in his court, and it is up to him clearly, Mr. Speaker, to do something about the issue and to do it soon.

I wholeheartedly support the petition and would hope that the minister will take the necessary action without any further delay and stalling on this point, take the action on behalf of the people who are being so badly discriminated against on this particular point.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for Conception Bay South.

MR. NOLAN: Mr. Speaker, I rise to support this petition following, I know, the very fine argument and debate as presented by those who have gone before me, because I feel very strongly about the matter, not only on this particular issue as mentioned by my hon. friend in his petition, but also on a number of other things that I am familiar with regarding senior citizens in our society.

I am very sorrowful, really, to say that I am afraid that there are people in political life, in all parties in this Province, and in business and so on, who look upon the senior citizens of this Province and in Canada as the white coloureds of our society. And I say that with very firm conviction. Let me give you an example; I know, for example, that oftentimes within the advertising media, in the agency business they will look at those who buy, the consumers. And the consumers are not the old aged people, they are not the ones, oftentimes, they cater to, that they service, because they are not the major buying power. I know too that in various political groups that it has often been discussed that you must deal with and cater to the so-called Pepsi generation because that

Mr. Nolan: is where the action is. And it is as simple as that.

The result is that oftentimes too many people are prepared to fluff aside, for whatever reasons they may find expedient, the needs of the senior citizens that we have. The most recent one mentioned is the one by my friend insofar as municipal taxation is concerned. The best thing that senior citizens can do if those who are elected to positions to represent them are not doing the job, is to form themselves into the strongest possible union or association, or whatever you would like to call it, and then kick the living daylights out of anyone who is in public office who is not prepared to accept at least a reasonable presentation from those people who reach what they sometimes call the golden age. The golden age my foot! There is nothing golden about it. The fact is they are people, as some of our speakers have indicated, who have paid their way in this life, in times far worse than what they are now, and now they find that they are being put upon again oftentimes by a bunch of smart little alects who think that they have all of the answers because they are younger and allegedly brighter. I tell you the treatment of senior citizens is one of the most arrogant displays we have in our society today. They are not people who should be going around with 'finished' on their back. They are not prepared to lie down and take whatever in the hell is lashed out to them. And it is time that senior citizens in every part of this Province and in Canada form themselves, if necessary, into a very strong, a very cohesive group so that they can present their case against any group who is not prepared to listen to their needs and aspirations. And if that can only be done in the ballot box, well then let it be done there. But do let it be done, because that is the only language some people seem to understand. And I do support this petition, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. FLIGHT: Thank you, Mr. Speaker.

I rise to support the petition so ably presented by my colleague for Fogo (Capt. Winsor), and to say, Mr. Speaker, I think, the

Mr. Flight: member for Burgeo-Bay d'Espoir (Mr. Simmons) put his finger on the problem. All we have to understand, Mr. Speaker, is that the various town councils or the community councils, local improvement districts across this Province did not dream up this double taxation, it was written in The Local Government Act. And they said, we have to collect it because it is in The Local Government Act.

MR. CALLAN: Why did you change it?

MR. FLIGHT: And, Mr. Speaker, there are a lot of people in this Province, there are a lot of senior citizens who are not paying that bill, and the minister and the previous minister knows it. They find it very frustrating

MR. G. FLIGHT: and embarrassing to receive the bill but because they have friends on the town councils who recognize this dilemma in the community, they just tack it on each year. So you have situations where there are senior citizens owing \$400 or \$500. In comes the delegation from that town council to that minister requesting \$5,000 or \$6,000 or \$7,000 or \$8,000 to upgrade some facility in a town. The minister says, Go back and collect your back taxes. I do not care if it is from senior citizens or where it is, it is on your books go back and collect it. That is the kind of pressure that the town councils who want to exempt senior citizens are running into from this department, Mr. Speaker.

Does anyone know what the poverty level is, the wage is where you are considered below the poverty line in this country? Per year, what is the income that is considered under the poverty line?

AN HON. MEMBER: \$6,000 or \$7,000.

MR. G. FLIGHT: \$6,000 or \$7,000. All right, Mr. Speaker, the people who support this clause in the Local Government Act are saying that \$600 - now it does not matter that the poverty line is \$6,000, if you were earning \$600 you would pay the poll tax. That is what the act says, '\$600 and over. Any individual living in any community who earns over \$600 must pay the poll tax.' So how does that jibe with the poverty line? What do we say to our senior citizens? We are saying that we are prepared to make you worse than welfare recipients. And talking about a means test, Mr. Speaker, let us make something clear in this House. There is no programme under our social welfare system in this country today that is not subject to the most stringent means test. If a welfare recipient or a person who has to go on welfare wants welfare from this government he has got to subject himself to the most stringent means test, he has to prove beyond a shadow of a doubt any monies he might have. If a senior citizen wants a reduction or

MR. G. FLIGHT: an exemption from the school tax authority they must undergo the most stringent means test. If a senior citizen who retires wants to take advantage of the guaranteed income supplement he has to undergo the most stringent means test. So who is kidding who? Why not have a means test for people who want to be exempt from the double taxation system, for people earning \$600 and up? Why not? The only people who would not subject themselves to such a means test are the people who could probably afford to pay it anyway and let them pay it. The people who I run into are people who say, 'We are just telling you, we will tell the world we cannot afford anymore, we are being wiped out, we cannot afford to live.' And the minister has not yet had the courage to tell a town council exempt you senior citizens who you know cannot afford to pay the tax and are not about to. And he has not got the courage and he is not prepared - it is not a case of courage it is the great right-wing Tory philosophy, Tory philosophy! Sock it to the - Never mind the inability of the people we are forcing to pay this, never mind their inability to survive, never mind their inability to survive, never mind that they are trying to survive on \$600 a year, never mind that they cannot afford their drugs, their eyeglasses, that they are living way, way, - that they are worse than welfare recipients, never mind that, get that \$40 a year. I am not prepared to bring in an amendment to the Local Government Act that would exempt senior citizens from double taxation. That is the problem, Mr. Speaker, the problem is not with the town council -

MR. J. MORGAN: (Inaudible) debate.

MR. S. NEARY: We have a Speaker here in the Chair. Do not insult the intelligence of the Speaker.

MR. G. FLIGHT: The member for Bonavista South (Mr. Morgan) should go down to some of the communities in his district and talk to some of the senior citizens, that is what he should do.-

DR. KITCHEN: Talk them about double taxes, not wharves.-

MR. G. FLIGHT: He should familiarize himself with what is going on in this Province outside of St. John's. So Mr. Speaker, let the word go out that the problem with regards to double taxation and the fact that the senior citizens are being wiped out in this Province, are being reduced to worse than welfare recipients, lies totally with the Department of Municipal Affairs in this particular case, the Department of Education with regards to school taxes. I have seen no desire on behalf of this government to exempt senior citizens or to even look at the possibility of exempting senior citizens from those kinds of taxes to make their lives a little more bearable. And Mr. Speaker, let the blame rest where it lies, in this particular case, with the present Minister of Municipal Affairs (Mr. N. Windsor) and his predecessors. I support the petition.

SOME_HON. MEMBERS: Hear, hear!

NOTICES OF MOTION

MR. SPEAKER (MR. OTTENHEIMER): Hon. minister.

MR. C. POWER: I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Amend The Historic Objects, Sites, And Records Act, 1973."

ORAL QUESTIONS

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

May 3, 1979

Tape No. 1012

DW - 4

MR. W.N. ROWE: I do not know if the Premier is coming back or not, Sir, I have a question for him. Would the House Leader -

MR. S. NEARY: He is just outside there.

MR. W.N. ROWE: Here he comes. Mr. Speaker, I would like to ask the hon. the Premier, in view of his

MR. W. N. ROWE: undertaking when the House adjourned about a month ago for a three week vacation at which time he undertook to have distributed to members a copy of the new elections bill which would incorporate the new Elections Act. First of all, what happened? Why did we not receive the bill in accordance with his undertaking to have it distributed, number one; and number two, when can we anticipate receiving a copy of the Elections Act?

MR. SPEAKER: (Mr. Ottenheimer) The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, I thank the Leader of the Opposition for asking that question. It is one that I wanted to address myself to and I sincerely thank him for asking it.

After the House closed we did proceed to distribute to all members of the House legislation relating to the present motion that is before the House on ratifying the agreement on the Linerboard mill in Stephenville and the Lower Churchill Development Corporation legislation to ratify the establishment of that corporation, and thirdly, a couple of days before the House reopened, the whole question on legislation relating to matrimonial property law. The fourth of the four pieces of legislation which I had specified before the House closed was the Elections Act. That Act is presently before Cabinet and there have been three or four meetings on it during the break, but there are still a number of items outstanding. I think government have agreed on about 200 to 300 of the 360 sections that are in the Act and we are on now the last 100 sections of the Act. So I anticipate within the next seven to fourteen days - just trying to time myself on Cabinet meetings - to be in a position to

PREMIER PECKFORD: have approval of the Elections Act and then to distribute it to hon. members and to assure the Leader of the Opposition now that when it is distributed we will not distribute it one day and start debating it the next; it will give members of the Opposition opportunity to study it before we actually call the bill.

MR. W. N. ROWE: Mr. Speaker, a supplementary.

MR. SPEAKER: (Mr. Ottenheimer) A supplementary.

MR. W. N. ROWE: Not having seen the bill, of course, it is probably vain and I cannot speculate on what is in it, but I would ask the hon. the Premier, Is it the intention of the government, if this bill is passed by the House, to have it come into effect immediately or will it be subject to proclamation or is it intended to wait until after the next election or to have it applied to the upcoming provincial election in this Province? What is the intention of the government on it?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: A final decision on that point has not been made, Mr. Speaker, as of now. Of course, it would depend in large measure - if, tomorrow morning or next week, for example, say that the Cabinet approved the legislation next week, next Wednesday, and it was presented in the House, and about three or four days thereafter an election were called, obviously the Act would have difficulty in applying to that election. If, however, the Act were debated fully and the Opposition had an opportunity to debate it fully and then it was passed and there was no election, well, then, you know, it is highly likely that it could apply then to an election situation. So I guess there are a number of variables there that would have to be addressed before one could give a fair and definite answer to it.

PREMIER PECKFORD: To sum up, I would say that given the normal course of events without an election it would be appropriate to have it apply to the next election.

MR. W. N. ROWE: Mr. Speaker, a supplementary.

MR. SPEAKER: (Mr. Ottenheimer) A supplementary.

MR. W. N. ROWE: On the Elections Act - I do not want to get into what the contents of it might be, but if my understanding is correct from casual conversations with the Premier and other members of the Cabinet, and his predecessor, as well, as Premier, the intention is to have some legislative provision for strictly controlling expenditures in elections and also to get public funds to be used, probably by way of reimbursement, to successful, or unsuccessful candidates for that matter. Is there going to be a provision for financial controls, strict controls on expenditures and contributions and openness as far as contributions are concerned, as well as the use of public funds -

PREMIER PECKFORD: Right.

MR. W. N. ROWE: - for the running of election campaigns? The reason I ask the question, Sir, is obvious: if it is going to apply to the next election, then we are into some very, very, perhaps horrendous administrative procedures and controls. I personally want to see it applied to the next election whenever it might come, and, therefore, I urge the Premier to bring it in as early as possible. But first he might answer the question as to whether there are financial controls.

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, as I have just indicated to the Leader of the Opposition, the Act has not passed through Cabinet yet. Various sections of the Act which have passed through, and some of the issues that

May 3, 1979

Tape 1013

EC - 4

PREMIER PECKFORD: the Leader of the Opposition
addresses now are issues that are presently before the
government

PREMIER PECKFORD:

and therefore until the act is passed by Cabinet and presented, and the Opposition has an opportunity to study it, I would not like to indicate in any definitive way on some of the issues that the Leader of the Opposition mentioned. These are things that are now being discussed by Cabinet for inclusion in the bill and what approach will finally be taken as it relates to controlling the election financing, contributions from the public treasury and so on are some of the major issues that are now being addressed by government. I assure the Leader of the Opposition that I will give the Opposition ample time to study the bill before bringing it on here in this hon. House. And I am as eager as he is to see the bill apply to the next election.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER: (Mr. Ottenheimer)

Hon. member for LaPoile.

