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PRELIMINARY  
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TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD:  
10:00 a.m. - 1:00 p.m.  
FRIDAY, MAY 5, 1979

The House met at 10:00 A.M

Mr. Speaker in the Chair.

MR. SPEAKER: (Mr. Ottenheimer) Order, please!

STATEMENTS BY MINISTERS

MR. SPEAKER: The hon. minister.

MR. MORGAN: Mr. Speaker, at this time I would like to review the current spruce budworm situation in our Province and to inform the House of Assembly of the government's decision on this important issue. The current budworm infestation started in 1971 in our Province and it peaked in 1977, affecting 8.7 million acres of forest land leaving 486,000 acres as dead and dying forest with a volume of 5.6 million cords. An experimental spray programme covering approximately 190,000 acres was conducted in that year, 1977, to find the suitability of various control measures and to protect some vital forest improvement areas. In 1978, the insect population declined to some extent with an infestation of various degrees over an area of 4.2 million acres, but the dead and dying areas increased to 742,000 acres containing a volume of 6.2 million cords. Considering these magnitudes of losses, a decision was made in 1978 to treat 1.3 million acres with chemical spray. However, due to a continuing decline in the insect population primarily on the Western part of the Province, the programme was reduced to spray 942,000 acres. This provided a much-needed relief of not adding large areas to the already unmanageable dead and dying categories. This was essential because the industry cannot, the pulp and paper industry cannot use more than forty per cent of the dead trees in their newsprint manufacturing without seriously affecting the quality of their final product, their paper product. There was more dead wood on hand than could be utilized within a five year period, beyond which the trees were no longer useable - that was in the early part of 1978. The forecast for 1979 showed that a further decline in

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MR. MORGAN:

insect population was occurring  
in the Province with a total area of infestation expected to be  
four million acres with

MR. MORGAN: moderate to severe defoliation of 2.3 million acres. Due to the expected decline in population, a continuous appraisal of the situation was maintained in the latter part of 1978 and the early part of 1979.

An encouraging fact, Mr. Speaker, in the 1978 season was that the volume of dying trees was shown to decrease by 43 per cent and areas of damaged young forest, these stands also showed a decrease by 48 per cent. This decrease was partly due to the 1978 spray programme and also partly due, Mr. Speaker, to the natural decline in insect population in certain areas. This is not to deny the increases in the volumes of dead wood which will now require a large salvaging effort and also a substantial investment in intensive forest management. Volumes of dead trees have increased, but the important factor is the volume of dying trees has decreased.

This mixed pattern of various indicators makes a decision of government extremely complex. Based on the above facts, therefore, Mr. Speaker, I would like to inform this hon. House that after considerable discussion with my colleagues in Cabinet and with all concerned, a decision has now been reached not to mount a large scale operation aerial spray programme for spruce budworm control this year, 1979.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: However, instead of mounting a large aerial spray programme using the chemical matacil this year we will be undertaking an experimental project to treat certain selected areas totalling approximately 15,000 acres as comparable to last year when we sprayed with the chemical, matacil, 942,000 acres. This will be sprayed with a bacterial insecticide known as Bt, which

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MR. MORGAN: is currently being used on a small scale for budworm control. It is only used on a small scale in areas in Eastern Canada and in the U.S.A. The same insecticide is used on a larger scale for protection of various agricultural crops. It is used extensively by farmers, for example, in the spraying of their vegetable crops.

MR. J. MORGAN:

Because of its bulkiness and because of its high cost it has not been used in a larger scale in forestry. However, it is the safest organism to treat small and more valuable forest stands.

Bt was used last year and it was used in 1977 experimental programme on a limited area. The experiment is designed to test the effectiveness of the biological control under Newfoundland conditions and to gain more insight into the operational difficulties associated with that bacterial insecticide. The 15,000 acres selected for treatment are mostly the valuable forest stands where investments have been made in improving the forest through various silvicultural techniques.

As brought out earlier, the basic reason for not spraying this year, in 1979 is the significant decline of the infestation on the West Coast of our Province in particular and also the indication that the population is expected to decline in Central and Eastern portions of our Province, on the Island portion of the Province.

Surveys made last Fall indicate a considerable reduction in areas forecasted for moderate to high infestation this year and an overall reduction in the number of egg mass counts. This, together with the exceptionally unseasonable weather conditions experienced over this past Winter with average temperatures, for example, in March being six per cent higher than normal and these being followed by cold spells of weather gives reason to the officials and departments and all concerned for an optimistic belief that far lower numbers of budworm will emerge this Summer.

Another possibility is that because of this unusual weather the emerging budworm may not synchronize with the normal development of the host trees and,

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MR. J. MORGAN: therefore, would starve because of inadequate food. This, coupled with normal mortality usually experienced with budworm populations, indicates that damage to our fir forest this year may be reduced to a level which does not require any large scale spray programme.

Now to give some details on what we are going to spray, the 15,000 acres, and what we are using in that spray, the Bf spray is an experimental project which we are going to use to protect some of the areas

MR. J. MORGAN: that we have spent money on on silviculture. This Summer the department will conduct another experiment of using this insecticide covering 15,000 acres, It is being conducted in collaboration, Mr. Speaker, with local representatives of the Canadian Forestry Service and with assistance from the overall co-ordinator from Ottawa. These Bt experiments are similar, similarly being carried out somewhat in New Brunswick larger areas being sprayed, but in Nova Scotia the same amount of 15,000 acres. It is also being carried out in Maine, Ontario and Quebec and also, as I mentioned, in New Brunswick and Nova Scotia. New Brunswick, I think, is spraying 45,000, Nova Scotia 15,000, and ourselves 15,000 and I think it is 35,000 in Maine and approximately 100,000 acres in Quebec.

These programmes will provide a data base from a variety of situations and will mesh quite well with the large Canada/U.S.A. Spruce Budworm Research Programme currently in progress. This international programme is devoted to a re-evaluation of the spruce budworm forest-management problem and alternative strategies available for use. In this context, then, our problem will again scrutinize and assess the possible use of Bt as a method of forest protection under our conditions. What we are saying the Bt in the future become the source of protecting our forests if we ever have again to mount a large scale spraying programme, if the budworm population increases in the future Bt may just be the possible solution to that problem on a large scale spray.

This experimental programme will be applied to the forests and where large intensive forest management investments have been made in the past. The pulp and paper industry in the Province will share the cost of this programme. Because of the limited nature of the programme, the actual areas are being selected to include the highest priority areas only.



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MR. J. MORGAN: These areas are being chosen for their high fir content and ease of access for sampling, assessment and other experimental work.

I would like to point out that if the House of Assembly requests, I will only be too pleased, just prior to the spray programme if the House is in session.

to Table information showing all areas in the total 15,000 acres where the spray

MR. MORGAN: will be carried out. The spraying programme is not expected to commence until after the middle of June, although the pre-treatment data will be collected for a week or two in advance. This is essential for timing the operation and establishing the efficiency of the treatment, and the effectiveness of the treatment. Spraying should be completed by late June or early July when then the final data gathering will begin for assessment.

This programme differs somewhat from the Bt trial programme in 1977 in that it will be conducted with the use of small agricultural type spray planes rather than the much larger four engine type planes used in 1977, and again was used last year, in '78.

It is also intended that a much more intensive sampling effort will be employed to help explain the results of the spray. The total cost of the experimental project to spray 15,000 acres is expected to be \$596,000. This will not only include the spray, of course. It will include the environmental monitoring cost as well. The pulp and paper industry will be collaborating with the department in conducting this programme in the Province.

Now, Mr. Speaker, that is the information regarding the spray programme for this year and the details on the spruce budworm. Now I want to give the House of Assembly information regarding the intensive forest management areas in the Province and our programme in forest management.

MR. MORGAN: Since 1972 the department has been conducting large scale operations in forest improvement. From modest beginnings with an annual expenditure of less than \$300,000, this activity now since 1972 has grown to the point where the annual expenditures now exceed \$2.5 million each year for forest management.

In the field of reforestation, a large nursery facility has been constructed at Grand Falls which will produce 6.6 million black spruce tree seedlings in 1980, and by 1983 will achieve the maximum production of 13 million spruce tree seedlings. Total expenditure since 1972 in forest improvement and reforestation in the Province - since 1972 the investment of this government in forest improvement has been \$7.2 million. With the experience and knowledge gained from these activities my department is now confidently projecting expenditures in the order of \$6.5 million each year

Mr. Morgan: for the next five years, a substantial investment indeed.

The reforestation programme using black spruce seedlings is designed to reduce the effect of the insects on future forest stands, as the black spruce is less susceptible to insect damage than the other forest stands. However, other intensive forest management programmes like, for example, the thinnings of young forest stands with large fir content will require protection against insects.

So given the substantial investment that has been and will be made in forest improvement and reforestation, the department will continue to protect these areas on a first priority basis against the spruce budworm or, in fact, any other insect pest that might manifest itself before these trees are ready for harvest. This is a continuation of the policy adopted in 1977 and 1978. Therefore with this in view the Bt experimental programme has been mostly directed to these, as I mentioned, these improvement areas.

I would also like to point out, Mr. Speaker, to this House that the government had initiated a programme of access roads for the salvaging of the dead stands of wood. In 1974 that programme commenced. This, of course, has been extremely useful in reducing the unused dead volumes of wood. Approximately 100 miles of access roads meant for the salvaging of dead and dying stands have been constructed throughout the Province. In fact, 1.3 million cords of such wood, these dead and dying stands, were made accessible as a result of these 100 miles of access roads, and about one million cords of that wood was harvested and there is still approximately one million to be harvested.

The department is also developing another programme to harvest the dead and dying stands in the Province, timber stands and to plant these same areas with black spruce. This programme, a fairly major programme, is now being negotiated with the federal government, with the Department of Regional Economic Expansion, DREE.

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Mr. Morgan: And we are confident this programme will come onstream in the Summer of 1979, and of course it is expected to reduce the impact of the budworm infestation.

The forest tree nursery at Wooddale, as I mentioned, in Central Newfoundland is the

MR. MORGAN:

focal point of government's efforts to produce enough insect resistant seedlings for a reforestation programme to replace these dead and dying forest lands. The department will intensify its efforts to convert as much area as possible in the Province to black spruce. I would like to caution, though, Mr. Speaker, against any undue optimism. The reforestation programme is not an answer to all of today's problems in our forestry and not even to the next decade's problems. However, we are confident it will produce forests for the future generations of this Province. The immediate benefit of the reforestation programme is that it will bring the forest area back to increased productivity and will assure the future continued viability of the forestry industry.

So, Mr. Speaker, I would like to point out that the decision I have just announced in the House is based on the current situation only. The department will be monitoring the budworm situation very closely during the next year and of course will make recommendations concerning the future course of action accordingly. You will recall that the 1977 and 1978 programmes were also the results of decisions based on the annual reviews without any long-term commitment. That position of the government remains unchanged. Next year's decision will depend on the budworm situation at that time.

A brief comment on the environmental monitoring of any spray programmes: In 1977-1978 there were extensive environmental monitoring of the sprayed forests. These were carried out and the results were published. These results had shown no significant adverse effects of matacil, the chemical used, both in 1977 and again on a larger scale in 1978. So as pointed out earlier, Bt was also used in 1977 trials. So the

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MR. MAYNARD:

environmental monitoring

reports again showed no significant adverse effects on the environment. We are now trying to introduce biological control measures to replace the chemical insecticides. Although biological control by use of Bt,

MR. MORGAN: which is naturally occurring resident of forests, this bacteria is considered desirable as compared to chemical control measures. Still the government plans to monitor this Bt. Although it is shown to be safe and is used by farmers in the spraying of their agricultural crops, we are going to monitor this year the effects, if any, of Bt on the environment.

In spite of the small nature of BT trials, the government feels that a proper environmental monitoring must be carried out. This is essential since the BT has a potential of a large scale acceptance in the future. And what I am saying is, Mr. Speaker, we are going to make sure our monitoring this year is carried out adequately to assure that if we ever come to a point in our history, whether it is next year or five years down the road, that we have a problem with the budworm again and we may have to use Bt as the answer for a large scale spray programme, although it has been shown to be safe in the past, we want to make sure this year in our assessment and environmental monitoring that it is a safe means of protecting our forests.

In the end, I would like to assure the House of Assembly that this decision has been an exceptionally difficult decision to make, but I, and the government, consider it to be in the best interests of this Province and only time will tell, really, Mr. Speaker, if the correct decision has been taken. However, this House can be assured that maximum efforts will be made to reduce the impact in the future of budworm infestation by means of salvaging the woods that we have and a very intensive forest management programme.

All in the Province concerned with the perpetuity and the health of our forests, I am sure will agree that we must protect our investment



MR. MORGAN: and we must carry on our intensive forest management programme for the future of the forestry of our Province. Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. NEARY: There is a law in the Standing Rules of this House against tedious and monotonous and repetitious debate. It was a very long statement, Mr. Speaker, so I presume that I will be allowed considerable leeway in attempting to reply and ask some questions.

MR. W. N. ROWE: Separate the wheat from the chaff.

MR. NEARY: Separate the wheat from the chaff, as my hon. friend has indicated, in the long-winded statement just made by the hon. minister, and made, Sir, as if the hon. gentleman was the first one ever to do anything in that department, I am sure his predecessor must feel pretty

MR. NEARY: small after listening to that statement.

Now, Sir, the minister said that the reason they are discontinuing the spruce budworm spray programme this year, not using matacil, is partly due to the natural decline of the insect population. Well Your Honour might remember - I just received a copy of the statement, Sir, I am sorry that the hon. gentleman did not see fit to give it to either the Leader of the Opposition or myself in advance of making this statement.

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

MR. SPEAKER (Ottenheimer): A point of order. I have to hear a point of order.

MR. MORGAN: I want to correct the hon. gentleman because prior to the opening of the House this morning I showed a courtesy to the Opposition of asking the Opposition House Leader to speak to the spokesman on forestry matters and unfortunately he is not in the House, I was going to give him a copy of my statement.

MR. SPEAKER: This is not a point of order but merely -

MR. MORGAN: We do show courtesy over here.

MR. SPEAKER: - an explanation, I suppose. The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, the hon. gentleman did approach me, Sir, and asked me where our spokesman on forestry was. I said he was called -

MR. MORGAN: You are the spokesman on everything anyway.

MR. NEARY: - he was called from the House on urgent public business in his own district of Buchans and the gentleman did not offer me a copy of the statement, or offer the Leader of the Opposition.

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MR. MORGAN:

You know it all anyway.

MR. SPEAKER (Otteneheimer):

Order, please! Order!

MR. NEARY:

If we had to have a copy in advance, Sir, of course we would have been able to prepare a list of questions and comments that we would have liked to make. But in the meantime, Sir, the basic reason the hon. gentleman gave for discontinuing the spraying by matacil was because of the reduction in the insect population. Well that is precisely, Your Honour - if you will remember last year, Your Honour agreed that the Opposition had a prima facie case in asking for an emergency debate on the spruce budworm spray programme, especially the use of matacil. And it was debated at great length in this House. It was the subject of much questioning during the Oral Question Period, and the matter came up during the Throne Speech debate, the Budget debate. I do not suppose any other matter was debated as long and as hard and as often in this House as the use of matacil in the spruce budworm spray programme last year. And despite that, Sir, the government did not see fit to stop it at that time and the minister himself, by the way, almost got flung out of the Cabinet because he disagreed with the use of matacil at that time. Now he is pretending, Sir, that the spraying was a little bit effective last year. So the hon. gentleman has to make up his mind.

Now, Mr. Speaker, I would submit myself, Sir, that the real reason for

Mr. Neary: discontinuing spraying by matacil, the fact that this is probably an election year, the government are in 'go' position, that is probably the main reason for discontinuing the use of matacil.

MR. W. N. ROWE: Right.

MR. NEARY: They do not want any controversy in the Province this year.

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

MR. SPEAKER (MR. OTTEHNEIMER): A point of order.

MR. MORGAN: I understand the rules of the House of Assembly indicate that Ministerial Statements are not to be debated in the House. It is merely a comment. Now the hon. gentleman is attempting to debate the Ministerial Statement.

MR. W. N. ROWE: He is making comments.

MR. SPEAKER: On that point of order, I am certainly aware of the rule which precludes debate on a Ministerial Statement. I would not be in a position to rule at this time that the hon. member has entered into debate. I can see that could develop, but I cannot say at this time that I would consider it debate in the technical sense being proscribed on comment to Ministerial Statements.

MR. NEARY: So, Mr. Speaker, the point I am making, Sir, is that the Opposition and any other members in this House who opposed the spruce budworm spray programme in the last year or two, especially the use of matacil, the Opposition and anybody on the government side who in conscience felt that it was not a good programme have been now completely vindicated.

AN HON. MEMBER: That is right.

MR. NEARY: It has been proven beyond any doubt, Sir, that we were right and Your Honour was right, Your Honour was quite correct in allowing that emergency debate that took place just about a year ago, when this matter was thoroughly debated in this hon. House. And

Mr. Neary: at that time, Your Honour will remember, that the spokesman, especially on this side of the House, who debated this matter raised the question that matacil may create a super budworm, a super spruce budworm -

AN HON. MEMBER: It happened in New Brunswick.

MR. NEARY: - as happened in New Brunswick. And I would like to ask the hon. gentleman if there is any indication in this Province that as a result of the spray programmes to date if a super spruce budworm has been created in Newfoundland, Sir, as a result of this foolhardy policy on the part of the minister.

Now, Mr. Speaker, we also stressed, if Your Honour will remember last year, and the minister referred to it in his statement today, the second part of his statement, we also referred to reforestation and we asked a lot of questions about the 5.6 million cords of wood that had been damaged by the spruce budworm. The hon. gentleman indicated this morning, Mr. Speaker, confirmed what I had known all along anyway, that the first major outbreak of spruce budworm in Newfoundland

MR. S. NEARY: was in 1972. And what else happened in this Province in 1972, Mr. Speaker? We had a major, the first major - the first reported major outbreak of spruce budworm infestation in Newfoundland in 1972 -

MR. DINN: When the Liberals were in.

MR. S. NEARY: - and it was 1972 that the government changed. Now I am not saying that it was the fault of the government, Sir. It was just a coincidence, it was merely a coincidence, Mr. Speaker, merely a coincidence that the first major outbreak of the spruce budworm in this Province was the same year that the government changed. And they did nothing about it the first two or three years, they did nothing about it, Sir.

SOME HON. MEMBERS: Oh, oh!

MR. S. NEARY: And it was only in the last year or two that they have come to grips with this problem.

MR. WHITE: The shrews disappeared.

MR. S. NEARY: The shrews disappeared, that is right.

SOME HON. MEMBERS: Oh, oh!

MR. S. NEARY: Mr. Speaker, I would like to finish my few remarks and ask a few questions, Mr. Speaker. And so, Mr. Speaker, nothing happened for the first two or three years, then all of a sudden the government became concerned about the spruce budworm damage in the Province and then they started to do something about it. Then they hit the panic button and that is when the use of matacil came into focus and captured the attention of everybody in the Province.

So, Mr. Speaker, if you will remember we asked a lot of questions about the government's reforestation programme and the salvage of the wood that was damaged by the spruce budworm, and we got no reply. So I took it upon myself, Sir, as a spokesman for the Opposition, to wire in February of this year, because we have hearing a lot of reports, Mr. Speaker, about the government's negligence in taking advantage of a

MR. S. NEARY: programme that had been taken advantage of in Nova Scotia and in New Brunswick, a joint federal/provincial cost-shared programme to salvage the wood in Nova Scotia, the damaged wood, and in New Brunswick and this Province had not taken advantage of that programme. Now, Mr. Speaker, I wired Mr. Bud Cullen, the hon. Bud Cullen, back on February 1st, 1979 and I said, "Spruce budworm damage to forest here extremely serious and millions of cords of wood will be lost to our Province forever unless the damaged wood is cut as quickly as possible. May I ask you for a statement of federal policy involving funds made available to cut damaged wood in sister Provinces of New Brunswick and Nova Scotia. An explanation as to why Newfoundland was not included in this federal/provincial programme would seem to be proper. I sincerely hope you will be able to provide me with full details at an earlier date as possible." On April 18, I got a reply back from the hon. Bud Cullen, Sir. I would like to ask the minister now a few questions about this because now that we have succeeded in persuading the government to forget using matacil - and I am not too familiar with Bt but I will find out eventually about Bt. We would like to know a little bit more about that, and we will have our people research it and then we will be able to comment intelligently on it in the House - but I am very concerned now about that damaged wood, Mr. Speaker. The hon. gentleman did not tell us in his statement what is going to be done about that 5.6 cords of damaged wood. Some of it, I presume, is lost to Newfoundland forever, because after the spruce budworm attacks the trees, Sir, three years later the trees cannot be used, not even in the paper mills. They are only fit for use, I suppose, as wood for stoves or furnaces and that sort of thing. But the wood is still standing in the forest! It is still standing! 5.6 million cords of Newfoundland timber, wood that belongs to the people of this Province is lost to Newfoundland forever as a result of negligence, criminal negligence almost.

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

The hon. gentleman is now beginning to stray into the area of debate. I will draw to his attention the need to refrain.

MR. S. NEARY: Okay, Sir, I abide by Your Honour's ruling, of course. But, Mr. Speaker, I would like to ask the hon. gentleman what the hon. gentleman is going to do about this wood, if any of it can be salvaged now or if it is all lost to Newfoundland forever, because here is what the hon. Mr. Marcel Lessard said about it, and I would like to just give the minister an idea of what Mr. Lessard said and then ask the minister to comment on it.



MR. S. NEARY: It says, "Dear Mr. Neary: This is further to your telex of February 2, 1979 -

MR. W. MARSHALL: A point of order.

MR. S. NEARY: - to the hon. Bud Cullen, the Minister of Employment -

MR. W. MARSHALL: On a point of order.

MR. SPEAKER: (Otteneheimer) Order, please! Order, please! A point of order has come up apparently. Hon. House Leader.

MR. W. MARSHALL: Point of order, Mr. Speaker. Your Honour has just indicated to the hon. gentleman that he was going into the realm of debate. The hon. gentleman said he would comply with your ruling and then proceeds to go off into realm of debate again. I mean, the hon. gentleman is reading a communication from the Minister of DREE (Mr. M. Lessard), there was no mention of that in the statement. He is injecting matters that are more appropriately brought up in debate, and there is plenty of opportunity in the rules of this House for him to enter into debate and to bring his own particular opinions to bear on it but he has to, I submit, confine himself to the four corners of the statement of the hon. minister as required by the rules of this House.

MR. SPEAKER: Hon. Leader of the Opposition.

MR. W.N. ROWE: A word on the specious point of order brought up by my hon. friend across the House, Sir. I would submit, Your Honour, that my colleague is in fact making a few comments and asking a few questions about the ministerial statement made by the Minister of Lands and Forests (Mr. J. Morgan).

There is no provision, Sir, anywhere in the rules that I have read that says that in making your few comments you can not inject matters that may not have been mentioned in the ministerial statement. The word 'comments' does not necessarily restrict a person's comments to strict matters, the four corners of the ministerial statement which was made. If that were so, Sir, then

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MR. W.N. ROWE:  
comments.

there would be no need for a few

As far as the debating allegation made by my hon. friend across the House, I have seldom heard my hon. colleague, the member for LaPoile (Mr. S. Neary), speak in more moderate tones in this House. He is speaking in a commentary frame of mind. He is not making any debates. He is not debating points, he is not up speaking in a debating tone. He is speaking in a tone of a few remarks, a few questions, a few comments. -

MR. S. NEARY:

And a bit of information.

MR. W.N. ROWE:

- and some information, some additional information which may be of use to members of this House and particularly that hon. minister. There is nothing to restrict him to the words or substance even of the ministerial statement. A few comments can bring in extraneous matters. And certainly questions, the very fact that questions are permitted means that there may be some areas which are left out which need to be filled in by additional information from the minister. And I would submit, Sir, that my hon. colleague is doing an admirable job in making a few comments and asking a few questions and is not involving himself in debate. We have seen the hon. member debate before in this hon. House, Sir, and I would submit that there is a definite difference in quality between what he is doing now and what he does when he is debating in this hon. House.

MR. SPEAKER: (Ottenthalmer)

With respect to the point of order, I do not think it is necessary for me to determine whether in making comments in relation to a ministerial statement it is necessary for an hon. member to keep himself within, if you wish, the terminology for specific presentation, verbal or otherwise, of a ministerial statement. What is necessary, of course, is that the comments be relevant to the ministerial statement, so I will draw that to the hon. member's attention. Perhaps before

MR. SPEAKER: (Otteneheimer) he continues so as to preclude, hopefully, the necessity of interrupting him, I would point out that this requirement of brief comments or brevity with respect to comments on ministerial statements is, of course, a difficult one to impose and I, myself, have always related it to the length of a ministerial statement. It has to be related to that. And the rule of thumb I have gone by is that, bearing in mind the length of a ministerial statement, the necessity for brevity is perhaps best applied by saying at least half the time then plus a small amount, at least that is what I have always gone on. If there is a ministerial statement, perhaps . forty-five minutes would be half that time and may be a few minutes over, at least that is the rule of Government which has been gone by for the past few years.

I would point out, using that, that within a couple of minutes or so I would hope the hon. gentleman would bring his remarks to conclusion.

MR. S. NEARY: Thank you, Your Honour. And according to Your Honour's yardstick I would be entitled to approximately twelve and one-half minutes. I have gone now about eight minutes so that should give me about another two or three minutes. But anyway, Sir, -

MR. SPEAKER: We are looking at different clocks, I believe.

MR. S. NEARY: - just as it says, "Dear Mr. Neary," This is a reply from Mr. Lessard. I want to ask the minister a couple of questions about this before I take my seat. "This is further to your telex of February 2, 1979 to the hon. Bud Cullen, Minister of Employment and Immigration concerning spruce budworm damage to forests in Newfoundland. Following a comprehensive review of our programmes and budgetary priorities in mid-1978, additional funds have been allocated by Canada towards the development of the resource sectors under the General Development agreements administered by this department.

MR. NEARY: "Arising from a series of discussions between my colleague, the Minister of the Environment (Mr. H. Collins) and me with the provincial Ministers of Forestry in 1978, a proposal by the Province of Newfoundland for a cost shared programme of forest management activities has been identified as suitable for consideration. Accordingly, my department, in consultation with the Department of the Environment and the Canada Employment and Immigration Commission, has under review with the Province a forest improvement programme which will include removal of spruce budworm damaged timber, site rehabilitation and reforestation, forest stand improvement and roadside and lakeshore clean-up projects. I anticipate that this initiative will be the next in a series of related federal/provincial agreements in Atlantic Canada directed to labour intensive forest management activities to counteract and correct damage caused by the spruce budworm outbreaks in Newfoundland, New Brunswick and Nova Scotia."

Now, Mr. Speaker, I do not know if the hon. gentleman was aware of these negotiations or not - certainly, the hon. gentleman made no reference to them in his long-winded ministerial statement. And I want to ask the minister if, at some point, he can enlighten the House as to what is happening now regarding these negotiations, when we can expect an agreement to be signed and what will be the proportion of the funds put up by the Government of Canada in relation to the amount put up by the Province.

Sir, I am sure that all Newfoundlanders today will welcome this announcement that they are not going to be poisoned with matacil. The Opposition have been completely vindicated and I would submit, Sir, the real reason is to avoid controversy

MR. NEARY: in an election year.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: Mr. Speaker.