MR. NEARY:

Mr. Speaker, I wonder if the Minister of Transportation and Communications (Mr. Brett) can tell the House what the outstanding items are in negotiations between Treasury Board and the pilots and co-pilots of the water bombing fleet in this Province?

MR. SPEAKER:

Hon. minister.

MR. BRETT:

No, Mr. Speaker, I do not have that information. I will take a note of the question and get the answer.

MR. NEARY:

A supplementary.

MR. SPEAKER:

A supplementary.

MR. NEARY:

The minister does not have the information? Mr. Speaker, can the hon. gentleman tell us then how many pilots and co-pilots we have and how many planes do we have for the water bomber fleet in this Province? How many pilots and co-pilots do we have?

MR. SPEAKER:

The hon. minister.

MR. BRETT:

I will take note of that question too, Mr. Speaker.

MR. NEARY: Mr. Speaker, a supplementary.

MR. SPEAKER: (Mr. Ottenheimer) A supplementary.

MR. NEARY: Would the hon. gentleman tell me if the pilots of the water bombers are permanent employees or casual employees? Surely the hon. gentleman can answer that question.

MR. SPEAKER: The hon. minister.

MR. BRETT: I understand, Mr. Speaker, that these employees are seasonal employees.

MR. NEARY: Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary.

MR. NEARY: Mr. Speaker, could the hon. gentleman inform the House if there is any intention of making the water bomber crews permanent employees, the same as in Ontario and Quebec, and bringing their wages up to parity with their counterparts in these two Provinces?

MR. SPEAKER: The hon. minister.

MR. BRETT: I will have to take notice of that too, Mr. Speaker.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: I am getting frustrated, Sir. Will the hon. gentleman tell the House what training programmes - Mr. Speaker, if I could get the hon. gentleman's attention! - what training programmes the government have for training pilots and co-pilots in this very hazardous occupation of flying these PBVs, these water bombers, a very dangerous and hazardous occupation? Is there a training programme in the offtimes? These are only casual employees, so the hon. gentleman tell us. Are these pilots and co-pilots undergoing a training programme in their offtime, a safety programme?

MR. BRETT: Mr. Speaker, the hon. member is obviously trying to embarrass me. He is well aware of the fact that I have been in the department approximately three weeks

MR. BRETT: and obviously I do not know everything that is going on in every division of the department. But I do understand that these pilots undergo training every year and I would assume that they have their licenses when they come. Obviously they are qualified for the jobs or they would not have them in the first place.

MR. NEARY: Mr. Speaker, a supplementary. I am not trying to embarrass the hon. gentleman, Sir. I am sure the hon. gentleman knows where his office is. Mr. Speaker, will the hon. gentleman tell the House whether this training involves safety or is it retraining or is it on the job training or are the pilots sent away for updating themselves and for training of a specialized nature to fly these very dangerous missions? Could the hon. gentleman tell us that?

MR. SPEAKER: The hon. minister.

MR. BRETT: I am afraid I will have to take notice of that one too, Mr. Speaker.

MR. NEARY: Mr. Speaker, I will ask one final supplementary and then I will have to give up. I will have to give up in complete frustration.

MR. SPEAKER: A final supplementary.

MR. NEARY: Would the hon. gentleman tell the House if there is a training programme to train new pilots and co-pilots for the water bomber fleet? And at the same time I will ask a double - barrelled question. Can the hon. gentleman tell us if there will be a new working agreement with the pilots and co-pilots before the forest fire season is upon us? It is a double-barrelled question.

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

MR. SPEAKER: A point of order has come up.

MR. MARSHALL: Mr. Speaker, the hon. minister has already given his answers. You are not allowed to ask a question that has already been asked, that is under the rules

May 3, 1979

Tape No. 1014

AH-4

MR. MARSHALL: governing Question Period.

And I would like to take note that it is perfectly in order to take note. The hon. minister has told the hon. member for LaPoile (Mr. Neary) that he would take notice of these questions. He is just asking them again and again and it is against the rules in the Question Period to ask a question a second time.

MR. NEARY: To that point of order, Mr. Speaker.

MR. SPEAKER: The hon. member.

MR. NEARY: I would like to draw to Your Honour's attention,

MR. NEARY:

Sir, that my first question had to do with training and re-training of the present pilots and co-pilots. My second question had to do with training new pilots and new co-pilots, what training programme there is to bring new people into the government's air force. That was my second question. The questions are not identical, Sir. They are completely two separate questions.

MR. SPEAKER (Otteneheimer): Well I think, obviously, it can be argued they are the same question because they are on training; it can be argued that they are separate questions because the training deals with different people or those who could be different people. So I am not going to, I do not think, get involved upon that semantic point and if the hon. minister rises to answer the question I will recognize him and if he does not we will go on to the hon. member for Windsor-Buchans (Mr. Flight).

MR. NEARY: Well, let me ask a final supplementary.

MR. SPEAKER: No, I think I already recognized the hon. gentleman for a final supplementary.

MR. NEARY: Well, is the hon. gentleman going to answer my question?

MR. SPEAKER: We could not have two or three final supplementaries.

MR. NEARY: No, but the hon. gentleman is going to answer.

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

MR. NEARY: He is going to answer it. The hon. gentleman is going to answer.

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

MR. BRETT: Mr. Speaker, I make it quite clear to the hon. member that I will try to get the answers to all these questions. As I said, he is obviously trying to embarrass me but there is no way in three weeks that I could know the answer, Mr. Speaker, to these type of questions, but I can get them for the hon. member.

MR. NEARY: A point of order.

MR. SPEAKER (Otteneheimer): A point of order has come up.

MR. BRETT: ~~NEARY~~ Mr. Speaker, I take exception to that remark, Sir. My intention in asking the questions was to try to get some information for the people of this Province about the water bomber fleet before the forest fire season is upon us. And I ask Your Honour to direct the hon. gentleman to withdraw, to retract that remark. There is no imputation on my part, Sir, of false or unavowed motives. I was quite sincere in asking the hon. gentleman questions, no intention of embarrassing the hon. gentleman. The hon. gentleman might have embarrassed himself by not knowing what was going on and the controversy going on down at the hangar in Torbay. But certainly no intention on my part, Mr. Speaker, to embarrass the hon. gentleman and I ask Your Honour to direct the hon. gentleman under Beauchesne section 155, to withdraw that last remark, Sir.

MR. SPEAKER: Hon. Government House Leader.

MR. MARSHALL: That is not a point of order. I mean, you are not allowed to attribute false or unavowed motives but all the hon. minister was doing was giving his opinion or his impression. A difference of opinion between two hon. gentlemen and one that may or may not be borne out depending upon the view of whoever is watching the proceedings.

MR. SPEAKER (Ottenheimer): What we are dealing with now is the statement by the hon. gentleman to my left that in his opinion the hon. gentleman to my right was endeavouring to embarrass him. Now of course whether it is true or not is not a matter for the Chair to get involved in. What it comes down to is whether there has been an allegation of any unworthy motive. If one hon. gentleman tries to embarrass another hon. gentleman one way or the other, I would say that in a sense that is fair game. There is nothing really -

MR. NEARY: Like taking candy from a baby.

MR. SPEAKER: Well there is nothing unparliamentary about the Opposition endeavouring to embarrass a member from the government or a member from the government endeavouring to embarrass a member from the Opposition, as long as there is no allegation of impropriety, underhandedness, duplicity; so the allegation by one hon. member that another was endeavouring to embarrass him, whether true or not true, is not an allegation of an impropriety and I do not think it is the kind of statement which I should require withdrawn.

The hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, my question is to the Minister of Lands and Forests. I wonder if the minister could inform the House as to the exact number of people now employed in the drafting office of Crown Lands - that is the office that drafts leases and grants for applicants from across the Province - the number of people now engaged in drafting leases and grants whose applications have been approved?

MR. SPEAKER: The hon. Minister of Lands and Forests.

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

MR. FLIGHT: A supplementary, Mr. Speaker.

MR. SPEAKER (Otteneheimer): A supplementary.

MR. NEARY: No what?

MR. FLIGHT: No. He will not answer the question.

Mr. Speaker, would the minister, in view of the immense pressure that was put on the people of this Province over the past year and a half to make applications for lands on which they have homes and on which there was no grant or lease existing, or for summer cottages, that kind of thing, threats of prosecution and the rest, would the minister confirm for the House now that it takes over six months to get a lease drafted in the Division of Crown Lands, that having paid the \$400 or \$500 for a survey, as forced by the minister of the department,

MR. FLIGHT: that it now takes up to six months and longer to get a draft approved so that that application, that grant can go to the minister's desk for signing and therefore, issuing to the applicant, it is six months in drafting?

MR. WHITE: It depends on who you are.

MR. SPEAKER(Ottenheimer): The hon. the Minister of Lands and Forests.

MR. MORGAN: Mr. Speaker, I will gladly answer that question. We are now in the process of carrying out some very important plans and changes to the Crown Lands Division of the Department of Lands and Forests, to make improvements to the processing of applications for Crown lands.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Answer the question.
Is it six months?

MR. MORGAN: One of these improvements is a bill now before the House of Assembly, if the hon. gentleman had read the legislation before him -

MR. FLIGHT: Answer the question, boy!
Answer the question!

MR. MORGAN: - ready for debate in the House of Assembly, that will - for example, if a person makes an application for Crown lands, any adverse claim on that applicant and on the same piece of land now has to prove ownership of that land within sixty days. Prior to this legislation being brought before the House and being passed, hopefully, within the next number of days, the claim could have remained indefinitely, wherefor the applicant could not get the application processed.

Also, we are in the

MR. MORGAN: process of establishing guidelines by all the various agencies concerned in dealing with applicants and applications. For example, the Department of Health, the Urban and Rural Planning Division of the Department of Municipal Affairs and Housing, the Department of Transportation and Communications, the Department of the Environment, we are all now in the process of establishing guidelines, basic guidelines which will be referred to the regional officers.

We have also established regional offices now.

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

MR. SPEAKER (Otteneheimer): A point of order has come up.

MR. MORGAN: You do not want the answer? I can give you the information, all kinds of it.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Mr. Speaker, I do not pretend to be a parliamentary expert, and I have not raised many points of order in the three sessions I have been here, but it is obvious, Mr. Speaker, my question was a simple question asking whether the minister could confirm or deny that it took six months presently, not what will happen after the new legislation comes in, what is happening today in Crown Lands. The question was a simple question asking for a denial or confirmation of the allegation. My allegation is that it takes six months. I ask him how long.

Now, Mr. Speaker, the minister is obviously getting into debate and one does not need to be a parliamentary expert to see what the minister is doing. He is debating the whole Crown Lands policy, telling us what will happen, and he is

MR. FLIGHT: avoiding answering the question and killing the Question Period, Mr. Speaker. I submit that that is a germane point of order.

MR. MORGAN: To that point of order, Mr. Speaker.

MR. SPEAKER(Ottenheimer): To the point of order.

MR. MORGAN: The hon. gentleman stands in his place and ask questions about what we are doing to improve the applications that may be made for Crown lands. I was in the process of giving all the information the hon. gentleman was asking for, what the government is doing to speed up the process.

MR. FLIGHT: You are only making a fool of yourself.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MORGAN: And, Mr. Speaker, in now giving the information, the hon. gentleman because the information is forthcoming, wants me to stop giving the information.

MR. SPEAKER: Order, please!

The point of order raised by the hon. gentleman to my right was with respect to the length of the answer and what he considered to be the debating nature of the answer.

I draw the attention of hon. members to Beauchesne, page 131. "Answers to questions should be as brief as possible, should deal with the matter raised, and should not provoke debate".

I am not aware that the minister's reply was of a debating nature. I draw to his attention that answers should not be excessively lengthy. It is very difficult for the Chair to say what is excessive length and what is not, but I do draw

MR. SPEAKER(Ottenheimer): that to the hon. minister's attention, that the answers should not be excessively lengthy and when it becomes apparent that this is so, the Chair has to intervene.

It is difficult, because the Chair does not know what the answer to the question is. So, to a certain extent, unless abuse becomes obvious, good faith operates. I would draw that to the hon. minister's attention.

MR. MORGAN: Mr. Speaker, the reason why it is taking some time to give the information is because we are doing so many things right to improve the processing of applications.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: That is the reason why it is taking so long, I want to give the full information. For example, we are now in the process of taking on more surveyors on staff with the Department of Lands and Forests and assigning these surveyors as inspectors at the regional offices to make sure that the surveys coming in from the surveying companies are properly processed and inspected in a short period of time.

We are also establishing regional offices

Mr. Morgan: around the Province now to be called land atlases where a person can walk in and make an application for Crown land and he can see a large, blown-up map showing the areas and he can determine right there and then whether or not the guidelines of government will approve or reject his application. He or she will not have to wait for a period of months to determine if the application will be approved or rejected. They can walk into the regional offices, look at these large maps, see all of the guidelines and then determine right there and then, the same day, whether or not the applications will be approved or rejected by government. If they are going to be rejected there is no point in putting the application forward.

I can go on, Mr. Speaker, for the next ten minutes if you want me to, but I will not because it will take up the time of the House.

MR. FLIGHT: A supplementary.

MR. SPEAKER (MR. OTTENHEIMER): A supplementary.

MR. FLIGHT: In view of the minister's answer, Mr. Speaker, I wonder if the minister would stand up and spend another ten minutes explaining to us why it is that an application sits in the regional office in Gander, so long as we are dealing with Central Newfoundland, for two months, sits in the regional office now in Gander for two months, then when you call Crown Lands you find that it has not surfaced anywhere in Crown Lands; when it finally makes it to the drafting office it is there for six months. Now the minister talks about boosting up the regional offices, Mr. Speaker. The regional offices at this point, from a Crown lands point of view, is serving no purpose only slowing down the process, and the minister is now talking about adding more people that would help to slow it down.

The minister owes this House an explanation as to why it still takes now two to three years to get a grant out of this Province, particularly in view of the fact that they were going to put people in jail last year who had not made application within a given period of time. And, Mr. Speaker, the minister in my opinion -

MR. SPEAKER (MR. OTTENHEIMER): Order, please! Order, please!

I think the hon. gentleman, no doubt without wishing to, perhaps is in the process of transgressing the same rule with respect to questions as he alleged his hon. friend opposite did with respect to answers. So obviously these rules work both ways.

MR. FLIGHT: May I ask my question?

MR. SPEAKER: Yes.

MR. FLIGHT: Mr. Speaker, the question to the minister is why it takes upwards to two and a half years to get a grant out of Crown Lands, particularly in view of the fact that we had a commitment two years ago from the previous Minister of Mines and Energy that one of his ambitions, one of his priorities in the department would be to speed up the issuing of grants and leases in this Province, and why it is, Sir, that it takes six months to get a grant out of drafting after that application has been approved by the Crown Lands Committee, sent to drafting to have the lease drawn up and drafted, why it takes six months to get that application out of drafting?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, a question for the hon. the Premier. It relates to some news which I think I heard publicly some weeks ago to the effect that certain government departments or division of departments, parts of departments, would be occupying office space in Atlantic Place. I wonder would the Premier indicate whether this is indeed the case and, if so, give us a progress report as to whether a lease has been signed? And what is happening in terms of the departments moving down there, whether some have moved or if this plan is still ongoing?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Yes, Mr. Speaker, there were several months ago public proposals called for additional office space for government and a number of proposals were received and the government subsequently entered

Premier Peckford: into an agreement with the company that owns Atlantic Place for X number of square feet of space on a number of floors at Atlantic Place. There have been no departments move in as of yet, but I think there is somewhere in the neighbourhood of somewhere between three and six departments to take up space in Atlantic Place. Some of the space has been under renovation and preparing it for a number of the departments, and I think within the next week one department will be beginning its move into Atlantic Place.

MR. SIMMONS: A supplementary.

MR. SPEAKER (MR. OTTENHEIMER): A supplementary.

MR. SIMMONS: I wonder, first of all, would the Premier agree to table the lease agreement between the government and the company concerned? And secondly, would he indicate whether the cost of renovations involved are at cost to the government or to the company providing the space?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, I undertake to table that information. I do not know if the final legal lease agreement has been signed or not. I have been looking at that in the last couple of days. But public proposals were called, and as a result of those proposals recommendations

PREMIER PECKFORD: came from a committee of experts on which of the proposals was in the best interests of government, which would give us the best rate of return, and the departments concerned, through the Department of Public Works, had to make renovations so that if there are any signatures left on one or two or three of the various documents, that will have to be done; but there is no problem, Mr. Speaker. We will table, obviously, of course, the lease agreements on such space.

MR. SIMMONS: Mr. Speaker, a supplementary.

MR. SPEAKER: (Mr. Ottenheimer) A supplementary.

MR. SIMMONS: I thank the Premier for his answers. Would the Premier indicate whether this matter falls into the category of other matters we have raised in Question Period the last couple of days to the extent that it is being reviewed? Is this matter of the Atlantic Place agreement being reviewed in view of the changeover of administration in the past month or so?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, this is just an ongoing decision that was made by Cabinet several months ago as a result of public proposals and recommendations coming forward from the committee of experts and just does not represent any review whatsoever. The public proposals were called, all interested companies or people had an opportunity to bid, and an independent group of experts assessed the bids and everything is the way I think it should be and we will be continuing on with the thing. The only point I do point out is that there might be number of very ordinary signing procedures to be followed on a number of documents. I am not sure if the final documents have been signed on it, and that is all. But as far as I am concerned, and I think as far as the new Minister of Public Works (Mr. H. Young) is concerned,

PREMIER PECKFORD: the lease agreement is a good lease agreement and one which will provide the government with additional space which is badly needed.

MR. SIMMONS: A supplementary, Mr. Speaker.

MR. SPEAKER: (Mr. Ottenheimer) A supplementary.

MR. SIMMONS: I wonder would the Premier, in the same vein, agree to make available to the House the Atlantic Place lease agreement, the agreement which provides for the occupancy by government of certain office space in that building? And also, I wonder would the Premier indicate whether these two leases, the one in respect of Atlantic Place and the one in respect to Prince Philip - I am sorry, I meant to say the Prince Philip. Atlantic was the one I was talking about earlier and now I raise the matter of Prince Philip rather. I understand that government is taking some space there, as well, and if so would the Premier undertake to table that agreement? But my overall question, Mr. Speaker - as a matter of fact now that I think about it, there was some transaction involving the building itself, insofar as Prince Philip - that is right, I am in error on that particular one. Hydro has assumed the ownership of that building.

But my larger question, Mr. Speaker; would the Premier indicate now whether this lease takes care of the immediate requirement in terms of office space or are there other plans in the works to provide additional office space for government?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, number one, let me say the hon. the member for Burgeo - Bay d'Espoir (Mr. Simmons) near the end of his question did get the whole question of Philip Place cleared up. There has been a transfer of ownership from - I think Lundrigans Limited owned the

PREMIER PECKFORD: building and there has been an agreement between Lundrigans Limited and Newfoundland and Labrador Hydro to purchase that building to provide one building for all the employees of Newfoundland and Labrador Hydro, and that the various tenants that now make up the building other than Newfoundland and Labrador Hydro will, at the expiration of their present lease agreements, find space elsewhere, number one; number two, on the question of Atlantic Place, I think the present agreement now to go to Atlantic Place with a number of departments will free up additional space in the Confederation Building and that for the immediate this does solve our problems. There will be from time to time, as the hon. gentleman knows, other decisions made, either to give more space to members or more space because of additional staff requirements in one department or another, small amounts of space that will still be necessary, undoubtedly, but for large chunks of space, I think this takes care of it for some time. But if there are other additional comments that would be necessary here then the Minister of Public Works could respond to them in general terms. That does, for the immediate, take care of it as far as I know.

o o o

MR. MARSHALL: Mr. Speaker, before we get to Orders of the Day, I would like to move that when the House at its rising rises this afternoon, that it stand adjourned until tomorrow, Friday, at 10:00 A.M., and that the regular sitting hours for tomorrow be between 10:00 A.M. and 1:00 P.M. instead of 3:00 P.M. to 6:00 P.M.

MR. SPEAKER: (Mr. Ottenheimer) It has been moved that when the House adjourns today, it is adjourned until 10:00 A.M. tomorrow and then sit from 10:00 A.M. until 1:00 P.M. tomorrow. Is the House ready for the question? Those in favour, 'Aye', contrary, 'Nay', carried.

ORDERS OF THE DAY

Motion, the hon. Minister of Fisheries to introduce a bill, "An Act To Amend The Fishing Industry Advisory Board Act, 1975" , Carried. (Bill No. 35)

On motion, Bill No. 35 read a first time, ordered read a second time on tomorrow.

Motion, the hon. Minister of Justice to introduce a bill, "An Act To Enable Gaden's Limited And Labatt Breweries Of Newfoundland Limited To Become Federal Corporations", Carried. (Bill No.31)

On motion, Bill No. 31 read a first time, orderd read a second time on tomorrow.

MR. SPEAKER: (Mr. Ottenheimer) Order 13. The adjourned debate on Bill 15.

The hon. minister.

MR. MARSHALL: Mr. Speaker, we are now considering in this debate second reading of this bill, "An Act To Provide For The Ratification Of The Sale Of The Stephenville Linerboard Mill And Its Conversion To A Newsprint Mill." We are considering then second reading as to whether or not the agreement which was entered into by the government last November with the Abitibi Paper Company Limited should or should not be ratified. The official position of the Opposition, the Liberal Party, on this bill is that it is a bad deal, that the government was playing Santa Claus in giving it away, giving away the former Linerboard mill to Abitibi. There can be no doubt of course that this is their position since this was their position as enunciated by the member for LaPoile (Mr. Neary), the Opposition House Leader, who in speaking immediately after the Minister for Industrial Development (Mr. Maynard) introduced the bill itself and obviously must be taken to be the official Liberal position. I have listened and I have only heard two speakers on the Opposition side to date, the hon. member for LaPoile (Mr. Neary) and the hon.

MR. MARSHALL: member for Windsor-Buchans (Mr. Flight), and I shall listen with a great deal of interest to other opinions passed on the other side of the House, particularly the opinion of the hon. member for Stephenville (Mr. McNeil) as to whether or not he thinks this is a bad deal. It is beyond my comprehension, Mr. Speaker, how any reasonable person could deem this measure or this agreement to be a bad deal. As a matter of fact, I feel that any rational or objective view of this measure or this agreement would result in the fair conclusion that this is one of the most positive measures that has ever been brought before the House of Assembly. You have got to take it in perspective and see what we are dealing with. We are dealing with a Linerboard mill. We all know the history of the Linerboard mill as to what happened to it: it was unable to operate. Valiant attempts were made to operate it as a Linerboard mill and it could not operate. It lay for the past two or three years as a great deficit to the people of this Province. It has not been operating. And what this government has done is that it has managed to get not only one of the strongest companies in Canada but one of the strongest North American companies who have been experienced in the Province of Newfoundland to come in and take over this Linerboard mill and to agree to convert it at their own cost to a paper mill. This they have agreed to do. In other words, they have agreed to take it on themselves and they will turn what was a disastrous venture into a promising and secure means whereby people in Newfoundland can obtain a livelihood. This agreement then, this agreement which is before the House gives the people of Newfoundland, and particularly those in Western Newfoundland, particularly those in the district of my hon. friend the member for Stephenville (Mr. McNeil) a lasting and steady employment and it shows what a confident government can do, skilled in negotiations, what it can do for the betterment of the people of Newfoundland. As I say, it is beyond my comprehension how anyone could possibly indicate that

May 2, 1979

Tape No. 1019

AH-3

MR. MARSHALL:

this is a bad deal. And I
think it is all the more commendable on government's part that -
you know,

MR. W. MARSHALL: We have been accused of being Santa Claus, as it were, by giving away a great gift to the Abitibi Company. Now, if there is any benefit that is given, if there is anything that has been given, it has been the security of long-lasting jobs to the people of this Province, secure and long-lasting jobs managed by a very, very competent concern in the Abitibi Paper Company.