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

MR. MORGAN: Mr. Speaker, if I could respond briefly to the questions asked, The hon. gentleman obviously did not have time to read the statement, or he was not listening while the statement was being made because I pointed out in the statement that we are expecting to have an agreement with the federal department of DREE within the next little while on a major forestry improvement programme for this Province. My predecessor, my colleague, now the Minister of Industrial Development (Mr. Maynard) has had ongoing negotiations for quite some time. It is ongoing now to the point where I am convinced it will be finalized and an agreement signed in a matter of weeks, we are hoping, this Spring, with the federal authorities, and that is a very important forestry improvement programme.

But, also, you asked what we were doing. I pointed out, in 1972 when this party became the administration of the Province, merely \$300,000 was being spent on forestry improvement in this Province. Now, each and every year we are spending \$2.5 million yearly and we are looking forward, in the next five years, to spending \$6.5 million each year. That is what this government is doing in forest improvement in this Province.

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

MR. N. WINDSOR: Mr. Speaker, at the beginning of this year, I released for public information a report that had just been completed by Mr. Eric Gullage, the

MR. N. WINDSOR: Commissioner appointed to conduct an enquiry into matters relating to the boundaries between the Town of Paradise, the Town of St. Thomas, and the St. John's Metropolitan area. At that time I said that copies of the report had been sent to the councils of the municipalities involved for their comments and that the staff of this department would also be considering the proposals contained in the report to determine what effect they would have on the future installation and operation of municipal water and sewer services by the municipalities concerned.

I had hoped that the Commissioner would have been able to come up with proposals that would alleviate the individual hardships created by jurisdictional misunderstandings in the past and which would be acceptable to the municipalities and the general public involved, but this has not been the case. Not only have the measures recommended to resolve the specific issues in the disputed areas not been accepted in total by the councils concerned, but recommendations relating to areas not under dispute have created additional areas of dispute.

The Royal Commission on Municipal Government points out very forcibly that "The local option feature of the existing legislation which requires local petitions and plebiscites as indicators of community consensus before municipal incorporations can be made or boundaries changed, places in jeopardy the development of a satisfactory municipal development strategy within the Province". These restrictions make it impossible for government to take immediate and positive action to resolve this current issue.

The question of legislation to provide a more rational and flexible means of making future municipal incorporations and boundary changes is being

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MR. N. WINDSOR:                   dealt with under the provisions  
of a new Municipalities Act which will soon be ready for  
consideration in this hon. House. Until that is in effect,  
the overall solution to problems of municipal jurisdiction  
within the St. John's urban region, and which cannot be  
dealt with on a piecemeal basis, must unfortunately

MR. N. WINDSOR:

be delayed.

The immediate problem of boundary adjustment in the areas in which subdivisions have been commenced and are now in limbo, must be dealt with under the existing laws, and I sincerely hope that the municipalities concerned and the residents of the areas affected, will assist me to make the following municipal boundary changes as quickly as possible.

The changes that I propose are following:

- (1) The inclusion of Deborah-Lynn Heights, Walter Lynch subdivision, Clarkes-Hillview subdivision, Mike Quilty's subdivision and Byrne's subdivision in the town of Paradise.
- (2) The inclusion of Janal's Road and Hussey's Road within the town of Paradise.
- (3) The inclusion of the Corcoran subdivision within the town of Paradise.
- (4) The inclusion of an area of land between the existing boundaries of St. Thomas, St. Phillips, and the Broad Cove River watershed, partly in the town of St. Thomas and partly in the town of St. Phillips.

Within each of these areas a petition will be circulated to the residents to obtain their support for these proposals.

The area in the vicinity of Horse Cove Line which is now within the town of Paradise but which was recommended by the commissioner to be included within the town of St. Thomas will remain within the town of Paradise.

The area and property that is presently within the St. John's metropolitan area and which gains access from Topsail Pond Road will for the present remain



MR. N. WINDSOR:

within the St. John's

metropolitan area; and lastly,

The area currently

within the St. John's metropolitan area between the existing town of Paradise boundary and the Broad Cove River watershed in the vicinity of Evergreen Village, will for the present remain within the St. John's metropolitan area.

The last two of

these will be considered at some later date when the municipal boundaries of the entire region will be reviewed.

In summary, Mr.

Speaker, what I am saying is that under the existing legislation we do not have the power to make the definitive changes that we are recommending. However, we have taken all the information available to us, all the representations, petitions, commissioners' reports, etc., into consideration. We have made some definite recommendations here and what we are asking now is that the people who will be affected express once more their feelings on the issue and in so doing give them their democratic right to express their opinions on which municipality they would choose to live in. We have considered, as best we can, all technical and other reasons for changing these areas. Admittedly these are small or piecemeal changes than we had hoped to make but I think we have to consider the overall boundary issue in the St. John's metropolitan area in a much broader context and any major changes, I think, should be deferred until that time.

Thank you.

MR. SPEAKER: (Mr. Ottenheimer)

Hon. member for

Conception Bay South.

MR. NOLAN:

Mr. Speaker, I rise

to address myself to the statement that was just delivered by the hon. the minister. It is interesting to note that while he has talked about the democratic rights of the individuals concerned,

MR. NOLAN: which we certainly support, we feel that they should be given an opportunity to express through plebiscite of petition their feelings on the matter. I also noted that he stated in the third paragraph, "The Royal Commission on Municipal Government points out very forcibly that the local option feature of the existing legislation which requires local petitions and plebiscites as indicators of community consensus before municipal incorporation can be made or boundaries changed, places in jeopardy the development of a satisfactory municipal development strategy within the Province". What nonsense! I mean, is this the kind of new municipal legislation we are going to see?

MR. SPEAKER: (Mr. Ottenheimer) Order, please! I must point out to the gentleman that he is not straying but sort of going feet first into the area of debate.

MR. NOLAN: Well, I am merely commenting, Mr. Speaker, on the exact wording of the statement.

MR. MORGAN: Sit down.

MR. NOLAN: Stick with the budworm, 'Jim'.

Getting back to this situation again, Mr. Speaker. This is the situation that developed on regional government, no local consultation, not even the councils concerned.

MR. MORGAN: That is not true.

MR. NOLAN: If it is not true why did I and others have to forward copies of the legislation to them?

MR. MORGAN: Why did you not attend some of the sessions that we had?

MR. NOLAN: I did attend some of the sessions. The fact is that the minister is now adopting I am afraid, Mr. Speaker, a sort of arrogance that means he has to defend his position, whatever his little planners and engineers tell him. And then he likes to come before this House attempting to persuade us

MR. NOLAN: that it is his own original idea. The minister should be aware of the fact that in the urban region that he refers to, there have been problems for a long while and there will continue to be problems as long as you have the attitude that is presently demonstrated. Let me give you an example. The minister has in his department a petition from the people in Topsail - Island Pond, for local government going back five years which he and his predecessor and his predecessor have ignored completely. Is that your kind of democratic government? The people in Seal Cove have petitioned for local government within the last year and a half. They too have been ignored. Is that your kind of democratic processing in the Department of Municipal Affairs?

MR. NOLAN: And the interesting point, Mr. Speaker, is this, that within the last five years they have seen fit to incorporate some areas because of petitions but they have ignored others which can only be viewed as the most vicious political bias in any department in this government.

MR. SPEAKER (Ottenheimer): Order, please! Order, please! I must point out the hon. gentleman is quite clearly straying into the area of debate. The subject may be debated but not at this particular time.

MR. NOLAN: Thank you, Mr. Speaker. But anyway at least I am on the record as to how I feel towards this department.

This petition, or the petitions that are now going to be circulated in the referendum may very possibly come up with some situation that is going to indicate, and I would like to hear the minister address himself to this by the way, let us assume that in his enquiry through plebescite, petition and so on that the people who are contacted disagree with everything he says, where does that leave the minister and the department? Does that mean a statement that says, "We will now come to a conclusion when we have more muscle within a new Municipal Affairs Act we are going to bring in." Or just where is it going to leave the minister in this situation? Now I am not against the minister, by the way, at all, not at all on this business of going, as he has indicated, to the people who will be affected to get their reaction. In fact, I will support him on it because I think it is a good thing. But I do feel that within the areas concerned you do have some very serious problems, It would be nice if I could lay all the blame on the minister in this case but it would not be factual to do so. You have very serious regional community

MR. NOLAN: differences there, very serious, you know, and to expect the minister to play God is unreasonable, it cannot be done. In fact, he would be trying to cut a stick to beat his own back. But you have here a situation I feel that can only be resolved if you can bring certain groups together and maybe even knock some heads if necessary and let them determine their own future.

I always find it difficult to believe that because a man is in elected office that he should be the one who can decide all the priorities, all the whims and plans of all the people in each community. It cannot be done, and I think it is nonsense to try to put yourself in that position. The fact is, and this is the reason for municipal government, obviously - I am sure that the minister has seen as I have, where you incorporate some areas and you know from the very beginning that they may be going at it in a wrong way. But you have to give them the opportunity to stand on their own feet and to go at it. And by so doing they are going to make some mistakes. By what we do here in this House, why should they not be given the opportunity?

The situation here is a difficult one because you have some historical patterns. For example, I am sure the minister has run into this, you know where does Paradise begin and where does it end?

MR. DOODY: Here in this House.

MR. NOLAN: Here in this House. Yes. Well if this is your idea of Paradise I do not want to go.

MR. LUSH: Does it begin here or end here?

MR. NOLAN: Does it begin here or end here?

I do not know.

MR. SPEAKER: Order, please! Bearing in mind

MR. SPEAKER (Otteneheimer): the length of the ministerial statement I would ask the hon. gentleman now to bring his remarks to a conclusion.

MR. NOLAN: Thank you, Mr. Speaker. I only hope that I have the advantage of taking advantage, at least, of the same clock as my hon. friend on my left.

But the situation here is going to be now, I would say, thrashed out in meetings and you are going to hear statements of one kind or another on this in the days and weeks ahead. It will be interesting to see how the petitions, if they are going to be circulated, and I would like to hear the minister tell me about this, how they are going to be circulated and by whom? Because unless it is done completely aboveboard you are going to be faced with accusations by one group or another that it has not been done right and all the rest. If you had a magistrate, for example, or someone in that kind of an office who could set up the proper petitioning and the like you may be saving yourselves some grief before it is all over, in my opinion.

AN HON. MEMBER: Hear, hear!

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

MR. N. WINDSOR: Very briefly, since the hon. gentleman has asked me to address a couple of subjects; first of all his last point on who will be distributing the plebiscite is a matter that I am considering and I agree with his comments that it will have to be done in a very impartial matter. However, in mind that this is a petition not a plebiscite which gives you two or three options. What we are saying is, "Here is what we wish you to do, will you sign this petition or not?"

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MR. N. WINDSOR: So it is a simple yes or no issue. So it is not a matter of going out and somebody saying, "We will vote for A, not B and not C." So that will be done in a very impartial manner. It will not be done by either of the municipalities involved. It would, I suggest, be done either by - not by people from the department, we may hire some people to go do it, somebody impartial. Or I would certainly take the hon. gentleman's suggestion of a magistrate to oversee it or something of that nature. It is a very valid

Mr. N. Windsor: point. I will be considering that.

The issue of what happens if the people do not agree. Let me just very quickly look at the three or four areas that we are talking about here. Janal's Road and Hussey's Road, for instance, is simply an area where the subdivisions are outside the town of Paradise into the Broad Cove River watershed area. So it is not a decision do you want to be in Paradise or St. Thomas or anything else, it is a matter of, if you wish to be there and have a permit and have services provided by the town of Paradise then the boundary must be expanded slightly to accommodate this subdivision. So it is almost a situation where the people have no choice. It is either go in Paradise or stay where they are in an illegal area, essentially.

Corcoran's subdivision again, it is a similar sort of issue. There is really no dispute there. It is an issue where the town of Paradise has issued a permit just outside of their boundaries into the St. John's Metropolitan Area Board, and the Board and Paradise both agree that the boundary of Paradise should be expanded to accommodate it. So I do not anticipate any great problem with that, I think the people will agree, and certainly the developer will agree so that he can proceed with his developments. The main concern here is that so many people in this area who have in good faith bought property, who had in good faith gotten a permit, perhaps from the town of Paradise improperly in that the town was not aware that they are outside the boundary, but I do not see any dispute there.

The same thing with the area between St. Thomas and St. Phillips and Broad Cove River, There are no residents in that particular area so it is simply a matter of readjusting a boundary in an area that has no residents. In that case I can do it without a petition. So there will not be a petition there.

And the main one is the Deborah-Lynn Heights, Walter Lynch subdivision, Clarkes-Hillview subdivision. That is an area of dispute so it is simply a matter of saying to the people we



Mr. N. Windsor: recommend that this be within Paradise, do you agree? If not we will have to reassess that one. That is the one area where what the hon. gentleman says may have some validity.

PRESENTING REPORTS OF STANDING AND SPECIAL COMMITTEES

MR. SPEAKER (MR. OTTENHEIMER): The hon. Minister of Finance.

DR. J. COLLINS: Mr. Speaker, I would like to table a document entitled, Departmental Observations On The Report Of The Auditor General for the fiscal year ending March 31, 1978. This document was compiled by the Internal Audit Division of the Department of Finance.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

DR. J. COLLINS: I believe this fulfills a commitment given by the hon. Premier.

ORAL QUESTIONS

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

MR. W. N. ROWE: Mr. Speaker, I would like to address a question to the hon. the Premier. Would the hon. the Premier indicate who is in England, exactly who is in England negotiating on behalf of the government or holding talks on behalf of the government in respect of the oil refinery and First Arabian's proposal to take it over?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Yes, Mr. Speaker, the people representing the government in France and England this past week have been the Deputy Minister of Finance and two people from the Department of Justice, the Assistant Deputy Minister of Justice, Mr. Mercer, and one other staff person from the Department of Justice.

AN HON. MEMBER: I see. Three only?