The Santa Claus that used to come in years ago, and the Santa Claus probably that the member for LaPoile (Mr. S. Neary) is certainly used to, is the Santa Claus who came to this Province and gave away the benefits of this Province to promoters. In this particular case, as I say, the benefits come and will come to the people of Newfoundland. And it is very commendable, indeed when you consider that not only did this project not start from square one but this Government was saddled with a disastrous situation which it had to grapple with from the beginning of time and it has through, as I say, skillful negotiation involved an undoubted, strong company to put it on a firm foundation.

The hon. Minister of Industrial Development (Mr. E. Maynard) has indicated that the Government snatched this project from the jaws of defeat, and it has certainly done that. It has done that and more. It has raised, as far as I am concerned, a phoenix from the ashes. Not only have we rid ourselves of an albatross which was hung around the neck of the people of this Province and around the economy of this Province to threaten to choke off the life blood of it, but we have turned it into, we have turned this project into a very viable, long-lasting and secure position for a section of Newfoundland that for the past two, three, four, five or six years had wallowed in uncertainty as to their future.

The hon. member for LaPoile (Mr. S. Neary) in his statements looked at the history, I suppose

MR. W. MARSHALL: I would prefer to look to the future and the future that is embodied in this bill. But the hon. member for LaPoile (Mr. S. Neary) brought up the history of this project and in his usual characteristic fashion when he was talking about the efforts which the Government have made in the situation in which we had found ourselves, and, I suppose, fresh from a visit to Panama, from the person he was visiting, who happens to be a fugitive from the justice of this Province as well as the United States of America, fresh from there, he comes in and he calls the takeover of the Labrador Linerboard mill a personal vendetta on the part of a member, a former member of this administration and imputed motives to other members of the administration and said that is the reason why the Linerboard mill was originally taken away from Javelin Paper Company. And he gave the impression that perhaps it should never have gotten away. That is a canard. And I think we have, before we can really appreciate what has been done, it might be just as well to spend a few moments and just reflect back on the history of this particular project when this Government came to power because it is very often easy to forget the situations in which we find ourselves. And only when we look at that situation, and we see what has happened continually over the years, can we really fully appreciate what a gigantic achievement this particular agreement has been and what benefit it is to the Province of Newfoundland and how it reflects on the type of administration that we have had and we have now in this Province over the past few years.

Now when this administration came to power, and I am addressing myself to what I consider to be a despicable insinuation as well as the other insinuations that were made to the effect that the Linerboard mill was taken over as a vendetta - and I know that members on the other side of the House realize that that Linerboard mill had to be taken over -

MR. W. MARSHALL:

when we came to power, it was no more than twenty-four hours - we came in in January 18th - and it was January 20th when we were quickly confronted with the type of disastrous situation that met us square face and has bothered and shaken this Province ever since. And it was this - I am not going to go into all of them but I will hit a few highlights, a mill which was supposed to have originally cost \$58 million had escalated beyond belief. The Javelin Paper Company was given the right to develop a mill and also it was provided that \$58 million in Government credit would be put up behind it. There was also a provision in the Act, which was the custom of that administration, to provide that if the Cabinet wished to the Cabinet could borrow additional monies to complete it. That provision, exercised by any reasonable men, would have meant if there was

MR. MARSHALL: an overrun of maybe \$2 million or \$3 million that that Cabinet could resort to it. But what happened? We found to our great chagrin that the cost had escalated from \$58 million to at least \$110 million. We found that the people of Newfoundland, despite the fact of questions being asked while that government was over here, were blissfully unaware of the fact that millions of extra dollars had been poured into it. And the people of Newfoundland were blissfully unaware of it, Mr. Speaker, because there was an election in the offing and they did not want the general public to know about it.

MR. DOODY: John Doyle had an Order-in-Council in his pocket.

MR. MARSHALL: The net result as the hon. minister indicates, John Doyle had an Order-in-Council in his pocket. The biggest problem of all was the sum of \$24 million in a six month period had been given to Canadian Javelin unbeknownst to the people of Newfoundland. They did not know a single solitary thing about it. It had come out of the direct revenue of the Province and the \$24 million had gone to the Javelin companies. Now what had happened to that \$24 million in itself was another irregularity that occurred to us. It was given to Javelin Paper but we found out that this money had been siphoned off to other areas. Part of the money had been given to pay the contractor who was building the then uncompleted plant. And what happened to that? \$2 million to \$3 million of that did not go to McAlpine Construction but ended up in a mysterious bank down in Panama called the Union Bank of Panama, which had no status in Panama itself but which had, peculiarly, the same telex and the same address as Canadian Javelin's office down in Panama. That is the

MR. MARSHALL:

type of situation we saw.

The government of the day were determined because they did not want, understandably, direct debt into it; they wanted, as bad and all as it was, they had to get this money back in. So they determined they were going to let Javelin borrow the money, that they would guarantee it, it would come back into the Treasury. So, lo and behold, what happens? They gave their friend, Mr. Doyle, a blanket guarantee. He went over to Europe - now these are the situations that we were faced with at the time. God, when you think back on it now you think of the nightmares we had! - he went over to Germany, and this was in the dying days of the last administration, with a guarantee in his back pocket. He pledged the credit of the people of Newfoundland, borrowed \$30 million in Germany which now today turns out to be a Deutschemark loan which is now not \$30 million but is about \$70 million when we only got \$30 million, because we subsequently had to assume this guarantee. Anyway, when we got in we had heard there were some people on the other side who saw the situation and took measures but we found that there was \$30 million floating between Paris and Panama belonging to this Province. And that is the type of situation we saw ourselves in, giving Mr. Doyle, their friend, a guarantee, money going betwixt Panama and Paris. We did not know where we were.

Then we looked into the operations of this gigantic thing, you know, \$58 million and it has now gone to \$110 million and zooming up and nobody knew where. The place was not even completed. And what did we find

MR. MARSHALL: there? In Stephenville there was no staff in place, no staff at all in Stephenville to operate this mill. There was no woods operations in Labrador. In this madcap scheme we had the wood in Labrador and the mill in Stephenville; we might just as easily have had the wood in the Black Forest over in Germany as up in Labrador. We were going to use this and it was economically unviable but they did not even have the people in place in Labrador. They did not have the equipment in Labrador.

They had no provision for marketing. This thing was not only constructed but was going to come onstream in a few months and there was no provision whatsoever for marketing, nobody hired, no provision for shipping, construction was incomplete. We found that a year before our entry in, the government of the day had been warned of this, had been warned of the problem. And this is what we were saddled with, day two in the administration. And I think it is just as well

MR. MARSHALL:

for us to realize what the situation is because it is far, far too easy now to look and say this should not have been done and that should not have been done. But that is what the situation as today. I will not make reference to many other things I could, such as the situation we found that 10,300 square miles of land in Labrador was being peddled to Canadian Javelin from a concern called Societe Transshipping which had its head office in Liechtenstein, and which had been given an Order-in-Council and had been given a grant to this land, a mysterious foreign firm. I will not get into all of those things. I will just highlight the fact that that is the situation which this government inherited from the Liberal Government of the day, the hon. gentlemen there opposite.

So what did we do? We had to do something. We just could not allow this gigantic thing to continue on and have the credit of the Province multiply upward and upward and not take any efforts to do anything with it. And judged from both hindsight and foresight - it is easier, we all know, to judge from hindsight-but judged from both ends of the stream there was no doubt that we had to take this project away from Canadian Javelin. We had to obtain it.

There were three options open: we could let it go as it was, in which case there was no indication that the thing would ever have been put together and come into operation because it had not been completed; we could have sold it to a third party; we could have closed it down; or we could have operated it. The first thing was obviously

MR. MARSHALL: impossible. We could not leave it with Mr. Doyle, and anyone reflecting on the few statements I have made the past five or ten minutes can even see now very sharply why we could not do that.

The second alternative from the one we would have most preferred was to give it to a third party, somebody like Abitibi, but in those days you could find nobody. You could not pay anyone to take that linerboard mill - and did we ever try. The other alternative was to close it down. Now how in the name of heavens could we possibly close down a project, madcap and all as it was in its ideas and its coming into being, how could this government ever close down the project without giving it an opportunity; a project that had not been built, a project in which we had hundreds of millions of dollars - or we had a \$110 million at that time sunk into it and we did not know where we would come out. The only alternative we had, Mr. Speaker, was to operate it and to continue on with it and to see what we could possibly do, to see if we could rescue it and see what we could possibly do.

Now there are some people who might turn and say that the government of the day made a bad decision. I will stick by that decision. I think it was the correct one judged from both hindsight and foresight, and those people who may turn around and say that, "Oh, they should not have done it", and all the rest of it are either people who are ignorant in the sense that they do not know the history of the project, or else they want to sweep things under the table and they do not want to draw to the attention to the people of Newfoundland the disastrous morass in which they were sinking this Province.

MR. MARSHALL: Anyway, we proceeded on, with a great deal of trepidation but with the best interests of this Province at heart, taking the only decision that was then there available and, Mr. Speaker, the only decision that any rational person looking at it objectively today could see that could be taken. And we proceeded on.

Now the hon. Minister of Mines and Energy has very effectively dealt with the problems that we had and I want to get into this bill. I want to talk about what this bill does, what this bill does for the people of Newfoundland, and I do not particularly wish to talk at any great length about the situation or the operation except to say it obviously did not turn out to be a success. We had to close it down; there was no possibility of continuing on. We continued it on as long as we possibly could.

MR. FLIGHT: Is a minister going to give any information on why it was not successful?

MR. MARSHALL: Well, it was not successful because it was a madcap scheme that only the people who were embracing the policy of 'develop or perish' and wanted to keep into power at any cost on the backs of the Newfoundland people could possibly embrace. How in the name of heavens can you have an operation where the source of raw material is up in Labrador and your machinery is on the Island of Newfoundland? And what an insult to the people of Labrador, by the way, who are entitled to have their resources developed for them up in the mainland part of the Province.

MR. W. MARSHALL: It cost - the cost of the operation was disastrous, in a way, to the people of Newfoundland - it cost in the vicinity of \$250 million to \$300 million. And there have been allegations made - as only the member for LaPoile (Mr. Neary) can make them - about irregularities. I do not want to deal with any of the alleged irregularities except to say, if there were any irregularities that those irregularities will be looked into and those irregularities, as alleged, are being looked into and will be pursued. But this I can say publicly, with a certain great degree of confidence, that if there were any irregularities there were none by any elected representatives of the people of Newfoundland. And I myself despise attempts that are made in order to paint persons in political life as if they were doing something that they ought not to be doing. The hon. member for LaPoile in his remarks talks about - he gave the insinuation, as far as I was concerned, in this House and then on T.V. that day when he was on Here and Now. When he was pressed on it, 'Have you any proof?' 'Oh, no, I have not got any proof.' But you see the thing is, when you are in here you can make these statements and you cannot be sued, you are not subject to libel. But I do not want, really, to deal with what the hon. member said except to say this, that I am sure and I despise the innuendo that is made from time to time. The efforts that were made to take over the operation of this mill had to be made and there were good and sincere efforts made to keep it going. Now if there was any error that I think was made when we were operating that mill, and it was an error that I voiced from time to time, it was that this was a public corporation. I think the problem was we were not putting - as the thing operated, as the company operated we were not putting

MR. W. MARSHALL: the facts before the people of the Province so they were not kept attuned with it.

Now that is the dilemma, Mr. Speaker, that is the dilemma of any public corporation in a private concern and it is perfectly understandable how that could happen. Here was a company although owned by the government it was competing in the private sector, it was selling linerboard and it was competing in the private markets. And in order to release its financial affairs it would have given its competitors a huge and gigantic advantage. That could not be done. But at the same time, with a public corporation it is my view that the only break on the people who are running the corporation is when you are required to place before the Legislature, in other words before the public, the situation, the financial condition. So on the one hand you had a public corporation operating in a private sector and I think this is one of the major, major problems that we had.