PREMIER PECKFORD: Two from Finance and one from Justice.

MR. NEARY: Oh, two from Finance. Who are the two from Finance?

PREMIER PECKFORD: Mr. Fearn and Miss Perry and Mr. Keith Mercer, Assistant Deputy Minister of Justice.

MR. W. N. ROWE: A supplementary, Sir.

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

MR. W. N. ROWE: Miss Perry and Mr. Mercier and Mr. Fearn.

Miss Perry, who is that? Is she an official of the Department of Finance? What capacity does she have in the Department of Finance?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Yes, Mr. Speaker, she is Director of Internal Audit for the Department of Finance.

MR. W. N. ROWE: I see. Director of Internal Audit.

A supplementary, Sir. Would the Premier indicate just who these three people are negotiating with?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: All the parties who are involved in the Come By Chance oil refinery, all the different parties, Well, that includes, of course, the First Arabian Corporation representatives as well. ECGD -

MR. W. N. ROWE: But who would they be?

PREMIER PECKFORD: I do not know if the hon. Leader of the Opposition is aware of what has been happening at Come By Chance over the last two or three years. But if the Leader of the Opposition is aware, I guess he recognizes that a number of the parties that are involved in it are ECGD and the other people who have some financial involvement or are working on behalf of other parties who have some financial involvement, and the ongoing initiatives by First Arabian Corporation as a result of their proposal to the receiver.

MR. W. N. ROWE: Who in France, Mr. Speaker?

MR. SPEAKER: A supplementary?

MR. W. N. ROWE: Mr. Speaker, if I may address a further supplementary, who in France is involved in any way in the First Arabian proposal? Who in France? You mentioned France as well as England.

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Yes, Mr. Tamraz representing the First Arabian Corporation and representatives of Ashland Oil, as well as representatives of ECGD and of other parties either directly or indirectly involved in

Premier Peckford: the overall present financial position of  
Come By Chance.

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

MR. W. N. ROWE: Mr. Speaker, there was some indication in  
the press yesterday, as a result of a statement by the Minister of  
Finance (Dr. J. Collins), that there may be some difficulties

MR. W. ROWE: in some areas of negotiations,  
Would the hon. Premier indicate to us and to the public what areas may be in trouble?

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

PREMIER PECKFORD: Mr. Speaker, I think the Minister of Finance indicated that we have not given as we stated here in this hon. House some time ago when we talked about the Come By Chance oil refinery and put the government's position clear, that we had not accepted in total the First Arabian Corporation's proposal, that we wanted to pursue some of the initiatives that First Arabian Corporation indicated in their proposal. So we have not perceived the exact location, if I may use that word, of difficulties. We are reviewing and getting information from the First Arabian Corporation.

The delegation will be back today from France and England at which time, then, the government will be briefed on the information that they received. As the Minister of Finance has already indicated I think to the public, we are hopeful that a meeting with the First Arabian Corporation and other interested groups in the refinery will be held here in Newfoundland in the next week.

MR. NEARY: Other groups?

PREMIER PECKFORD: Mr. Speaker, groups involved in the Come By Chance oil refinery who already have an interest therein to pursue the First Arabian Corporation's proposal. Where any difficulties might lie we do not know at the present moment exactly. We want to pursue crude oil supply, we want to pursue and nail down the financial arrangements First Arabian Corporation have, we want to get into the whole exact costing of the rehabilitation process. We want to get into the whole question of Ashland Oil and their involvement as operator of the refinery. We want to get involved in the exact

PREMIER PECKFORD: marketing possibilities or arrangements that First Arabian are pursuing with Ashland Oil. So these are all the areas as well as environmental questions that will come up simultaneously with these other financial arrangements. So all of these areas are areas that have to be nailed down as well as the creditors, the local creditors and so on. So all of these are areas, one can use different words to describe them, they are areas that have to be finalized and if one wants, therefore, to define that as a difficulty well then one can put whatever judgement or phraseology to describe it on it that one wishes. We like to describe the situation presently as obtaining additional information from the First Arabian Corporation on these areas which have to be nailed down before we as a government can give our blessing to the proposal.

MR. W. ROWE: A further supplementary, Sir.

MR. SPEAKER (Ottenheimer): A supplementary.

MR. W. ROWE: It was the Minister of Finance who, by his perhaps premature statement, has raised anxieties among people that there may be some difficulties involved. Some apparently, senior officials go overseas and then a report comes back and there is a tip given by the Minister of Finance to the press that there are some areas of difficulty that are not resolved and everybody is coming here to Newfoundland, Sir, so the hon. the Premier perhaps should address himself a little more specifically to that particular area, and areas of difficulty.

Let me ask him one specific question. Would it be a fair statement or a true statement that the source of the crude to First Arabian Corporation would be an area of grave concern which has not yet been nailed down

MR. W. ROWE: in any way by First Arabian Corporation to the satisfaction of the government?

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

PREMIER MOORES: Mr. Speaker, if the Leader of the Opposition wants it described as I have already indicated, you know, the word difficulty, there are difficulties with anything to do with Come By Chance oil refinery until we in our own mind are secure in the knowledge that a proposal can fly, that the Come By Chance oil refinery will be open and that it has a long-term future. So the word difficulty I think is being taken by the Leader of the Opposition to indicate an inflated kind of problem which we at the present moment do not anticipate. Whether in fact it will happen or not we do not know. So I do not think the Minister of Finance's statements - I thought the Minister of Finance's statements on the matter were extremely accurate, that we are trying to indicate to the Newfoundland people that we are pursuing a proposal for the reactivation of the Come By Chance oil refinery, whether, in fact, it will succeed, this proposal will succeed will depend upon a whole bunch of factors, one of which leads me to the response to the Leader of the Opposition's question on crude oil supply. As I mentioned in my previous answer there are a number of questions which have to be resolved to the satisfaction of the Newfoundland government. One happens to be a firm crude supply for that refinery. Obviously, another one has to be the market for the refined product. Another has to be finance ability.

MR. NEARY: A source contract, in other words.

PREMIER PECKFORD: And you know these things have

PREMIER PECKFORD: to be nailed down, hard and fast. And that is what we are in the process of doing with the First Arabian Corporation now, getting all the information, the terms of the contracts, the whole thing on crude oil supply, the whole thing on finance ability with the backers, financial backers as well as the equity participation, The cost of rehabilitation nailed down, who is going to do the rehabilitative process, what contractor and the cost that will be, All of these are the factors which went into the statement that I delivered here in the House a number of weeks ago. And one of the areas that has to be finalized is crude oil supply. Whether it is a difficulty or not I do not know at the present moment.

MR. S. NEARY: Are you insisting that it be a source contract?

PREMIER PECKFORD: Mr. Speaker, may I conclude before the Opposition House Leader interjects there.

MR. SPEAKER: Order, please!

PREMIER PECKFORD: Whether the crude oil supply is a difficulty or is a problem over and above the way I perceive it at the present moment well I will better able to answer that later on today or Monday when we are fully briefed on the information that the delegation has for us.

MR. S. NEARY: Shocking! Shambles! The whole thing is a shambles.

MR. W.N. ROWE: A supplementary, Sir.

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

MR. W.N. ROWE: The tone and tenor of the Premier's answers are enough to frighten you to death. He is saying, am I correct in assuming, that a month or more, five weeks after the Premier has made his statement in this House of Assembly - I guess it must be that long ago now. I do not have it in front of me here. It was before the House adjourned I think, or recessed - that we still do not have nailed down in any satisfactory way some of these most essential conditions, financing and so on but particularly the source of crude without which

MR. W.N. ROWE: no oil refinery can ever operate. we are still involved in trying to get from First Arabian Corporation some kind of a firm commitment as to where they are going to get their crude oil supply for the Come by Chance oil refinery? Would that be a correct assessment of what the Premier is saying here today?

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

PREMIER PECKFORD: Mr. Speaker, I am saying that we want to see the contracts, the length of period, the kind of - does the Leader of the Opposition understand that even the kind of crude might be important in this? The question of the contract on crude oil supply is one thing but also another factor in the whole question of crude oil supply is the kind of crude that will be supplied. Because the question of the kind of crude leads one then to the refining process that will have to be used at the refinery, number one; and the environmental questions that will have to be answered. Because there is some crude oil in the world which has a high sulphur content. There is other crude oil in the world which has a low sulphur content. And whether the crude oil is a low sulphur content is one consideration as it relates to environment and if it is a high sulphur content then there is another consideration as it relates to the environment. So that whole question is not one of simplistic notions that are now being concocted in the mind of the Leader of the Opposition as to whether, in fact, we know of a crude oil supply per se but there are many variables contained in the whole crude oil supply which have to be answered. And in a general way, and that is the only way I can answer the Leader of the Opposition's question yet until I have all the specifics on the whole thing so we do not piecemeal look at this very huge, large problem, is that there are many factors in this whole crude oil supply that I am talking about when I answer the question in the way I am now answering it.



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

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

MR. W.N. ROWE: It is completely shocking, Sir, that these basic fundamental questions are still completely unresolved. We are talking in terms of -

PREMIER PECKFORD: But the refinery is not open.

MR. S. NEARY: With the other proposal -

MR. W.N. ROWE: Would the hon. the Premier indicate whether he is now a little sorry perhaps that they precipitately, prematurely barred the door to the "Other" I use the "Other" in quotes the "Other" legitimate, apparently valid proposal regarding this oil refinery?

MR. SPEAKER: The hon. Premier.

PREMIER PECKFORD: Absolutely not, Mr. Speaker. We are convinced in our own minds as much as we were three or four weeks ago, that the proposal that was accepted by the receiver, which has now been confirmed by other people, that this was the best proposal on the table, of the two, and that we are pursuing all the factors in that proposal to ensure that this deal is a good deal and that it will see the long-term viability of the Come by Chance oil refinery secured. And we are very much of that notion, we are not going to suddenly as - I think this shows, Mr. Speaker, one of the distinct differences between the approach that the Opposition is taking and the government is taking. As we did on:linerboard, we are going to be sure as a government that we have the long-term, best interest of the people of Come by Chance and Newfoundland in mind before we give a final okay.

MR. S. NEARY: Just like the Lower Churchill!

PREMIER PECKFORD: Because we say we are indicating a direction does not mean finality on our part for a resource development activity in this Province. We are going to be sure that every 'i' is dotted and every 't' is crossed. There shall be no more ad hoc, partly approved projects go ahead in this Province. We want every single

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PREMIER PECKFORD: thing from a to z totally confirmed  
before we give our green light to that kind of a proposal.

SOME HON. MEMBERS: Hear, hear!

MR. S. NEARY: You are making a fool of yourself, boy!  
You are making a fool of yourself!

MR. W. N. ROWE: A final supplementary, Sir.

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

MR. W.N. ROWE: I notice the government members are

MR. W. N. ROWE: the appearance of whistling past the graveyard again.

The Shaheen proposal - correct me if I am wrong - Did the Shaheen proposal have a source contract, a firm deal whereby the source of the crude was available and committed to them if they were to run the Come By Chance refinery?

MR. NEARY: Yes, they did.

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

PREMIER PECKFORD: I will refer the Leader of the Opposition to the Thorne Riddell report which was tabled here in this hon. House, which gives the whole question of the Shaheen proposal which the Thorne Riddell group, as well as the receiver, proved to be not a feasible proposition for the reactivation in long-term best interests.

MR. NEARY: What about the crude? - the crude contract?

PREMIER PECKFORD: And that is the whole question that has to be addressed.

MR. NEARY: Oh, do not be so foolish -

MR. SPEAKER: Order, please! Order!

PREMIER PECKFORD: And if the Leader of the Opposition is supporting the Shaheen proposal let him say so. I mean, let us not try to escape it and disguise it into certain small or large factors which might go into that proposal.

MR. W. N. ROWE: Mr. Speaker -

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

MR. W. N. ROWE: - that is the most - 'repulsive' is the word used by the hon. the Premier yesterday about something else. I am trying to find out, Sir, by way of a preamble, what is the best proposal, the best deal for this Province. I carry no brief for

MR. W. N. ROWE: anybody, Shaheen, certainly not FAC, as the hon. the Premier has indicated. I would say though, Sir, that in keeping with the great majority of the people of this Province that there is a sympathy for the Shaheen proposal and the efforts which that gentleman and his workers have made to try to recapture or regain the refinery and get it going again. I mean, anyone would be blind if that were not so.

MR. NEARY: You have been poorly advised, 'Brian'.

MR. W. N. ROWE: Would the Premier indicate when Mr. Tamraz and his entourage are going to be in the Province -

MR. NEARY: John Cabot.

MR. W. N. ROWE: - exactly - and when the hon. the Premier expects to be able to announce to the people of this Province whether the basic fundamental problems now affecting the First Arabian Corporation proposal are going to be resolved? Now we have a deadline of the 30th of June, I think, on that proposal. Is that the date, June 30th?

MR. NEARY: Yes.

MR. W. N. ROWE: Would the Premier indicate whether he is going to go to the deadline of June 30th on it or whether, when he meets with Mr. Tamraz and his associates now in the next week or so, I would assume, if it looks as if the deal is not going to fly from First Arabian Corporation's point of view and the government's point of view, the government will then welcome other proposals from other people to try to get that refinery reactivated?

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

PREMIER PECKFORD: Mr. Speaker, I think we have demonstrated in the last three weeks the expeditious

PREMIER PECKFORD: manner in which the government is trying to approach this very vital issue in the Province of Newfoundland today, because we have initiated meetings on almost a daily basis to try to push the thing along as fast as possible and still not jeopardize some of the important factors which must go into any kind of decision. There were meetings in Toronto which were held on the whole question of Come By Chance, there are now meetings all this week in Paris and London, and there are meetings next week here in St. John's, which goes to show that we are trying to push this. And if we can get the kind of deal that we want, based on the conditions mentioned in this House a number of weeks ago, and do it within the time frames outlined by the Leader of the Opposition, which we would hope will be kept by June 30th, then we will do it. To give any firm, definitive commitment this morning, Mr. Speaker, is totally impossible, given the complex nature of the whole situation, but we are pushing as fast as we possibly can and physically can to get all the parties at the table so that we can do it. And we will continue to do that and hopefully, resolve the situation and have Come By Chance agreement in place before June 30th. To give a firm, definite commitment that that, in fact, will happen is totally beyond me to do at the present moment, but as I am sure the Leader of the Opposition agrees, we have been working diligently in the last three or four weeks, the Minister of Finance (Dr. J. Collins), the Minister of Mines and Energy (Mr. Doody), the Minister of Industrial Development (Mr. Maynard) and all the people involved in this refinery proposal from the government and from the various departments, to put it in place as quickly as possible. And it is not easy, as everybody knows, to get eight or ten or fifteen people,

PREMIER PECKFORD: some of whom might be in Canada, some of whom might be in Newfoundland, some of whom might be in London, England, some of whom might be in Paris, France together, and we have succeeded in doing that now in the last three weeks on a weekly basis to finalize and conclude this kind of a proposal. So we are working quickly on it, as fast as we can, and the Leader of the Opposition can be informed that as soon as there is definite information and decisions by government, he will be the first to know about them.

MR. NEARY: Mr. Speaker.

MR. SPEAKER: (Mr. Ottenheimer) The hon. the member for LaPoile followed by the hon. gentleman from Terra Nova.

MR. NEARY: Mr. Speaker, it is too bad we have not had live broadcasts and television cameras in the House of Assembly in the last few weeks, Sir. That leads me to

Mr. Neary: my question because we happen to be in favour of it on this side, Up to now, Mr. Speaker, the government have refused to give consent -

MR. W. N. ROWE: Although they put -

MR. NEARY: - even on an experimental basis, As Your Honour knows, the matter was discussed a couple of years ago to allow live broadcasting of the daily proceedings of the House of Assembly. So I am going to ask the new Premier now what his feelings are. In view of the changing times and the electronic age that we live in, does the hon. gentleman think that now it is time to have live broadcasts of the daily sittings of the House of Assembly and allow the microphones and the television cameras to come in on the floor of the House?

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

PREMIER PECKFORD: Mr. Speaker, I am still asking people around the Province that question, and the vote is not coming out very good at all.

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

MR. SPEAKER: A supplementary.

MR. NEARY: The hon. gentleman, Sir, did not really answer the question, he sidetracked it. Sir, just in a preamble I would like to say, Mr. Speaker, that we on this side of the House would look upon it very favourably if a proposal came forward now, Sir. Obviously the government is afraid to allow the people to see what goes on in this House. Does the hon. Premier not agree that by allowing the television cameras to come into the House, and the microphones to come in for the daily sessions of the House, That not only would it be a major reform, but it would be highly informative and educational and the people would be able to judge for themselves who the real culprits are as far as behaviour in this House is concerned?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, it is a concept which, in many provinces, is now being tried. And I think in our decision of last year we indicated that we would be in touch with some of the other provinces like Alberta where it is being tried, to see how it is working out and give the House of Commons time for their televising to have some impact upon the public to see just what kind of a decision we would make. And undoubtedly, I am sure I speak for most of the members on this side, we are willing to reconsider the matter in the coming year.

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

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

MR. NEARY: I believe Your Honour has done considerable research work into the use of the electronic devices on the floor of the House of Assembly, and Your Honour could probably make this information available to the hon. the Premier as well as to the Leader of the Opposition. But, Mr. Speaker, in view of the fact that we now have cable television, and in view of the fact, Sir, that the House of Commons in Ottawa is allowing live broadcasts of proceedings of the House of Commons, and we pattern ourselves, Mr. Speaker, after Westminster, the House of Commons in England, they are using live broadcasts, allowing live broadcasts of the House of Commons in England, so, Mr. Speaker, to come back to my original question where the hon. gentleman side-tracked, does he not now think that it is time that we faced this matter fairly and squarely and allowed live broadcasts and televised broadcasts of the daily sitting of the House of Assembly here in this Province?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, one of the factors in considering television broadcasts and that in a parliament in any jurisdiction, and I think the Opposition House Leader put his finger on one of the important factors, is the totality of the coverage of any kinds of proceedings because otherwise you get into just certain parts of a proceeding which



Premier Peckford: could affect negatively the overall attitudes that people have towards the parliament. In that regard the Opposition House Leader representing a rural district recognizes that when he says, We have cable television, he is not saying that the people of Newfoundland have cable television, he is saying that the people of St. John's, some of the people in St. John's, some of the people of Grand Falls, some of the people of Gander, some of the people of Deer Lake, Corner Brook and Stephenville -

MR. NEARY: Port aux Basques.

PREMIER PECKFORD: - and Port aux Basques, but very few others outside of those more urban centres are right now involved in cable television. In fact, as we found out from petitions in this hon. House in the last number of days there are a number of areas of the Province where they do not have CBC yet, and a lot of areas that do not have CTV. It just so happens, Mr. Speaker, that in the community in which I reside we did not have any television coverage until a year and a half ago by CBC, and that is all we get right now. So there are a lot of areas of the Province that do not have cable television, and because they do not have cable television it will be difficult to get the

PREMIER PECKFORD: the proceedings of the parliament in their totality. That is one of the major factors to be considered in deciding upon coverage of a parliament to the people of the Province.

MR. NEARY: Mr. Speaker, a supplementary .

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

MR. NEARY: Mr. Speaker, the hon. gentleman overlooked the fact, of course, that the CBC have radio and I suggested radio and television broadcasts, live broadcasts and televised broadcasts. The CRTC are now on the verge of making it compulsory for CBC, the publicly owned radio and television network to have more Canadian content, to go from seventy-five per cent I believe to ninety per cent. So in the light of this, this might be the opportune time. And does the hon. gentleman not agree that the CBC radio and television could pretty well cover the whole Province? I was only thinking about cable television to show the thing in its totality, as the hon. gentleman said, whereas the other stations might not be able to do this. But certainly if we agreed to do it the Question Period would have to be shown, the whole half hour, otherwise it could be misused and abused. So I ask the hon. gentleman if he would care to comment on that matter that the CBC have to increase their Canadian content so why could they not just carry the daily sittings of the House of Assembly?

MR. SPEAKER: The hon. Premier.

PREMIER PECKFORD: I will have to ask Mr. Johnson that question, why could they not. The whole question of television in this country as the Opposition House Leader knows, is one which finds itself now that the more Canadian content we get in a Canadian television production, the more Canadian content we get across CBC the lower the ratings. Mork and Mindy and Barney Miller seem to have a greater attraction for the majority of Canadians

PREMIER PECKFORD: than does the goings on in our parliament or even some Canadian ballet or some other cultural activity which is supposed to help give us a greater identity of ourselves. But that aside I think the concept is sound, it is just a matter of the methodology to insure that there is a good representation of the proceedings so that no party or individual is maligned as a result of that coverage.

MR. SPEAKER: (Mr. Speaker) Hon. member for Terra Nova I have indicated and then Burgeo Bay d'Espoir and Conception Bay South.

MR. LUSH: Mr. Speaker, I have a question for the Minister of Labour and Manpower (Mr. Dinn). The question relates to the setting up of this co-ordinating committee to study the dust problem in Labrador West. Mr. Speaker, in view of the number of studies and enquiries that have previously been conducted in the Labrador West area relative to the health and safety and indeed the overall working and social conditions in that area, and in view of the fact that somebody is going to have to pay \$1.5 million for this study my question to the minister is, in view of these factors what precisely does he hope to achieve by setting up this committee, or what precisely does he hope will be learned or brought to light that is not already known about the danger imposed to the health of people by the dust and already what is known in terms of minimizing, alleviating or completely removing the health problems to the workers caused by the dust from the mines?

MR. SPEAKER: The hon. minister.

MR. DINN: Mr. Speaker, I have not been in the portfolio very long but since I have come in I have read just about every report that was written about the Labrador City - Wabush area and to my knowledge there have not been too many reports identifying the problems and telling us what the solutions to those problems are in Labrador City and Wabush and in the townsite and the environment down there. We

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MR. DINN:

have had ten studies. We have had studies on contracting out, we have had studies on accidents, we have had studies on many things in Labrador City but we have not had very much information. I have travelled in the past two weeks, Mr. Speaker, to Montreal, I have read a lot of the information that was available to me through the Mines Inspection Division in the Department of Labour and Manpower and in the Department of Health and I have read reports by Dr. Edstrom and several other people in the Province. I have communicated what we feel should be done in Labrador City

MR. DINN: city and Wabush to the presidents of the companies, to the presidents of the union. I have talked to the people down in Labrador City-Wabush. I had a meeting with some fifteen or twenty people in Labrador City-Wabush who wanted to have some input when I was down there, who came forward and talked to me about it.

Mr. Speaker, we want to find out what all the problems are, but before I disclose exactly what government wants to do, what, as I understand at this point in time, the union wants to do and what the company wants to do and, Mr. Speaker, what we feel will eventually, hopefully solve most if not all of the problems down there, I will be informing the House when I conclude my negotiations with the companies and the unions as to just about everything that we intend to do, all the things that we plan to do down in that area and I will be making a ministerial statement when I get some of the plans finalized.

MR. SPEAKER (Ottenheimer): A supplementary.

MR. LUSH: Mining, Mr. Speaker, is not exactly a new industry, certainly there must be situations throughout Canada and throughout the world that have this same kind of problem, have the same kind of open-quarry mining as we do in Labrador West and certainly there must be some ways and means, some methods of control that can be brought in without having to spend this exorbitant amount of \$1.5 million. So could the minister comment on that?

MR. SPEAKER: The hon. Minister of Labour and Manpower.

MR. DINN: Yes, Mr. Speaker, first of all it is a very preliminary estimate as to what the costs of the studies will be. Yes, there are other areas in the Country and in the world where open-pit mining takes place. Yes, they

MR. DINN: have similar problems. But that is not the only area that we would like to have a look into. Inside the plant, the mill, the pelletizing operation, the mine itself, the environment in the towns down there, there is the health of the people and what the complete status of that is, what the problems are. There are some problems identified. We do not know what all of the problems are. We have not got all of the things that we need identified, nor do we know what all the solutions are. But as I said to the hon. member, Mr. Speaker, this House of Assembly will know when we conclude, when we find out what we think will be the solution to the problems down in Labrador City and Wabush I will be making a Ministerial Statement in the House and informing all hon. members.

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MR. NEARY: Mr. Speaker, I would like, Sir, to raise a matter that I feel deserves recognition by this hon. House. Members are probably aware, if they have been listening to the news at all, Sir, that the battle of the Atlantic will be remembered on Sunday coming. Hon. gentlemen will recall that some forty years ago Newfoundlanders who enlisted, especially those who went in the Royal Navy, really started the commencement of the Battle of the Atlantic in October of 1939. I believe that is the approximate time that the first naval draft left Newfoundland for overseas. Now on Sunday coming, Mr. Speaker, the Battle of the Atlantic parade will be held here in St. John's. It will start down by the St. John's Memorial Stadium and proceed to the Hotel Newfoundland and then, I understand, go down to one of the churches downtown where they will have an ecumenical service. And in Harbour Grace and in various other communities throughout

MR. NEARY: the length and breath of this Province, Sir, the Battle of the Atlantic will be remembered. And those of us in the House who are old enough to remember, of course, will remember the Battle of the Atlantic because it was brought very forcibly home to us in this Province. We were not a province at the time, we were a dominion, as Your Honour will recall when four ships were torpedoed right out here in Conception Bay on anchorage, right off Bell Island, and the Caribou going back and forth across the Gulf between Port aux Basques and North Sydney, was torpedoed with a very heavy loss of life. So we remember it well, Sir, and it is a part now of our history, a part that we would like not to have but it is there. So the Battle of the Atlantic was very savage and involved many many hundreds of Newfoundlanders. There was hardly a CONVOY that went across the Atlantic, Sir, when you did not have Newfoundlanders aboard practically all of the ships.

So I believe, Mr. Speaker, that it would be most appropriate indeed if we in this House showed our esteem, the esteem which we hold for the veterans, the Canadian Legion, especially the naval veterans,

MR. W.N. ROWE: Merchant Marines.

MR. S. NEARY: and the Merchant Marines and those who participated and will be remembering the Battle of the Atlantic on Sunday coming. And I believe it would be in order if Your Honour drafted a suitable message - I know it is kind of late now - to be sent out from this hon. House to the appropriate officials, stating the fact that the House of Assembly has recognized the remembering of the Battle of the Atlantic and the esteem in which we hold those who participated, both in the Royal Navy and in the Merchant Marines.

MR. W.N. ROWE: Hear, hear.

MR. SPEAKER: (Ottenheimer) The hon. Minister without portfolio.

MR. W. MARSHALL: Mr. Speaker, we wish to associate ourselves with the remarks of the hon. member for LaPoile (Mr. Neary). I think it would be more appropriate if these matters were brought up before but this is the way it is chosen to be. He could have mentioned it to us before but that is not the way things operate apparently.

But, Mr. Speaker, it was just yesterday that the Cabinet met with the Royal Canadian Legion, listened to their concerns in a very interested manner and we had a very good exchange with them. I do not recall at the time that this anniversary was mentioned but, of course, everybody on this side, as most people in Newfoundland, are fully aware of the fact that this Sunday is Battle of the Atlantic Sunday and we certainly associate ourselves with the remarks and that an appropriate message be sent to the appropriate authorities, which would be the Royal Canadian Legion.

MR. SPEAKER: It is moved and seconded that a suitable message expressing the House's sentiment be forwarded with relation to Battle of the Atlantic Sunday. Those in favour, "Ay", contrary, "Nay", carried.

#### ORDERS OF THE DAY

MR. SPEAKER: Order 13, the adjourned debate on Bill No. 15.