Now, it was necessary then to exercise every effort, which we did, to attempt to salve a project that in its original form was an impossible dream, to try to salve that for the people of this Province. The bill - it cost this Province \$400 million! \$400 million! And I contend now and I will contend to the day of my death, that that bill for \$400 million should be laid squarely at the foot of the Liberal Government of the day and the Liberal Party who originally conceived a scheme that was impossible for operation. All that we did was attempt to salve the situation, Mr. Speaker, for perfectly good reasons that I have already given. On the other hand the Progressive Conservative Government, really, have, in effect, raised a phoenix from the ashes of despair. And the legacy that this is going to present as represented by this bill - that this government in this bill is going to present to the people of

MR. W. MARSHALL: Newfoundland is going to be jobs - 250 jobs in the mill, 400 jobs in the woods operations, at least six or seven other incidental jobs, this great multiplier effect we talk about. This is from the first -

MR. MCNEIL: (Inaudible).

MR. MARSHALL: I am glad of the reaction from the hon. member for Stephenville (Mr. McNeil) because it shows that he disagrees. I am glad that he does, and I do not want to embarrass him in that, but I am glad that he must disagree with the premise put forth by the Liberal Party that this is a bad deal. Some bad deal!

Mr. Marshall: 260 jobs in Stephenville from a place that you could not sell anywhere, you could not peddle to anyone a few years ago. 400 woods jobs, 600 ancillary jobs; that is on one paper machine alone. When the other paper machine gets going we will probably double that. So that is the type of legacy that this government is going to give to the people of Newfoundland as contrasted with the madcap scheme of the Labrador Linerboard mill. The Linerboard operations and all of its indebtedness belongs to the Liberal Party and the Liberal Government.

AN HON. MEMBER: Oh, oh!

MR. MARSHALL: The Abitibi venture and converting this to a sane sensible operation lies at the foot of this government, which is the one that achieved it and did it.

MR. MCNEIL: Take no blame but all the credit.

MR. MARSHALL: Not only have we done it, we just have not created something and allowed a bunch of promoters to run it themselves and put our credit behind it and what have you, but we have gotten a sound company, a company that is experienced in this Province, and has been for years, the Price Company, Abitibi Price to come in and do what they know best and what the people of Newfoundland know best when it comes to the logging thing, and that is the paper manufacturing. Now so much for that, Mr. Speaker.

I would now like to talk and talk about some of the real beneficial highlights of this bill itself. The first thing in Section (2) of this Act, we see that this Linerboard mill, this mill that when we came to power could not be given away to anybody, this mill, two or three years ago, which could not be given away to anybody, but which we determined when it was closed that there was going to be something done about it, this mill is sold, not for nothing. We have not gone like beggar on horseback and asked somebody to come in and operate it, and we would give them everything, and they would take our guarantees, and we would mount up \$50 million, \$100 million and \$200 million and \$300 million. Not one cent, Mr. Speaker, does the operator of this get, but instead the people of Newfoundland, as a purchase price, gets \$43,500,000. That is some bad deal I suggest to you, Mr. Speaker.

MR. FLIGHT: (Inaudible) price.

MR. MARSHALL: It is not given away. As I say we have not had to get Abitibi in, to entice them with guarantees. There have been no open pledges. There is nobody trotting around Europe with the guarantee of this Province in their back pocket to pledge the security of this Province but instead the people are coming in on a pure business basis and paying \$43.5 million. Not only are they going to do that, Mr. Speaker, but they are going to pay the cost of converting this mill. This mill presently is a linerboard operation. It has machines that make linerboard. Linerboard ca-not make paper. It has to be converted to a paper mill. Who is paying that? Are the people in Newfoundland paying it? Is Mr. John Doyle paying it? Canadian Javelin? That was not the way it was before. Are we guaranteeing Abitibi? No, Mr. Speaker, Abitibi have given their undertaking that they will convert the mill at their cost and that cost amounts to in the vicinity of \$100 million in total, \$100 million extra, not from the people of Newfoundland but injected capital into an operation that is going to allow the people of Newfoundland to be working as they should be able to work.

The government then has arranged also, not only that, Mr. Speaker, the government has also extracted this agreement from Abitibi - some bad deal - they have said to Abitibi, If you come in here we will let you pay your \$43.5 million and we will let you operate your paper mill. But, if you come in here we do not want to be strangled. Because right now the markets are good so you come into Newfoundland and you skin off our wood and in two or three years we find down-time when some other mill in Canada or in the United States is operating to its peak. We are not prepared to do that.

Do you know what this agreement does? This agreement contains an undertaking by Abitibi as a condition of their coming in that the mill in Stephenville will operate to a degree of 90 per cent of the capacity of any other of their Canadian mills. Some bad deal! At last

MR. MARSHALL: the people of Newfoundland can look forward to an assurance that they will not be treated as second-class citizens, they will be able to work in the same manner as their counterparts in British Columbia, Ontario and the other places. Some bad deal, Mr. Speaker, indeed! Now how reliable is it? Is all this a pipe dream? Because we remember hearing about mills before, Mr. Speaker, how many times - fourth, fifth, sixth, seventh, eighth, ninth - you come in any day at all, you spin the wheel and whatever number came up that would be the number of paper mills. Is this a pipe dream? Is this put up because of a possible election? What security do we have? Do we have security, you know, like we are told that these jobs will come in - well, what type of security? Well, Section 15 of the Act deals with that, Mr. Speaker. Section 15 of the Act tells them, Not only will you convert that mill to a paper mill, but you will be given three years to do it, and if, in three years you do not do it - it is here in Section 15 - you will pay \$3 million a year penalty for every single year that that mill is not operational to the degree that you have not produced 75,000 tons of paper. Some bad deal! The total amount they will have to spend is up to \$30 millions of dollars. The money, you see, Mr. Speaker, is flowing this way now with this government, not that-a-way, not South of the border down Panama way and what have you.

Now this company, Abitibi, is not a fly-by-night. This is not like, you know, some company setup, a Newfoundland company, a shell company - this is the Abitibi Company behind it. It is not like when Mr. Shaheen came in, and Mr. Shaheen had his oil development company and he incorporates Newfoundland Refinery and Newfoundland Refinery has no assets except

MR. MARSHALL: those assets given to them by the provincial government - not that at all. All the force and the might of this giant conglomerate is behind it, and they say that they will pay to the people of Newfoundland up to \$30 million if they do not comply with their deal within a certain period of time. Some bad deal!

Now, not only did the government do this - the government was not just satisfied with a blanket undertaking by them as a sop so they could get the deal that there would be a second machine in the paper mill - they agreed to put one in and they put themselves under penalty - lo and behold, they agreed to put another mill in operation. And the other mill in operation will be there in 1983, all things being equal; the supply of wood being there and all the feasibility studies being there, but the chances are there will be another mill. But we are not prepared to leave it at that, Mr. Speaker. Other governments can give their guarantees to their promoters as they go off pedalling them around, or other governments can give this away and that away in order to get industry - not so. The government requires from Abitibi \$1 million as security - \$1 million, Mr. Speaker, as security that given these other circumstances defined - and they are not very onerous - given that they are present, if they do not bring that second machine into being, that \$1 million is forfeited to the people of Newfoundland. Some bad deal, Mr. Speaker! Too bad we did not have this type of bad deal - if we had had this kind of bad deal prior to 1970, perhaps this Province - not perhaps - definitely, this Province would be in an infinitely better position than it is today.

MR. FLIGHT: (Inaudible) Abitibi (inaudible) to this government?

MR. MARSHALL: Certainly! Certainly! Abitibi is getting a business deal, but the onus is on Abitibi

MR. MARSHALL: to perform. The people of Newfoundland are not like Mexican jumping beans or Panamanian jumping beans, if you wish, with everything going out. It is a two-way street, obviously they are not going to come into the Province unless there is a chance of making a profit, but it was this government that convinced a major corporation that a profit could be made here and that a profit could be made here without the necessity of giving all of these concessions.

Now, talking about concessions, that is another thing. You know, they did not panic when they saw Abitibi come by. They saw the possibility - as much as they desired to open up Stephenville, as much as they desired, and the necessity, you know, to get the image of the government as creating jobs, it would have been an easy thing for them to give a little subsidy here and there something like on hydro or electrical, but they did not do that, they bare-faced and bold-facedly put in the

MR. MARSHALL: agreement and it is there in the agreement for those who have eyes to see and wish to see that the full Hydro rates will be paid - no subsidies at all. There is no ERCO in this bill, Mr. Speaker. There is no ERCO; there is no subsidy on power that is necessary to entice people in, but they are going to pay the full rate for power as any company should that is operating in this Province. There is only one little differential between it, Mr. Speaker. There is only one little shade and that is not unreasonable and it says that if because of the lack of availability of wood supply, if there is not adequate wood supply, the contract which is entered into by Abitibi with the Newfoundland Hydro for the commercial rate that if they are not in operation, then government will pay Hydro if and when it is shut down. But do not forget these people have covenanted to operate up to 90 per cent of the mill and also do not forget that this is not a subsidy because if the plant could not operate, if any plant cannot operate, the government or Hydro has the surplus power anyway.

Another aspect of this bill that should not be overlooked, Mr. Speaker, another aspect - and I suppose this has to be one of the proudest measures that any government could bring in - another aspect is there is another agreement attached to it which was signed by the Minister of Forestry at the time and that agreement with Abitibi, between the government and Abitibi, in order for them to come in says they are going to come in here and they are going to pay a stumpage charge. In other words, they are going to come in; they are going to -

AN HON. MEMBER: First time - stumpage charge.

MR. MARSHALL: First time there has been any stumpage charge at all payable that they are going to come in and they are going to pay to the people of Newfoundland the wood

MR. SPEAKER: (Ottenheimer) Will the hon. member permit for a moment? I now need to point out to hon. members what matters, if any, are to be debated at 5:30. I have to inform all members that I have not received notice of any matters for debate under Standing Order 31(g); therefore, there will be no motion to adjourn deemed to be before the House at 5:30.

Hon. minister.

MR. MARSHALL: Now, Mr. Speaker, I come back, you know, not only no concessions - it would have been unthinkable by the previous administration - and we have to talk about them because this is our only yardstick and we have to talk about the history of this project because we can only see how beneficial it is and what the situation is when we judge it against history. Inconceivable - stumpage fees! Not at all. They would not be able to comprehend it or contemplate it. Their idea was when they were operating and they were enticing development or attempting to, to give, give, give, it was all a one-way street. As I say, this time it comes back again and I think perhaps one of the things that should not be overlooked and one of the major matters of significance about this measure is that the government has gotten Abitibi Price to agree to pay a stumpage fee. In other words, they are coming in, they are developing our resources for the people of Newfoundland, they are providing jobs and they are paying us for the material which they use from our Province.

MR. MARSHALL: Now, Mr. Speaker, I find this bill, as I say, to be one of the most shining pieces of the examples of skilful negotiations by a government carrying out its trust of caring for the welfare of the people of the Province. It gives security to the people of Newfoundland and particularly to the western parts of Newfoundland so that they can make a reasonable living from their resources. And this type of thing is not only just good in its isolated situation, but this is a pattern that will be used again and again and as far as this government goes it will not enter into agreements unless it is for the full and lasting benefit of Newfoundlanders. And we might take a lot of flack as we did take a lot of flack and it may affect us as it may have affected us in the last election in the polls in certain areas of western Newfoundland, but regardless of that, we are going to stick in and we are going to stick there until we get measures, as I say, that are good for the people of Newfoundland.

In my opinion, this bill is a jewel in the crown of the government, another jewel, and it can rank with the offshore regulations, negotiations of offshore regulations, with its rural development policy, with its reinstatement of the fisheries, with its forest management programs, with its valiant attempts to wrestle with the disastrous financial situation in which this Province was plunged. But I think it even gleams more brightly, this jewel

MR. MARSHALL: gleams more brightly when we consider to what a stage this project had fallen over the years. And really, you know, the government has raised up from the ashes of destruction and brought into being a project, as I say, which will be for the lasting benefit of the people of Newfoundland.

Now, in closing, Mr. Speaker - I only have a few more minutes - I would like, although perhaps I should not but I am going to, deal with a few items raised by the official spokesman for the Opposition, who has called the deal a bad deal, a deal of giving away the resources of this Province, a deal where the government has played Santa Claus and given everything to Abitibi. I am going to deal with a few more points on it. He says it was given away because it would cost—the cost he fixed at \$800 million - later he came in and said it was \$750 million. Now I do not know where he gets his figures, but it is a fact that many hundreds of millions of dollars have been spent by this Province, prior to this agreement, to Javelin Paper and to Labrador Linerboard mill and for reasons that I have given that are unassailable, as far as I am concerned, and this bill, as I say, can be put to the foot of the Liberal Party. But anyway, he comes up with \$800 million. I suppose he is taking the actual valuation as of today. Well, it is useless having an item that is worth \$1, \$100,000, \$100 million or \$800 million if it is useless. And that mill, Mr. Speaker, was useless in its form. We could not give it away for \$1 - we could not pay people to take it. The very fact that in order to convert it to a viable industry that Abitibi has to spend in the vicinity of \$100 million rejuvenating it, now, you know, that is some gift!

MR. MARSHALL: The hon. member indicated that there was an agreement, an undertaking by the government, to bring this agreement before the House of Assembly. Somehow or other, he has the impression that that agreement was not undertaken. Now I do not see how in the name of heavens unless the hon. member is asleep - I mean, at that time he had spent about two hours debating a bill which was a bill to ratify and give sanction by this Legislature to an agreement between the Minister of Industrial Development and the Abitibi Paper Company - how he could say we failed in that commitment, because obviously it is perfectly open and it is perfectly open for this House to turn around and say, 'No, we will not go through with this agreement, we will not ratify it.' Then it is null and void. If the members of the Opposition feel as their spokesman has already indicated, that this is a bad deal, I would assume that they will be voting against it when it comes to a vote.

MR. ROBERTS: Is that a legal opinion?

MR. MARSHALL: Is what a legal opinion?

MR. ROBERTS: If the hon. member will permit?

MR. MARSHALL: Certainly.

MR. ROBERTS: Mr. Speaker, I have always been interested in the legal point, and since he raised it, as a matter of interest, what would happen if the House turned it down? Would the Abitibi people have a claim against the government for signing the agreement and not the (inaudible) thing?

MR. MARSHALL: People will differ, and, of course, members of the House do get impatient with lawyers giving opinions back and forth -

MR. ROBERTS: Not just members of the House.

MR. MARSHALL: - but it is my opinion that the Legislature is supreme and if the Legislature determines that it is not going to ratify this agreement, that the

MR. MARSHALL: agreement cannot be entered into, I would feel it would be void, yes.

MR. ROBERTS: Well, I agree with that, but would damages then lie against the government?

MR. MARSHALL: It would create a very sticky situation, but I would submit to the hon. member for the Strait of Belle Isle (Mr. Roberts) that I should not, if I were him, go along with that as a rationale for voting for it.

MR. ROBERTS: No, no.

MR. MARSHALL: Because it looks like it is going to pass - we seem to have the majority on this side - and if the official spokesman for the Liberal Party has indicated that it is a bad deal, I would assume that the Liberal Opposition will be voting against it.

MR. ROBERTS: Well, fortunately, the hon. gentleman is no more eloquent in defence of it, but I will not let that interfere with my voting either.

MR. MARSHALL: Well, I did not think the hon. gentleman really would, but I am just pointing it out for other hon. gentlemen as well.

Now also it was a bad deal because we did not call tenders - we did not go out and we did not call tenders. The hon. Minister of Industrial Development (Mr. Maynard) has indicated that a committee was set up by this government and the committee went all over the world, it went to Europe, it went to the United States, it went to South America, it went everywhere in the world inviting tenders for the purpose of converting the mill or operating the mill as a linerboard mill, as a craft pulp mill or as a paper mill. And I believe that there were forty international firms

MR. W. MARSHALL: firms that responded. So the very fact of the nature of the response just goes to show that that is really not true. Now I do not choose myself to answer the other allegations that are cast by the hon. member for LaPoile (Mr. Neary) because I find them myself to be distasteful and somewhat disgraceful in a way, you know, that people are looking after companies and there are allegations and the usual innuendoes that were flung across the House and I just draw attention to it. I think most of the people in Newfoundland are people who look at Here and Now and the night before last saw the hon. member when he was asked was there any wrongdoing and he was asked whether he had any proof and he sort of backed off, I do not think that the House should be used for this purpose and this is really what is being done. I think that the situation is that in some respects certain members of the Opposition, having being caught in a certain situation in which they are now, are using every effort they possibly can to get out of it by really attacking the basic institutions of our society. The old adage is, 'the best defence is offence' and I shall say no more.

But in closing, because my time is up, Mr. Speaker, I want to say that I feel that this bill is an example of skillful negotiation by a government, a government which had to stay and take an awful lot of flack but was determined to take flack for the closedown and has really, in effect, raised a phoenix up from the ashes to the everlasting benefit of the people of Newfoundland as will be witnessed by the promised 260 jobs - not pie in the sky jobs - 260 solid jobs in the mill, 400, at least, jobs in the woods, another 600 or 700 ancillary jobs with the promise. almost a guarantee, of another paper machine being brought into play and those jobs at least doubling. I think, as I say, this is one of the brightest measures

MR. W. MARSHALL: that this government has taken and I will heartily comment in second reading and certainly will support it in principle and will look with a great deal of interest as to whether or not the Liberal Opposition is really now going to say that they are going to vote against it because it is a bad deal. I hope that the member for Stephenville (Mr. McNeil) will react appropriately because I do not know how the member for Stephenville is going to be able to go back to Stephenville, let alone represent them, if he gets up and agrees with the member for LaPoile (Mr. Neary) that this is a bad deal. This is one of the best deals that has ever been negotiated in the Province of Newfoundland, It does away with slick promoters and it brings about an undertaking which will provide long and enduring and lasting jobs from the basic resources of the people of this Province, which are owned by the people of this Province, whose ownership is recognized by the fact that we are getting payment from the operators of it and I think that it is due to be commended by everybody. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for Stephenville.

MR. W. MCNEIL: Thank you, Mr. Speaker. Mr. Speaker, it is with great joy that I stand and speak in support of the bill.

SOME HON. MEMBERS: Hear, hear!

MR. W. MCNEIL: I speak in support of the bill mainly because actually it proves - the critics of the day, going back to the former leader, our former Chairman of the Board of Directors of Labrador Linerboard had stated that Labrador Linerboard, the mill in Stephenville, the assets would be worth no more than one dollar.

When you have a company like Abitibi Price, a very reputable Canadian company, I must say I am very pleased to have that

May 3, 1979

Tape No. 1027

DW - 3

MR. W. MCNEIL: company establish their business in
Stephenville, I am very pleased! But when you have the former
chairman of that mill -

MR. W. ROWE: Who was that?

MR. W. MCNEIL: Mr. Crosbie. - when he stated when they
took it over in 1972 that it would never be worth any more than
one dollar he signed the death note of Labrador Linerboard. It
was only a matter of time. The hon. member when he first
got up he stated that the mill was ill-conceived. Well, I beg to
differ. The mill, when you look in terms of its market, Labrador
Linerboard's market was Europe; Abitibi Price, now that they
are converting to newsprint, their market is Europe; when you
look in terms of your market place

MR. W. MCNEIL: the mill is in an ideal location. They have all modes of transportation. They have an ice-free port, an airport, roads, rail line. It is all there. There is no other site in Newfoundland. It is superior. So when the hon. member gets up and says that it was ill conceived, that it should never have gone in Stephenville, he is totally wrong.

Mr. Speaker, when the mill was first designed the people doing the design work probably did not go far enough into going into a different line, but they did leave an alternative available, and that alternative now is the route that Abitibi Price is taking. The fact that they convert now to newsprint is because it was well designed and those same designers are now employed by Abitibi Price to finish off the work. So again, Mr. Speaker, the hon. gentleman does not have the background information. He is trying to deceive himself in saying that Mr. Smallwood, when he first put that plant in Stephenville, it was done purely on political reasons. It was well designed and placed in the perfect location. There were some problems with wood, there were some problems with the product line itself and as the hon. gentleman on the other side should know you are subject in a lot of cases to your market, and that is true for almost any type of business.

I can say one thing; the people of Stephenville are very thankful that at that time Mr. Smallwood decided to put the plant in Stephenville. But we are not thankful to the PC administration; they have taken us over the last couple of years of torment and torture with the indecision, the uncertainty, not knowing if the mill was going to last another 24 hours or not. The only thing that the PC government did when they took over the mill from Javelin was get Javelin off the hook. They did not help the people of Newfoundland, they helped Canadian Javelin

MR. W. MCNEIL: and when they threw them out they gave them money and then they talk about Mr. Doyle. Well, I say, "I do not give a damn about Mr. Doyle and I do not know anything that he has done before and I do not even want to meet him". But I am worried about the future of this Province. The mill now is in the hands of a very reputable, good Canadian company. It is a good company; nobody can deny that. The agreement that is signed is a good agreement when you look in terms of the position that the Labrador Linerboard was placed in. It was into a fire-sale situation. So if you look at a fire-sale situation, it is a good agreement and I have to give the government credit, but they put themselves in that position. They themselves put themselves in that position. It was not the Liberal government on this side or the Liberal Party. They took over the mill from Javelin. They ran it into the ground and they sold it again, but before they sold it they put it into a fire-sale position.

Mr. Speaker, we look back at its former chairman of the Board of Directors, Mr. Crosbie, when he stated then in the early part, when it was just getting off the ground in 1972, that the mill would never be worth any more than a dollar, there and then he did this Province a grave injustice. He did not give that plant an opportunity. The confidence was lost. The people had no confidence in that plant. I can remember the day that they had the big festivities to open the plant.

People from government were coming out and saying, "We have all your problems solved. You do not have to worry. We did this for you." And then you had the other crew who were the accountants in the group were in the back half drunk, alright, saying that she will never last. "She will never last and we are laughing at the politicians up in front

MR. W. MCNEIL: trying to make a few political points on the backs of the people." If Mr. Crosbie knew then that it would not be worth no more than a dollar why did he pay Canadian Javelin to get it? Why did he not let Canadian Javelin sink with it?

SOME HON. MEMBERS: Hear, hear!

MR. W. MCNEIL: And we have in Stephenville a couple of situations which are on a little smaller scale but can be put in a similar context. For example, we had the brewery in Stephenville. The brewery was started with Atlantic Brewery; then it was bought out by Javelin Petroleum or Viking Petroleum?

SOME HON. MEMBERS: Viking Petroleum.

MR. W. MCNEIL: All right. It was run for well over a year not making any money but they put themselves into a position where they eventually sold it to a competitor at a profit. Now, they lost money for a year but eventually they sold it to their competitor, Labatt's Brewery, at a profit and today that brewery is

MR. MCNEIL:

operating very, very well. As a matter of fact, they had to extend, they could not meet the demand. Now, I think if our government when they were in the situation where they felt that they had to take over that plant, that that was the only way out they should have kept going and put themselves into a position where they could get the maximum dollar in the marketplace for that mill. And you have it in the Advisory Board Report, the Advisory Board that they set up to advise the government on the direction that they should take, the Advisory Board stated in several places that they could not recommend a continuation of Labrador Linerboard in its present state. And I may add they also said at the time that they could not recommend conversion to newsprint because of the high energy requirements and additional capital costs to convert the facility. The Advisory Board said that, all right? Under the present conditions run by the government in a very, very loose manner. But they also went a little further and they said that the Linerboard Mill could be made a viable venture if they put \$12.3 million of capital expenditure into the plant, that within three years it could be paying off its debt. Sir, the Advisory Board that the government set up did give some good advice, but the government made the decision themselves to close it down. They put themselves into a position where they were just - I will admit it - they were lucky to sell it, they were very lucky to sell it and we should probably be thankful, maybe, that Abitibi Price has stepped in so soon. If you were a company from the outside you would wait until the place damn near falls down and then you would probably pick it up or have somebody pay you to pick it up. So we are very lucky. And the reason why we are lucky is because the paper market itself is very buoyant, it is alive and well. We are on the up of the curve. But if we had a down-turn in the market, if the newsprint industry was down, would they have picked it up? No. They were forced to, they needed new capacity and they had a good opportunity of picking up a good plant in Stephenville well suited for what they needed for the European markets.