MR. SPEAKER: (Ottenheimer) The hon. minister.

MR. DINN: Yes, Mr. Speaker, I opened my remarks yesterday afternoon.

MR. SIMMONS: (Inaudible)

MR. DINN: Mr. Speaker, before I start my few words and I will not be speaking for too long, is there any possible way that I can call upon the Chair, at the first of my remarks, for silence while I am speaking.

MR. SPEAKER: All hon. members do, of course, have the right to insist upon strict adherence of the rule prohibiting interference or interjection. I draw to the attention of hon. members that the hon. minister has so requested and, obviously, all hon. members are advised to comply therewith.

MR. J. DINN: Thank you, Mr. Speaker.

Mr. Speaker, today we are discussing a bill, an act, to provide for the ratification of the sale of Labrador Linerboard Limited and the conversion of the Linerboard mill to a newsprint mill.

Now, Mr. Speaker, I first of all have to say at the outset that I am proud to be part of an administration to bring this kind of bill into this House of Assembly. We had a tragedy last year in this House when the hon. Minister of Mines and Energy and Minister of Industrial Development went out to Stephenville to talk to the people and to tell the people that the Linerboard mill had to close. Mr. Speaker, I listened to the debate in the House at that time and I listened to the words of the hon. the member for that area, the member for Stephenville (Mr. W. McNeil), and, Mr. Speaker, no one in this Province - there is not a man, woman or child in this Province who did not realize the sad situation that was happening out in the Stephenville area at that time. It was another one of those great developments, Mr. Speaker, that was thrust upon us when we came into the House of Assembly in 1972. A colossal mess, Mr. Speaker, is the only way you can describe it. Where not the Government of the Province

MR. DINN: was going around this world guaranteeing the funds of the people of this Province to try to start an industry in this Province, but a promoter now residing in Panama went around Europe with all the guarantees in his back pocket, the Orders in Council in his back pocket, Mr. Speaker, to try to start an industry - an industry, Mr. Speaker, that has proven to be ill-conceived from its inception. And, Mr. Speaker, we arrived last year at the sad, sad time when people had their hopes dashed because we had in a part of our Province an operation that was ill-conceived at the beginning, that rose their expectations and that eventually had to be closed down.

Now, Mr. Speaker, the decision to close down the Labrador Linerboard mill was not an easy decision. It was one that many ministers who were ministers at that time recall, the amount of talk, information, trying to find other ways, days and hours, weeks and months of attempting to find a solution to an impossible problem. Mr. Speaker, at that time it was one of the low periods in my time as a member of the House of Assembly and as a minister of government.

Well, Mr. Speaker, we did not just close it down and walk away and say, 'That is it.' We had some pretty dogged people - ministers, officials, union people, entrepreneurs who offered their services, helped out, and they went around the world, they talked to some forty or fifty companies to see if there was some interest in trying to make an impossible situation something that was viable, something that could operate, something that could work.

Mr. Speaker, as I said when I opened, I am proud to say that we have here what seems to me to be the start of a very successful operation.

MR. DINN: We have a company that is willing to put up its money, \$43,500,000 for the mill - not to operate it as a linerboard mill but to convert it to a pulp mill, and, Mr. Speaker, not only are they confident, not only are they happy, not only are they relatively sure that this will be a successful operation, but, Mr. Speaker, they are guaranteeing its success by saying, 'If it is not successful, we will pay up the \$30 million.' That is something for a company to say, Mr. Speaker, in this day and age. They are saying 'If we do not produce 75,000 tons of product by September, 1982, we will pay the provincial government \$3 million.' That is a pretty big wager, Mr. Speaker, with things the way they are in the world today. And they are saying that they will continue that for ten years and they will pay \$3 million a year as a guarantee of their intent, their integrity, their faith in this industry as a pulp operation and as an industry, as part of the great Abitibi Price group.

When I saw the agreement, Mr. Speaker, when I went through the agreement, and I did, I walked through it clause by clause and I said, 'Here we have a company - we had an operation that I would not have given and I would not have thought anybody would have given a dollar for a year ago. We have an operation where a company can come in and say, 'We will give you \$43,500,000

Mr. Dinn: and not only are we confident that we will make this a success, but, they say, 'if we do not produce what we say we will produce we will give you \$3 million a year for every year we do not up to \$30 million.' That is a pretty good guarantee. I have not seen too many guarantees of a company's success before, in an agreement with a government, as we have in this agreement, Mr. Speaker. I think that is fantastic, Mr. Speaker, I think that is fantastic. I cannot think of one. I cannot think of one time before where that happened, that not only did a company come into Newfoundland and put up that kind of front money, say to the government here is \$43 million, we will pay you \$6 million on the closing date, we will pay you \$10 million December 31, 1979, and we will pay over four years from 1982, I believe it is 1982 to 1985, we will pay \$6,875,000 for a total of \$27.5 million, with the \$10 million and the \$6 million, \$43.5 million they will pay cash dollars, and they will guarantee the success of that operation. They say, We are not just talking off the tops of our heads, We are so confident that this will fly, that if we do not produce 75,000 tons in the first year of operation we will pay the Newfoundland Government \$3 million, and we will continue that for ten years, If we do not produce in the second year we will pay \$3 million, If we do not produce in the third year we will pay \$3 million. As a guarantee that this will be a success, they are guaranteeing by saying we will pay you \$30 million if it is not a success.

MR. SPEAKER (MR. CROSS): I wonder would the hon. minister yield for a moment?

MR. DINN: Certainly.

MR. SPEAKER: I am pleased to announce there is a group of students from the Pentecostal All Grade School of Middle Arm and Green Bay in the galleries accompanied by their teacher Mr. O. P. Shana. I am sure all members of the House would extend a welcome to them and hope that there is something to learn while they are here.

SOME HON. MEMBERS: Hear, hear!

MR. DINN: Now, Mr. Speaker, I heard most of the speakers in this debate, but I unfortunately missed the hon. member for St. John's East (Mr. Marshall) in most of his remarks yesterday as I had business outside of the building. But, Mr. Speaker, I am sure that that hon. member outlined the position of government very clearly and concisely with respect to this piece of legislation which ratifies an agreement signed by a minister of the Crown on behalf of the Government of this Province. I am sure he handled the situation very well. And, Mr. Speaker, I do not have a lot of words to say about this, but I do want to say that I want to associate myself with one of the most successful agreements that I have ever seen since I have come into government and before I came into government.

We did not ask somebody to come into this Province and say, Here anything that you want to do you can do we will guarantee. Anything that you want to do as long as you think you can get something going we will guarantee. Here is an Order-in-Council, go to the financial institutions, you have a blank cheque. It was a company, we went to forty-two companies, I believe, forty-two major companies in this world, approached them all, listened to all of their proposals. We never got one proposal that a company would operate as a Linerboard mill. Yes, we did get one, I believe, one proposal to operate this Linerboard mill. The company knew it was a losing proposition, but they had markets to fill and they were willing to operate for a little while, and they made a proposal, a five and ten cent offer, Mr. Speaker.

Well, Mr. Speaker, we have held out. We sat down, we negotiated. We talked to the principals, reputable people in this world, and the hon. the member for LaPoile (Mr. Neary) in speaking in this debate attempted to cast a shadow over some of the people that were involved in this, Mr. Speaker. But, Mr. Speaker, these negotiations went on. All the people were involved, the unions were involved, the companies were involved, entrepreneurs in this Province, people who have a good reputation in this Province were involved, the Advisory Committee,

Mr. Dinn: the Divestiture Committees that were set up, the concern that government had to look after the workers, Mr. Speaker, and to give us time so that we could go out into the world markets and go out and talk to the different companies and try to find a solution to what appeared to be in the beginning an impossible situation.

Well, Mr. Speaker, that solution is here. That solution, Mr. Speaker, is here

MR. DINN: in this bill that will ratify an agreement signed by ministers on behalf of government. And, Mr. Speaker, I am extremely proud to stand in this House to not only support this bill but to talk a little bit about some of the things that are included in the agreement, some of the things that concern the people of the Stephenville-Bay St. George area. Mr. Speaker, they put their dollars in, they spent their \$43.5 million and they said if it fails and we know it will not but to guarantee, to make you people sure, to give you confidence in what we are trying to do here we will guarantee, we will pay you if we do not produce. Mr. Speaker, what are some of the obligations that the company has under this agreement? One of the conditions, Mr. Speaker, immediately upon completion of the purchase, they will commence-and, Mr. Speaker, they have started almost now, fifty jobs in the next couple of weeks, 250 to 300 before this year is out, Mr. Speaker, just in the conversion process. Mr. Speaker, the company took fifty employees that were out there, fifty employees that were working to preserve the mill as it was so that it would not deteriorate, they took those employees on. Mr. Speaker, they signed as part of the agreement that they would hire people from the area - a concern that we had at the time and was put into an agreement between the government and the company.

Now, Mr. Speaker, there are going to be 250 to 300 jobs out in Stephenville directly associated with the conversion of the mill and a lot of people are concerned about getting a job out there. Mr. Speaker, in Newfoundland today we have unions and I am a supporter of unions. I think some unions are good and some unions are bad but unions, basically, one has to support in this day and age. A negotiating committee by the union, to go in and sit down with the company and try to work out different working agreements. We have a construction union in this Province, Mr. Speaker, that will obviously get involved in the conversion

MR. DINN: from Linerboard mill to a pulp operation and will possibly be the union that the company and the contractors and the subcontractors will negotiate with for people to be employed. So, Mr. Speaker, when I heard this I said Well, I cannot wait until we have a problem out there, I cannot wait until we have people blocking the roads, pickets up, everybody screaming. So, Mr. Speaker, the first thing I did was call in the construction trades, the Newfoundland construction trade unions and all of their representatives - there were some fifteen or twenty people in my office last week, I talked to them and I said, now gentleman before a problem develops we have an agreement between the government and Abitibi to employ where possible people in the Bay St. George area. They said we see no problem with that, we have more than 250 or 300 people unemployed in the Bay St. George area and we will say to you now that we will employ the people in the Bay St. George area first. There is no problem. We have more than the number of people required in the conversion and we are willing to get at that conversion, and we are willing to jump in there and we are willing to help out and we do not want to cause any problems. Mr. Speaker, they said to a man, every union representative that was in my office said to a man that we will hire in the Bay St. George area first. So, Mr. Speaker, we have little groups forming,



MR. DINN: we have things happening out in the Bay St. George area. We have a little bit of confusion and I want to allay the fears of the hon. member for Stephenville (Mr. McNeil), he is not in his seat at this point in time, of the people in the Bay St. George area, that inasmuch as can be done is done with respect to guaranteeing them employment in the conversion of that mill and in the mill when it is converted and in operation out in Stephenville. I do not know what a government could do more. Going through the negotiations in trying to develop an agreement with the company for all 't's' to be crossed and 'i's' to be dotted and all of the concerns that were with the negotiating committees at the time to think of the little things, to think of the people of the particular area, to understand the conditions in that area and to make sure these kinds of things are looked after into an agreement and put into the bill that will be passed in this Legislature.

Now, Mr. Speaker, the Opposition have two views. It appeared to me as though the hon. the member for LaPoile (Mr. Neary) was against it or he thought there may be something shady, Mr. Speaker. The hon. the member for Stephenville (Mr. McNeil) was 100 per cent for it, Mr. Speaker, delighted, ecstatic that something was happening out in the Stephenville area, that he could look down the road at least ten years and say that not only will it be a success but this company, Abitibi Price, one of the respected companies in this Country guarantees it by saying that if it is not a success, if something happens along the way, if we do not produce 75,000 tons of product in the first year we will pay \$3 million, in the second year we will pay \$3 million. They included this in the agreement up to ten years. They are saying that we will pay \$30 million. Mr. Speaker, this to me is a fantastic agreement for the

MR. DINN: government of this Province to get a company to sign. It protects the investment, it protects the people in the area, it guarantees jobs for the people in the area and it guarantees that that part of the Province will once again bounce back and will bounce back this time, Mr. Speaker, not on a white elephant but on sound footing.

Now, Mr. Speaker, I listened to three or four speakers in this debate. I listened to the hon. the minister who introduced it, the hon. the member for LaPoile (Mr. Neary), the hon. the Minister of Mines and Energy (Mr. Doody), the hon. the member for Stephenville (Mr. McNeil) and the member for St. John's East (Mr. Marshall).

Mr. Speaker, I nearly got sick when I heard the hon. the member for LaPoile speak in this debate. It nearly turned my stomach and I would have wished for the people of this Province - I would have wished for a TV camera to be put on the hon. member while he was speaking in this debate. Mr. Speaker, it was a complete disgrace, a complete disgrace. He talked about skulduggery, he talked about the possibility of conflict of interest, a member of the Advisory Board is now a member of and connected with the group of people who are now purchasing the mill. Mr. Speaker, he mentioned names of people. Why would industrialists come into this Province to invest their dollars when they are going to be attacked in the Parliament of the Province by hon. members? Why would they come in? Why would Abitibi come into this Province to try to make a go of a disaster area?

MR. WHITE: They know a good when they see it.

MR. J. DINN: Mr. Speaker, obviously, the hon. member for Lewisporte (Mr. F. White) wants to jump into the debate and he will have an opportunity, hopefully. I hope to hear the hon. member speak because I know one member is for and one member is against and I would like to hear what the views of the hon. member for Lewisporte are. He probably does not like to hear of successes in this Province. I do not know. I am proud to stand up and speak on behalf of this bill. And, Mr. Speaker, I have talked about what is going to happen with the one machine. Abitibi did not stop there. They said; "We will put in another machine. In 1987 we will put in another machine." You are not talking about 600 or 700 jobs then, you are talking about something like another 580 in the mill alone, 580 more jobs in 1987. I read the agreement. I could not believe this - that Abitibi has faith in this Province. Because all I have heard for the past three or four years from hon. members opposite is that this thing is going down the drain, the Province is going down the drain, nothing can be a success. And here is a private company coming in here and telling us we will pay you \$43,500,000, we will guarantee that it will work by saying that we will pay you \$30,000,000 and not only that, we will put in a second machine and just about double the employment in the Stephenville area. And we say "Well, it is nice to be able to say these things but let us see it in black and white. Let us see it down on the paper." Well, Mr. Speaker, they say: "We will take \$1,000,000, put it in a place of your choice, let it accumulate interest and in 1987 if it is not there it is yours."