MR. MCNEIL:

Now, I hear some of the hon. members on the other side said, "It is in the wrong location. It should not have been built in Newfoundland." Well, if you are looking in terms of your market being down in the Southern U.S. States I will agree, it should not be in Newfoundland, it should not be anywhere, probably, in Eastern Canada. Because the plants, when you look at the amount of new capacity coming on stream today you will see that there are ten new mills coming on stream in the Southern U.S. States just to satisfy their own markets and they are closer and they can produce it a lot easier than we can and a lot cheaper.

Now, Mr. Speaker, I do not want to dwell too much on the past, I think it is history and it is very sad history for us in Newfoundland when we look at the way that we are handling our industrial development. When this administration came into office, I can remember at the time they criticized the government for the high unemployment in the area. They criticized the government for the high unemployment and I think at that time it was a rate of about 9.3 per cent. They said it was unreal. They criticized the government for the high debt. They have doubled it in less than five years, tripled it.

Mr. Speaker, this government in the last years since they have been in office have not brought one single idea,

MR. W. MCNEIL: new idea into operation and made it work. When the Government decided to close down the mill there was a period when if we had had an aggressive Newfoundland Federation of Labour, if our President would have been aggressive, he probably would have looked at a new direction that is probably upon us in Canada, and that is getting involved in industrial democracy. In Germany it is very successful where you have your workers, management, community, government - at both levels - getting involved in an industrial enterprise. But our President, Newfoundland President of the Newfoundland Federation of Labour, when I brought forward an idea when I found out about this - and there is an example within Canada itself, the Timiskaming - when I brought forward an idea and I asked them, I asked the group - I remember in a rally in Stephenville they had all the union labour leaders behind us, the big chiefs from Upper Canada were down - when I threw out that idea that maybe we should follow that alternative - I, at least, do a little bit of in depth study - I was laughed at, a fool. But today I know why. because he was more concerned about his own political hide, not concerned about the direction that labour should go in this Province, not concerned with the climate the labour climate within this Province. And I think that gentleman has done this Province a great injustice by not trying to provide a better labour climate.

The Newfoundland Federation of Labour is tying themselves too closely to the NDP. They are trying to use the Newfoundland people as puppets -

AN HON. MEMBER: Hear, hear.

MR. W. MCNEIL: - but when there is a scheme that is put out to them whereby they could use their muscle to put it in place and they did it in Timiskaming in Quebec, but when that same proposal, the same opportunity was here in Newfoundland, when some of the components were already there because the Government

MR. W. MCNEIL: had owned the mill and the Government probably would have accepted a decent proposal, would have looked at it, I venture to bet that they did not even approach the minister at that time involved to enter into some kind of scheme or at least even to study it to see if it was feasible within our Province. But no, he decides he wants to seek political office and change the world.

MR. J. NOLAN: In his own image.

MR. W. MCNEIL: I think it is a crime. And now we have the same gentleman, I do not know what district, in St. John's -

MR. J. NOLAN: West.

MR. W. MCNEIL: West.

MR. S. NEARY: Tom Mayo.

MR. W. MCNEIL: Tom Mayo. We have the two dillies - Tom Mayo and Mr. Crosbie, fighting off, one as bad as the other,

MR. S. NEARY: They really deserve one another.

MR. E. ROBERTS: But the voters deserve neither.

MR. SIMMONS: And they will decide that.

MR. W. MCNEIL: Mr. Speaker, right now in this Province even though we have in this bill that is brought forward - you are asking us on this side to support this bill to ratify the sale of Labrador Linerboard to Abitibi Price - right now on your hands you have got a potential explosive situation in Stephenville with regard to labour.

MR. S. NEARY: What is Power's position?

MR. W. MCNEIL: No comment, that is Power's position because he does not want to ruffle anybody.

MR. F. ROWE: Oh, oh, a brave man.

MR. W. MCNEIL: Mr. Speaker, the hon. gentleman mentioned that in Stephenville there are jobs available, there are jobs available to the residents of Stephenville, the residents of Bay St. George. Mr. Speaker, let me tell you, there are no jobs

MR. W. MCNEIL: available to the people of Bay St. George. There are no jobs. In this bill it states here, that actually the people in Bay St. George get work preference in the mill on conversion. That is not the case.

We are told that if you want a job at the mill you have to belong to a union. You have to be a union member. That is fine, I will go along with that. But we are also told if you are not in the union you cannot get into the union because you have too many people on their books. There are too many.

MR. W. MCNEIL: If you are coming out of the Bay St. George Community College, if you are a young person coming out with a trade, you cannot get a job because you cannot get into the union. Now I realize that once you are into a union there is protection but the government entered into an agreement with a company, Abitibi Price. They stated that the job preference would go to the people in Bay St. George provided the people are qualified. Let me tell you, Mr. Speaker, if there is any doubt in your mind, if you think that the people in Bay St. George are not qualified, there are people who are looking for a job and are told that they cannot get a job because they are not in the union. Well, actually, they were involved in the construction phase when Labrador Linerboard was being built, they were operators in the mill itself when it was operating. These people were former union members and now they are restricted; they cannot get involved. They cannot get a job.

The government misled these people. They have been waiting in Stephenville for the last two years, waiting for the mill to reopen. Now that the mill is being sold and it is going to reopen. they have to sit back and watch somebody from outside come in and take their jobs. Now, Mr. Speaker, you cannot expect the people in Stephenville to sit down and say, "Yes, go ahead. Take my job." The man probably has a family to support, been travelling all over the country looking for a job, cannot get a job, roughed it out in Stephenville and now he is told by the union that he cannot get a job. Where is the president of the Newfoundland Federation of Labour?

MR. W. MCNEIL: Is he not concerned with the labour climate within this Province? Is not the government concerned? Why is the government sitting back and washing their hands of it? They are all saying, "It is not my concern. We are tied into an agreement." Who dictates to whom? Does not the government have a say? And I would ask the government to at least use their influence to open it up, to open up the jobs a bit, open it up. There are roughly 3,900 people registered unemployed at the Canada Manpower in Stephenville, and then you are going to bring in a couple of hundred other people. There are tradesmen in Stephenville that are well qualified, can do the job. It has been demonstrated before, going back to the earliest construction phases of the mill, going to the operating period of the mill when it out-produced its own record. So the capable men are there but there are a few technicalities. And cannot the government sit down with the Newfoundland Federation of Labour and the unions involved and straighten this thing out and at least give the residents in that area a little break? Dear God, we need it! And that is all we are asking, to be treated fairly. Equal chance.

Mr. Speaker, when it comes to unemployment in this area the PC government has failed miserably. I firmly believe they do not care about the unemployed, they do not care about providing jobs for people. Surely it must be the government's responsibility to provide jobs and try to at least promote a good industrial climate within our Province instead of this confrontation situation that we are into. And it is going to get worse. It is going to get worse because you have your president of the Federation of Labour now seeking public office. Every union leader in the country

May 3, 1979

Tape No. 1031

GH-3

MR. W. MCNEIL: is probably trying to seek public office. They are forgetting their own roles of trying to protect their own membership. And this government here is sitting back not caring. Not caring, an example of the last seven years of their administration. The Province has advanced in spite of this government, it has advanced

MR. MCNEIL:

on it's own accord. When you look at 1971 there were 13,000 people unemployed in Newfoundland for a rate of 9.3 per cent. And then when you look at February of 1979 we have an unemployment rate of 18.8 per cent. That is something to be proud of!

MR. MARSHALL: Per cent of what?

MR. ROBERTS: Of the work force.

MR. MCNEIL: Of the work force.

MR. W. CARTER: Yes, and what was the work force in 1971?

MR. ROBERTS: Of course it is larger. Does that mean if we get more people they will not be employed.

MR. MCNEIL: You just deal with it percentage-wise and that will tell you.

MR. ROBERTS: It means that there are way more unemployed.

AN HON. MEMBER: The more people unemployed (inaudible).

MR. MCNEIL: Let me also state this to you, during that same period nationally, whereas the national level at the same period. 1971 to 1979, went from 7.2 per cent to 8.8 per cent, in our Province it went from 9.3 per cent to 18.8 per cent and this government is concerned about jobs, unemployment!

MR. ROBERTS: Typical Tory maneuver, one job for every two individuals.

MR. MCNEIL: I, as the sitting member for the district of Stephenville have been told, have been led to believe for the past couple of years since they closed the mill, when they sold it, that the people of Stephenville were going to benefit, the people of Bay St. George's were going to benefit, It is not happening. A similiar situation could probably be seen down in Hinds Lake and the hon. minister realizes the problem there as well. Do you not think that local labour should get preference where the qualifications are equal?

MR. SIMMONS: He not only understands it, he complicated it.

MR. MCNEIL: Mr. Speaker, I realize that government have a great difficulty in trying to provide jobs. I realize they are having problems keeping it all together. But, Mr. Speaker, there are projects within Stephenville if we cannot get all the people employed at the new Abitibi Price and that is certain, it is not going to satisfy the demand

MR. MCNEIL:

that is there, it is not. There are going to be many people walking the streets, many young people coming out with their trade who are going to go up looking for a job at the mill site and they are going to say, "Well, are you into the union?". "No." "Do you have any experience?" "No." "We cannot take you." Well, how does a young man get experience if nobody wants to take him? How can he get into the union if the unions are closed? There has to be something to feed into the system.

Apart from the mill itself there are a couple of other projects which the government, if they were concerned about the unemployment, if they were concerned about a good labour climate within that region - and it is going to blow up if the parties do not get together. The Minister of Labour (Mr. Dinn) should be doing that immediately, should be trying to get the parties together to try to find some middle ground. We know that the union cannot totally throw it wide open. They have got to protect their membership because they are paying enough money to be in the union - probably their dues are being abused by this political patronage, they are going around supporting this NDP Party. They should take a stand-off attitude from all parties and try to get the maximum they can for the betterment of their individual workers. But no they are using the worker money to try to get their bosses into political offices. For what gain? They are going to be the losers.

MR. SIMMONS: The very people that are robbing the jobs away.

MR. MCNEIL: Yes. Mr. Speaker, the government has a couple of projects within Stephenville which they can get moving almost immediately and which would help take the pressure off, Everybody is focussing on the mill employment and it is going to be good for the Bay St. George Area, no one denies that, and it is going to be good for the Province as a whole, but if we allow this confrontation situation between the workers and the non-workers there is going to be friction in that community as we have seen over the past few years and there is no need of it, no need whatsoever. The Bay St. George Community College has a proposal submitted since 1977 for the renovation of a building for a permanent facility of the college. It is a seven story structure.