That is a little different than the deals I have been hearing of happening over the years in this Province. That has got kind of a little more to it than what I have been hearing. We got in and we had two - we were called close-down experts, the golden padlock.

MR. J. DINN: We had the oil refinery, no control over the oil refinery it closed down. It did not work, it went bankrupt.

Mr. Speaker, before we got into this situation we were on the hook for \$600 million. If we had stayed with the agreement that was in when we got into power in 1972 we would have been on the hook for \$600 million. -

AN HON. MEMBER: Or more (Inaudible)

MR. J. DINN: - or more. Whatever Mr. Shaheen and company spent, we were on the hook for all of it. We guaranteed it all. It was all guaranteed - open cheque book - anything he wanted he could have gotten, on the hook for \$600 million. If we had let that agreement stay as it was this Province would have been on the hook for \$600 million at the very least. We are still on the hook for \$30 million and with accumulated interest over the past few years it is \$47 million, I believe. We are still on the hook for that.

Linerboard mill was the same way. Come in Mr. Promoter, build a Linerboard mill, here is a guarantee, anything that you want go out and do. If you think it will work put it there. Do not put it up in Labrador, it might work. Stephenville, that is where we need the votes, put it out in Stephenville, Oh yes, let us cart the wood down. We know it is going to cost a lot of money, do not worry about that, we will guarantee anything if you have any problems. That is the way she was, Mr. Speaker. That was the way she was going. That is what we came in and had a look at and, Mr. Speaker, it had to stop. If we had gone on the way things were going we would have been on the hook for Linerboard. It was not feasible, could not work, everybody said that. We had to get out of it. Were we going to leave John Doyle with a blank cheque book going around the country, going around the world? We had to stop that.

May 4, 1979

Tape No. 1065

SD - 3

MR. J. DINN:

If we were going to be on the hook  
for it at least we would be responsible for it. We had to take  
it over, there was no choice

MR. DINN: Mr. Speaker, there was no choice. We had no choice, we had to take over the Linerboard mill. we knew it could not succeed. Every indication was that it would fail, and it failed, but we had to take it over. Some may say, 'When you took it over you should have dumped it right there, you should have stopped it immediately.' What would have been the cry then in the Province? What would have been the cry from hon. members opposite? 'Golden padlock' - that is what we would have heard, Mr. Speaker. We had to give it an effort. And there was one time during the whole thing that it looked like maybe it would go for a little while. Linerboard went up to \$350; a little bit of a panic set in and we said, 'The one in a million has happened, it may be a success for a while!' So, Mr. Speaker, we operated it, we knew it would not work and it did not work. And nobody out in the Stephenville area, nobody on the Opposition side can say honestly that that mill could work as a linerboard mill. There is nobody who can stand up and say that. They are flying in the faces of the experts; they are flying in the faces of people who know if they get up and say that. It could not work, it had to be closed. It was a very, very difficult decision that tore the hearts out of some people, but it was a decision that had to be made. Mr. Speaker, the decision was made.

But I would rather talk about the mill as it is going to be, guaranteed for the next ten years. The company was given no blank cheque. Forty-two of them were polled, 'What do you think you can do with it?' 'Oh, we will operate it as a linerboard mill; we have a few contracts; we can supply some material.'

MR. DINN: That is not the way she is going to operate from now on, Mr. Speaker. That is not the way it can operate. It can never be allowed to operate that way again. I was not responsible for this - part of a government is responsible - there were people who were involved in it. The hon. the Minister of Mines and Energy, the hon. the Minister of Industrial Development, the former Premier, several other Cabinet ministers, officials, members of some of the major companies in the country, people in countries all over the world were asked to have a look - 'See what can be done, make a proposal, sift through agreements, find out where the advantages are.' We came down after the forty-two with two possibilities. Did we say, 'Yes, that is the one'? No. Are we saying to the First Arabian Corporation, 'Yes, boy, you have given us a letter; go out and do it. Do you need any money? Do you want an Order in Council to go all over Europe to raise money on the backs of the people of the Province?' No. That is not what we are going to do, Mr. Speaker. We are going to look at it. They are going to talk to us about their crude supply; they are going to talk to us about their dollars; they are going to talk to us about their markets. Because if that is not going to be a successful operation it will never be opened, Mr. Speaker.

MR. SIMMONS: (Inaudible).

MR. DINN: And there is the hon. the member for Burgeo - Bay d'Espoir (Mr. Simmons) who could only last for fifteen or twenty minutes before he had to jump in again.

MR. SIMMONS: I did not cover up the Transportation scandal.

MR. DINN: He will have the opportunity to get up in this House and speak, and here he goes, Mr. Speaker, 'I did not cover up the Transportation scandal.' 'I did not cover up the scandals here, I did not cover up the scandals there.'

MR. SIMMONS: You did.

MR. DINN: I challenge the hon. member right now in this House to find any place - I was Minister of Municipal Affairs and Housing for two years - one place where he can point, one place while I was Minister of Transportation and Communications, one place where he can point. He cannot find one place. I challenge the hon. member to go outside the House and talk about it.

MR. SIMMONS: I have and I will.

MR. DINN: It is the first time in my life that I have seen an hon. member get up on a point of privilege in this House, Mr. Speaker, and challenge the hon. member, a point of privilege that he would not say outside the House but he said inside. And here he is, another one of the three unsavouries in this House who are lowering this Province, who are trying to drag it down, drag the people of this Province down.

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

MR. SPEAKER: (Cross) A point of order.



MR. SIMMONS:

Mr. Speaker, just for the record. I have just been challenged to say certain things outside the House about the minister's role in the cover-up of activities in the Department of Transportation. For the record, Mr. Speaker, the challenge is unnecessary because I have already said it outside the House and will continue to say so because it is true as the public of this Province know. He participated in a cover-up of illegal activities in the Department of Transportation. I may not be allowed to say it in the House and if so I will withdraw it but I have said it outside the House and I will continue to say it until that man is brought to justice.

MR. MARSHALL:

Mr. Speaker, look the hon. gentleman is using unparliamentary language and did before he rose on his point of order and during his point of order. Unparliamentary language is hard to define. I refer Your Honour to Beauchesne, page 115, paragraph 325, "When the Speaker takes notice of any expression as personal and disorderly, and tending to introduce heat and confusion". Now there is nothing more prone to introduce heat and confusion, neither is there any statement more personal or disorderly than to say that any hon. member participated in the covering up of illegal activities. It contains imputation against the person as a member and it requires the quick and prompt and immediate withdrawal by the person who utters it because that type of statement made is the type of statement that causes the proceedings of the House to degenerate to a stage where the House just cannot operate and it effects not only the hon. member, but every member because it effects the privileges of the House itself and makes it impossible for there to be any kind of effective debate. So I think the hon. member would perhaps, on reflection, want to withdraw that remark anyway as it should not be brought before the House itself.

MR. SIMMONS:

Further to the

MR. SIMMONS: point of order and to respond to the member for St. John's East (Mr. Marshall), Mr. Speaker, It is somewhat amusing how he rises to defence rather selectively. The member for Pleasantville (Mr. Dinn) had several things to say about questioning my honour which as Beauchesne says he cannot do, about my dragging down the Province, imputing motives to me, calling me an unsavory character. I did not see the member for St. John's East (Mr. Marshall) jump to my defense on those, he is not so concerned then about parliamentary niceties. It depends whose side it is on. Now if he is going to preach he should practice what he preaches, Mr. Speaker. And I have already said, Mr. Speaker, - he does not like it now because the cap fits.

MR. WHITE: That is right.

MR. SIMMONS: Now, Mr. Speaker, if we are going to have parliamentary niceties here let us have them on both sides. And I have already said that what I said is the truth. It may well be unparliamentary because the two can be quite mutually exclusive. What I have said is true, Mr. Speaker. I will vouch for the truth of it. I have said it outside the House and I will continue to do so and continue to pursue it. It may well be unparliamentary and I will not waste the time of Mr. Speaker. In the event that the truth I have already uttered is unparliamentary I withdraw the words without equivocation.

MR. SPEAKER: (Mr. Cross) Sometimes in the heat of debate hon. members do get carried away. I think it is understood that the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons) has withdrawn the cover-up remarks. On the other point of order that was raised I do not see that as a point of order and I would ask the hon. minister to continue.

MR. DINN: Thank you very much, Mr. Speaker.

MR. SIMMONS: Mr. Speaker, the member's time has expired.

MR. DINN:

The Speaker decides when a member's time is expired. It is too bad you cannot control the House. Mr. Speaker, the hon. member opposite does not hear what I have to say because he does not understand when we have something good happening in the Province. He cannot understand when there is something good. I do not know if he has read this Bill 15, Mr. Speaker, because if he has - the hon. member is a little bit excited now. Look he is checking the time. The hon. member is getting right excited. He cannot control the House at all, Mr. Speaker, but he would like to have full control of everything else in this Province. But thanks be to God he does not have any control, Mr. Speaker, and not likely to have it, not likely to have it

Mr. Dinn: for a good many years and we had another great Tory victory today, Mr. Speaker, or yesterday over in England, in Britain.

MR. POWER: A world-wide effort.

MR. DINN: Mr. Speaker, the hon. member is getting over-exercised, or is it exorcised? Or has he been exorcised? Exercised, Mr. Speaker? He will get an opportunity to speak in this debate. He does not want to hear too many good things that are happening in this Province, he is usually more oriented towards the bad things that are happening in this Province. He is more or less aligned with the hon. member for LaPoile (Mr. Neary), they are more or less twins, peas in a pod we call them, Twiddle Dee and Twiddle Dum we call them. He does not want to hear what I have to say, Mr. Speaker. He does not want to hear that we have a success in this Province, that we have a company who is willing to come in and invest in this Province, that we do not have to guarantee their funds in this Province. He does not want to hear that the operation out in Stephenville, not the Linerboard mill, the pulp mill out in Stephenville, he does not want to hear that that is guaranteed for ten years before the company comes in here. He does not want to hear anything like this, Mr. Speaker. Not guaranteed until the election, not guaranteed until the election, Mr. Speaker, guaranteed for ten years. How do I know it is guaranteed for ten years? Because they say, they sign an agreement. They do not say give us the money and we will guarantee it and you can have some back one of these years. They say, we will give you \$43.5 million for the mill, we will pay it off this way, this way, and this way. We will give you \$6 million now, we will give you \$10 million at the end of this year, we will give you \$6,875,000 for four years for \$43.5 million. We say that we will do these things. We say that in September 1982 we will have produced 75,000 tons of product, and if we do not produce it we will give you \$3 million more. They are not used to hearing things like this, they are used to hearing from Mr. Doyle. Here Mr. Doyle, here is a Cabinet order, an Order-in-Council go out and borrow anything

Mr. Dinn: that you want to. Take it anywhere. It is good. The people of the Province will pay for it. That is what they are used to hearing, Mr. Speaker. No control by government, just give Mr. Doyle his guarantees. Well sure, who cannot set up an industry if you are guaranteed everything.

MR. DOODY: Mr. Doyle cannot.

MR. DINN: Mr. Doyle. He cannot even do that can he? They call on the guy to set up an industry and he could not even do that with all of the guarantees. That is not true?

MR. DOYLE: That is true.

MR. DINN: Well this is disgraceful.

And now we have little quips coming in from the opposition over there, little barbs shoved in about Mr. Tittlemore and a few other individuals by the hon. member for LaPoile (Mr. Neary), little barbs shoved in there about possible conflict of interest. Mr. Speaker, it is enough to make a normal person sick, -

MR. SIMMONS: Is the hon. member normal?

MR. DINN: - but we have learned to live with it over the past three years, Mr. Speaker. It is a disease on the other side and let us hope that it does not spread any further than it already has. Thank you very much.

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

SOME HON. MEMBERS: Hear, hear!

MR. SIMMONS: Well, Mr. Speaker, there is one thing I enjoy about listening to the hon. member; he eventually finishes. The hon. laborious, tedious, monotonous, worrisome Minister for Pleasantville (Mr. Dinn). How sad! How sad at all!

Now, Mr. Speaker, I was going to make a few notes on what he said, and I did, I did. A brilliant forty-five minutes. He talks about what the experts have said about the Linerboard mill. Well, what are the experts saying about him, Mr. Speaker? "Dinn"; loud noise, clang,

MR. SIMMONS: clanger, clatter, noise, roar, uproar, hubbub, racket, fracas, outcry." 'Dinn,' so well named. A thorn by any other name would still be a thorn.

Mr. Speaker, to more positive things. My colleague from Stephenville (Mr. McNeil) yesterday put this thing in perspective as no other speaker in this debate has managed to do, and that is for a very good reason, Mr. Speaker, because he, like no other member in this House, has lived day and night with this particular issue from its very beginning. Even before he became a member he had reason as a citizen in Stephenville to watch the events very closely. I believe yesterday he put his finger on the issue, on the pulse of the issue. He had kept us in the Opposition well informed about it and yesterday I thought he stated rather well the argument, the argument which we will pursue in relation to this bill. Not the argument that the member for St. John's East (Mr. Marshall) says we are pursuing, he has been known before to be fairly simplistic about things, But because he says it does not mean it is necessarily true. The member for Stephenville put very well our argument yesterday and we shall continue to put it in this debate.