MR. W. MCNEIL: It can be ideal for the college itself. The government can save money by going into that renovation work right away. They will save on their annual operating budget well over \$200,000 a year. They can use that \$200,000 a year to put in programmes. But why are they not going ahead with it? Why are they waiting? Why? During the construction phase of that project, that building 360, it could mean maybe 50 or 60 more jobs. That is going to take some of the pressure off the mill situation. Just this past week, on Monday and Tuesday of this week, I had a gentleman that I had the pleasure of meeting who came down from Venezuela, he came to the Stephenville he was looking at the Econocon manufacturing plant. He is trying to submit an order in the vicinity of \$27 million into that plant. \$27 million! To date this government has not helped that plant whatsoever. They do not have the working capital to take the number of orders that need to be taken because you have to have your inventory sitting for a long while. As a matter of fact, just two weeks ago they shipped down seventy-five homes to Venezuela, a ship came in and took them down. All right? So that is about a little over \$1 million he got tied up that he is not going to get paid for, maybe, until July sometime. So in order to take these orders take them immediately, get people working, just in the plant alone, if he had the working capital or some assurance from the government that they would provide him working capital in the plant itself, he could provide maybe another eighty jobs immediately. Immediately! The orders are there. I talked to the gentleman, he told me and he even suggested a government delegation go down and look at the project and see what he is doing, see his sincerity in this whole project. Now this was

MR. W. MCNEIL: the buyer not the seller. Apart from that, where they are into the housing industry, the manager of the plant Econocon has purchased a lot of local product from the people within the Bay St. George like lumber etc.. Over the past year, just in the Coal Brook area alone, about seven sawmillers have established their operations. There again is another possibility of another fifty jobs or more, but it all ties in to that plant that has a market in Venezuela, a market that it cannot satisfy, it cannot get the goods to it. So they are only going to come here and look at us once and then they are going to go elsewhere. Probably somebody in Montreal will get the work. He will buy out of Montreal when he could buy right in Stephenville, from the plant in Stephenville. We can supply him, we can do it. Within Stephenville itself we have six young people who are down in Venezuela now erecting these homes. They are down there. They have just recently put up a school down there, a three room school. So it can be done. The potential is there in Stephenville. The reason why this plant is so important, why he choose Stephenville, is because of the approximate location to its market and the free port, the ice-free port. Now one of the problems that the gentleman got himself into he could not - the product was supposed to go down to Venezuela in January but he did not get his ship until April. Over the Winter, when work was scarce in Stephenville, he had thirty-four men on his payroll. Every job counts. So if the government was concerned about trying to establish a good labour climate within our Province, they would not only try to solve the little problem with the mill. It is going to rise and it is going to be embarrassing to a lot of people, and it is going to be most embarrassing to Abitibi. They should not have to be subject to this type of labour unrest when the government with a little bit of initiative can create some other jobs and help the situation.

May 3, 1979

Tape No. 1033

DW - 3

MR. W. MCNEIL: On one project alone the community college, they can probably save money and help the college operate. The former Minister of Education knows it and I am sure the Minister of Finance (Dr. Collins) should know it and probably a good many other gentleman as well. And that is why I am led to believe that the P.C. Government, as the Moores Government was and as the Peckford Government is, are

MR. WM. McNEIL: not concerned with the ordinary Newfoundlander, if they were, they would be providing some jobs, they would be aggressive in that field and they are not.

MR. MORGAN: (Inaudible) are new jobs in Stephenville in the mill.

MR. McNEIL: There is more to be done. That is the problem with these gentlemen, Sir. Mr. Speaker, that is the problem - they create one job, then they sit back for six years.

MR. FLIGHT: Create one and destroy two.

MR. McNEIL: It is a continual process. You must be alive all the time. Surely the hon. member works more than once a week. It is a continual process. Does the hon. member feel that after he has ended a day that he could have accomplished more? If there were more hours in a day would not the hon. member work? I understand the hon. member is a very hard-working man. Why does he work so hard? Because he tries to accomplish more. And should not the government try to accomplish more? You have to do more.

MR. MORGAN: Come over now and join us and help us do it. You would be far better off. Come and join the team over here.

MR. McNEIL: I thought of that, but looking at the performance of that team on the other side, I am much better off on this side right now because it is only a matter of time and we will be over there.

SOME HON. MEMBERS: Hear, hear!

MR. McNEIL: Mr. Speaker, in the bill there is reference to some material, it is all marked as 'Information' - LO 1, 2, 3, going right up to 13. Is it possible for the members on this side of the House to get

MR. McNEIL: that information? It is information, for example, LO 5, Supply of Power, Supply of Water, you know, LO 4, Information, Department of Revenue Canada. This information should be made known to the Opposition. I sometimes get very frustrated when the government members treat the Opposition with so much contempt. Why do they treat them so? Giving out bits and pieces of information. If they are going to give it out, give it all.

MR. W.N. ROWE: And to their own members, too.

MR. McNEIL: And to their own members, yes.

I know my time is running short, but there is another matter I would like to bring up as well. During the whole period of the close down of the plant, after the Advisory Board was set up - and the Advisory Board did some good work, some very capable people on the Advisory Board - the government took that information and interpreted it and decided to close the mill down. When they decided to close the mill, for its orderly shut down and to try to keep the people in place, they offered them, I would say, a generous package with the severance pay and completion bonus. But in doing so the government again handled it very unwisely. There was a lot of mismanagement in trying to implement the policy. And I will give you an example. For example, there are still people who were in security and are still there today. And I will read you the Premier's statement at that time. He mentioned that 'those people who have work until the company no longer requires them will receive severance pay amounting to approximately six months.' Some of those people who were in the security section, people who were on staff with Linerboard in security were laid off in the month of June. Some of them were rehired immediately, but before they were rehired, they had to sign a statement

MR. McNEIL: saying they were not entitled to the severance pay. And I will give you one example of the supervisor who was the supervisor when Linerboard was in operation - security supervisor. He was laid off and rehired all in the same period, signed that letter - he had to sign the letter before he could get back on - and I would ask, Mr. Speaker, if any member found himself in the position where he had to sign a form to say that he was not entitled to severance pay in order to hold his job, what would he do? He would sign and hold his job. And then the government decided that they were no longer needed as security people, laid them off, then rehired them. Well, if they were rehired, they were needed

MR. W. MCNEIL: and they were entitled to severance pay, or at least one would think so. Management, when they finished their work, even though they had finished, technically they were laid off, they got their severance pay, the full amount, but there are people still working there today who actually were treated wrongly. There then you wonder why there are problems in labour, wonder why people are so upset. You can only rub them wrong, you know, for a little while. They have to react.

So, Mr. Speaker, I would ask that the government review this whole policy on the severance pay. There is only a small group left. They would do just as well trying to meet with the whole group, make a settlement of some sort. Abitibi Price when they took over the mill when some of the people had less, well no, they had more seniority when you look at the terms of Linerboard, but when they were laid off they lost actually a year-type thing in the process. Abitibi, realizing that they were good employees, reinstated these employees giving them their extra year's seniority which they had built up with Linerboard, gave them the extra week of vacation pay so that all the employees who are working there now are on the same status. This whole question of severance pay: There were people in that plant who were laid off with three and four years of seniority, were laid off without any severance pay. Then another person in another division with only three months receives severance pay. There was an example where a person received the six months' severance pay twice and then you say the government handled things well; there was no mismanagement.

MR. W. MCNEIL: The hon. member is a member of an administration - it has been a continuous mismanagement process and he should realize it. He should look in the mirror and realize that maybe some of the problem lies with himself by being involved in government only part-time. Maybe he needs to be involved in government full-time. He has the ability. He has a lot to give but he has himself split up too much.

MR. SIMMONS: More interested in selling it.

MR. W. MCNEIL: He is more interested in making money than helping the ordinary people in Newfoundland that would need his help and do need his help.

Mr. Speaker, in closing I would -
is my time about up?

MR. SIMMONS: No, you have another five minutes at least.

MR. W. MCNEIL: Mr. Speaker, I would just ask the government if they would look into the hiring practice at Stephenville pertaining to the conversion into newsprint. There has been a little bit of rumour going around in Stephenville too that Abitibi Price is thinking of moving some of their personnel from other plants and actually the local people will not get a chance to get a job because actually the company has to make a policy decision to take people green from the streets practically, That is in the terms. So they might be hurting some person in another plant who has seniority and wants to move in. They have to make a decision. No, in Bay St. George and they did state it here in the bill. It is there. It is there in the bill. All we have to do is make the people aware that it is in the bill and that it is government's intention to make sure that that is followed through, and that the government will work with the labour movement,

May 3, 1979

Tape No. 1035

GH-3

MR. W. MCNEIL: the unions, management, in the
community to provide a good

MR. MCNEIL:

industrial climate which we need badly in this Province. If we start off the conversion of that plant in a couple of weeks with a strike, people blocking the road looking for work, all it is going to do is it is going to give a bad impression not only to the people in that area, but of Newfoundland to our fellow Canadians. And I, as one, do not want to see that. And I think that the government can step in now, take the initiative and they can change it. I was hoping now that we have got the Linerboard mill or the Stephenville mill into the hands of private enterprise I would hope that it would stop being a political football. I would hope and I do pray that it would stop being a political football. But now we are seeing a different political group, we are seeing the unions, the Newfoundland Federation of Labour battle it out with the local people. Before we had the government. And I think that the government has a responsibility to step in and to make sure that we do not hurt the name of a good Canadian Corporate citizen like Abitibi Price. I think if I were in their shoes trying to move in with the problem as it is, and living in the community you can feel the tension because the people are worried - there are people who have been out of work for a couple of years, some of them a little longer, they have gone away for a couple of months and they have come back. The people want to settle in Stephenville. They are residents of that area and they want to make their homes there and they would like to have a decent job and they see an opportunity where Abitibi Price can provide them with a secure future, and I ask the government to try and make this a reality. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Ottenheimer): The hon. Minister of Labour.

MR. DINN: Mr. Speaker, it is pretty close to the time to close off the debate or adjourn the debate for today but just before I do that I would like to clarify for the hon. member for Stephenville (Mr. McNeil) who is obviously very concerned, I want to assure him that we are quite concerned about the problem that may arise, the problem that is perceived right now with respect to employment in the mill and

MR. DINN:

employment during the construction phase and the conversion phase of the mill. I have already had a chat with with Newfoundland Construction Trades Association or Unions. I had a meeting with about fifteen of these various individuals earlier this week and I had confirmation from them that they would do everything in their power to hire people from the Stephenville area. Indeed, they say that of the 250 to 300 jobs that will become available in the next few months or so, that they have enough people in the Stephenville-Port au Port area to employ in those jobs. I have that confirmation from those people.

I understand that there is a problem also with the Paper Makers' Union and I would hope that the Paper Makers' Union and the Newfoundland Construction Trades Union would get together and solve that problem before it becomes a real problem in the Stephenville area. Because I think we are all interested in making sure that this new venture gets off on the right foot and that we try to avert, if we possibly can, any labour problems that are perceived right now and that indeed, in my investigations, appear not to exist. The government has stated in the bill and has made the agreement with the company to make sure that they give preference to the people in the Stephenville-Bay St. George area. Of course, we have the agreement of the company, and I have since then talked to most of the unions that are involved or will be involved out there, and they have indicated to me that almost to a man all of the jobs that will be available in the next few months in the conversion phase will be by people in the Bay St. George area. So we have an agreement with the company and we have the assurance of the Construction Trades Unions that they will endeavour in whatever way possible - and they have indicated to me that they have more than 300 people in the various trades that will be required, and in the labourers and so on in their unions that exist in that area. So they do not perceive to have any difficulty and they do not perceive that there will be a problem down the road with that kind of a thing going on.

So, Mr. Speaker, it is with respect to -

MR. FLIGHTP: How about (inaudible)

MR. DINN: We are discussing Linerboard right now and I would like to adjourn the debate.

MR. SPEAKER: (Mr. Ottenheimer) The hon. minister has moved the adjournment of the debate.

The hon. House Leader.

MR. MARSHALL: There is already a motion, is there not, before Your Honour?

MR. SPEAKER: No.

MR. MARSHALL: Did we not agree earlier that when the House adjourned it return?

MR. SPEAKER: When the House adjourned, yes, but there is no motion to adjourn.

MR. MARSHALL: Well, Mr. Speaker, with due deference to you, then, I move that the House on its rising do adjourn until tomorrow, Friday, at 10:00 A.M.

MR. SPEAKER: Before putting the motion and thanking the hon. member for his deference, I would now give a decision on the matter brought to my attention yesterday with respect to the opinion of the hon. gentleman to my right on a breach of privilege rising from statements alleged to have been made by an hon. gentleman to my left. I have checked the relevant material, refer hon. members to Beauchesne, page twelve, and there are two areas there which are of relevance, one with respect to a dispute arising between two members as to allegations of fact and the other with respect to statements made outside the House by a member and which do not form the basis of a question of privilege. I therefore, for those reasons, find that a prima facie case has not been made.

On motion, that the House at its rising do stand adjourned until tomorrow, Friday, May 4, 1979 at 10:00 A.M.