He also and in particular, Mr. Speaker, made quite a passionate plea for the people most directly involved in this, the workers, much maligned workers, the workers in Stephenville and Bay St. George who have been led down the garden path by this administration in terms of severance pay, for example. He on their behalf, Mr. Speaker, on behalf of the larger body of people who had their hopes raised about jobs in that area, he made quite a good plea on their behalf, a plea that we shall echo and reiterate during the course of this debate and after.

MR. SIMMONS: Now, Mr. Speaker, the bill itself. It is "An Act To Provide For The Ratification Of The Sale Of Labrador Linerboard." I see it as something larger and more important than that. I see it as an instrument to put back into private hands the mill at Stephenville, to put back into the hands of private enterprise something which private enterprise can do best, government can usually do not well at all, and in the case of this government it even went beyond doing it not very well - it did it miserably. We will come to that.

The principle of this bill, Mr. Speaker, is to put back into private hands an operation that can best succeed in private hands, and that principle, Mr. Speaker, is one that I support, and I believe every member in this House supports, certainly every member on this side of the House supports. Some of the members on the other side of the House are going to have to do some fancy footwork on this one because while they are now saying private enterprise is the best thing that ever happened to the mill, it is not so many years ago they were saying the complete reverse of that, Mr. Speaker, that the only solution was a socialist solution.

We hear allusions this morning about the Conservative victory in Britain last night. I rejoice too. I rejoice too because I saw it as a great confrontation between the socialists and the free enterprisers, and the free enterprisers won in Britain last night under the label of Conservative. Hiding under the guise of Conservative in this Country, Mr. Speaker, are anything but free enterprisers. They are very convenient label changers. They switch depending on the mood of the moment and a couple of years ago on the Stephenville Linerboard thing the socialist cause was the one to be fought. Government had to do it or it could not be done. The state right or wrong then it was. Now in this bill

MR. SIMMONS: they will peddle out their free enterprise arguments. But do not get carried away, Mr. Speaker; tomorrow they will find another cause that they feel deserves a socialist solution and so they will be back on the socialist wagon again tomorrow.

MR. W. ROWE: Lashing out our money as in Brinco.

MR. SIMMONS: The principle of this bill, Mr. Speaker, is a good one. It will put back into the hands of private enterprise something which should have never left the hands of private enterprise in the first place.

AN HON. MEMBER: Hear, hear!

MR. SIMMONS: And that probably is the important question on this bill;



MR. R. SIMMONS:

Should it have ever left the hands of private enterprise?  
it have been taken over by government in the first place? Well,  
hindsight is very good if you had it beforehand. I do not really  
know what I would have done if I were in government, in Cabinet  
and had to make this agonizing decision. I am not suggesting  
that it was easy decision for anybody, so I will allow the benefit  
of the doubt. I will say that were I there I do not know, not having  
all the facts, what I would have done. But I can draw in some hind-  
sight in this one. And may I before going on say that while  
I do not know for sure what I would have done, I am just allowing  
the benefit of the doubt, I am just being honest about the issue, I hope  
to God, Mr. Speaker, I would not have taken the socialist route.  
I am not a socialist. I happen to think that government does a bad  
enough job doing what it is supposed to be doing. There is far too  
much government now, Mr. Speaker, in this Province without getting  
them involved in linerboard operations or anything else for that  
matter. But I will be candid about it; I do not know for sure what  
I would have done. I hope to God I would not have taken the socialist  
route. But I will tell you this in hindsight, Mr. Speaker, having  
seen the record of the last two or three years with linerboard  
since they came into government hands, I will tell you this; hind-  
sight teaches us we should never have done it; hindsight tell us  
that this Province achieved nothing by taking it over.

MR. J. CARTER: Leave it to John Doyle.

MR. R. SIMMONS: Oh, there is his solution again, there is  
his solution again. If the member will stay long enough he will  
hear my full point -

MR. WHITE: He does not want to hear your point.

MR. R. SIMMONS: If he wants to leave it with John Doyle,  
let him do it, I would never have left it with John Doyle.

MR. WHITE: And you would not paid him for it either.

MR. SIMMONS: Now, let us quit the simplistic solutions again and listen for a change. You do it best with your mouth closed, I advise the member for St. John's North (Mr. J. Carter), and even with your brain open. Whether he can achieve both is for him to determine.

MR. W. ROWE: That is asking too much.

MR. SIMMONS: Now, Mr. Speaker, I know from looking back over the last couple of years that we have achieved nothing by having this mill taken over by government, nothing for the Province that is. Ah, but there we fall into the trap. There we fall into the trap. Those who engineered the takeover, did they really ever intend that anything should be achieved for the Province? That was not their motivation, Mr. Speaker. They achieved lots in terms of what they had set out to achieve. They achieved lots for the vested interests and that, Mr. Speaker, is the real reason this was taken over by government in the first place. So if you are going to apply a yardstick of success or failure and say what did it achieve, you have to ask, 'What was it set out to achieve? What was the purpose in the first place?' And the purpose by the perpetrators, and that is the word, by the perpetrators of this takeover had nothing to do with benefit for the Province. It had to do with benefit for the pockets, and in that, Mr. Speaker, it succeeded abysmally - admirably at the same time, depending on your point of view; admirably if the pocket is on your pants, abysmally if you happen to be a taxpayer concerned about what the finaglers were up to. It achieved lots, Mr. Speaker, for the vested interests.

Now, Mr. Speaker, there were many in cabinet during that period of the takeover who were never part of the vested interest. At most, Mr. Speaker, they, and here I include the member for St. John's East (Mr. Marshall), they at most were the dupes, they were the dupes for Crosbie and Company. They were the dupes. They were the unwitting dupes. Mr. Speaker, of the vested interests. I will come back to vested interest a little later on.

MR. SIMMONS: I listened carefully to the member for St. John's East (Mr. W. Marshall). Mr. Speaker, some times when I sit here and contemplate what else I could have done other than being an educator for awhile and a politician for awhile, I sometimes wonder why I did not become more academically interested in human behaviour. And had I, Mr. Speaker, I would not waste my time with mice in mazes or with monkeys trying to

MR. SIMMONS: copy human behaviour. I would, Mr. Speaker, make a bid for a real human. I would make a bid for one who is paraded before us as a human being, Mr. Speaker, and that is why I listen so intently to the member for St. John's East (Mr. W. Marshall). I do not listen because I expect that he is going to say something that is fair and square or intelligent, Mr. Speaker; not a chance, except by accident. I watched, Mr. Speaker, out of my academic interest for human and near-human behaviour, I watched the venom, the ill nature, the ill will, the enmity, the hate, the malice, the malignance, the malignity, the maliciousness, the spite, the resentment, the gall, the rancour, virulence, the hardness of heart, the heart of stone. A study, Mr. Speaker, a study in itself. I never thought, Mr. Speaker, that one human could have bottled up in him so much of these attributes, but then again I have been wrong on things before.

He says, Mr. Speaker, 'Mr. Venom' himself says, "It was an albatross, an albatross around the neck of the Province". These are not his words. They are not original. He has very rarely been original. They are from the member for Harbour Maine - Bell Island who said it the day before so he was able to say it the day after, "An albatross around the neck of the Province". That is what they would like us to think and I would suggest, Mr. Speaker, that at some point the member for St. John's East should make up his mind. He should make up his mind whether this thing is going to fail or is going to succeed. In one mouthful I hear him saying, "Well, it was wrong, wrong, wrong; wrong place - bad decision", and the next mouthful I hear him say, "A great reputable company will make it succeed and create jobs".

MR. SIMMONS: Now, which is it, Mr. Speaker? It cannot be both. It is either going to fail or it is going to succeed, but he uses the arguments on both sides.

MR. J. CARTER: Will the hon. member permit a question?

MR. SIMMONS: Sure, of course, from my good friend.

MR. J. CARTER: Actually it is two very short questions.

MR. SIMMONS: No, one.

MR. J. CARTER: One has two parts.

I would like the member to specifically state what he would have done and what he would do now - what he would have done in 1972 and what he would do now in 1979.

MR. SIMMONS: I will answer the last part of his question first, Mr. Speaker.

What I will do now is continue my speech and the first part of his question I will answer before I finish my speech.

The member for St. John's East (Mr. W. Marshall) has to make up his mind whether this thing is going to fail or succeed. He has given us arguments on both sides. At one time he says, "It should never have been. It will never work", and then he raises the Abitibi flag and he talks about what a great success it is going to be. Mr. Speaker, this has not been so much an albatross, I say to member for St. John's East, as a bugaboo, a bugaboo, a bogie, a hobgoblin -

AN HON. MEMBER: A hobgoblin.

MR. SIMMONS: Hobgoblin, alright? I see you are listening. Okay?

It is a gravy train, Mr. Speaker, is what it is for this Tory administration, a gravy train. Not for the administration, I withdraw that; for one or two members in the administration at the time it was taken

MR. SIMMONS: over - a gravy train. And for the administration then and now, a bugaboo.

They talk about the political decision of Smallwood, the member for St. John's East (Mr. W. Marshall) does, and he finds it difficult to say that without crying with spite because his venom comes most to the fore when he talks about Joe Smallwood. Sure it was a political decision, Mr. Speaker. Anybody in this room naive to think otherwise? Political decision, a political decision! When the premier of this day went down to the lobby the other day and used those poor youngsters, that was a political decision as well when he went down there and in the name of the Year of the Child used those poor youngsters down there and I had a prominent Tory lady from St. John's come over to me and ask me to buttonhole the Minister of Tourism, Recreation and Culture. She wanted to talk to him. She wanted to give her opinion to him and she said to him, "Charlie, now you know I have been supporting you fellows for a long time", and then she proceeded to tell 'Charlie', or the minister

MR. SIMMONS: what she thought of the Premier's performance that morning. Do not take my word, talk to 'Charlie'. She was annoyed. Others were very annoyed that morning, very annoyed that the Premier was being so blatantly, politically partisan in that issue. I would assume that he made a political decision when he did it. Mr. Smallwood on Stephenville made a political decision, which brings me to my point. There are different kinds of political decision and Mr. Smallwood in his day never made one as cowardly and as stunned as the Premier made the other day down in the lobby.

But let us talk about the Labrador Linerboard decision. There was a massive exit from Stephenville. The highest unemployment rate in the Province. People were pulling their hair about what should be done in Stephenville and the Premier and the administration of the day looked around for things that could be done to salvage the situation. Even allow for the minute it was a bad decision, just allow that for the minute- I will come back to that about the badness of it. the Premier made a political decision. Anybody in this room going to blame a political leader for being compassionate even if his compassion is not wrongly motivated but if his solution is misdirected? Suddenly, in hindsight we are all know-it-alls. "It was wrong," they say say back in those days for the premier of the day to try and do something about the situation in Stephenville, "It was wrong. He should have done nothing. He should have walked away from it", they say, because that is their solution. That has been their solution on Bay d'Espoir in my district ever since they took office. That has been their solution all over this Province. That has

MR. SIMMONS:            been their solution on an unemployment rate that has gone from 9.3, as my colleague from Stephenville (Mr. W. McNeil) said yesterday, up to 18.8, that has more than doubled in seven years. Well, I have news for that crowd. They can be philosophical all they want about this Province, so shall I, but I beg them in the interest of the people out there not to get so bogged down in their philosophy that they cannot have a little compassion for the people of Stephenville or Bay St. George or this Province generally. And if Smallwood committed a sin back in those days on the Linerboard mill, it was because he was exercising a bit of compassion for the Stephenville area and the Goose Bay area. Of course, it was a political decision and I, Mr. Speaker, would rather see a premier and an administration make more political decisions because then they can be judged for what they are. Would to God we had people in cabinet now with the gall, the gumption, the guts to make sound political decisions. I would rather, Mr. Speaker, have a premier and an administration make political decisions even if they are bad ones than have them make greed decisions, decisions of greed, like Mr. Crosbie made on the Linerboard in Stephenville. He made a greed decision and then proceeded to peddle it to the cabinet as a political decision, as an economic decision. I would rather have a premier make a political decision, even a bad one, than a greed decision, than a vendetta decision, and that is what it was, too, than a conflict decision, and that is what it was as well. I will come back to that point in a moment.

                          The member for St. John's East (Mr. Marshall), 'Mr. Venom', tells us the other day, "The options", he says, "the options facing the government when they took over Linerboard included", he said, "finding



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MR. SIMMONS: another operator". Now, Mr. Speaker, if you have either little business down there in Bonavista North, give you some advice. If you want to sell it, you have two choices. You can do the conventional thing, package it as attractively as you can so that you will get the best price for it, put the best foot forward; do not tell any lies about it but put the best foot forward and go out and you will probably sell your business and retrieve your investment or perhaps you will sell at a bit of a profit if you package it. There is another way, Mr. Speaker, if you have \$10,000

MR. R. SIMMONS: in that business, there is another way to do it, not very conventional, but there is another way. It has been done before. I will give you a good example in a minute. There is another way to do it. You can go out and to every fellow you meet say, "Look, I have that little shop over there and I have \$10,000 sunk into it, but, boy, between you and me, it is not worth a dollar, Not worth a dollar! Not worth a cent! Are you going to buy if from me?" And that is what Crosbie and his gang did on Linerboard.

MR. W. ROWE: And "Moores."

MR. R. SIMMONS: And "Moores." That is what they did, Mr. Speaker. That is what they did. They first of all went all over this world and told people that Linerboard in Stephenville can not work. It is not worth anything. Albatross! Worthless! Pouring good money after bad, that is what they said, and they said, "By the way, would you like to buy it?"

MR. F. WHITE: It is not worth a dollar.

MR. R. SIMMONS: "It is not worth a dollar, but would you like to buy it anyway?"

MR. W. MCNEIL: They also said that the people in the area could not handle it.

MR. R. SIMMONS: That is right. They also undermined the people in the area, the people that the Minister of Labour says they are going to champion now, the people on whose behalf he says he is going to work now to get jobs for them, these are the same people who were undermined two or three years ago by this Administration as being worthless, as being incompetent and poor managers.

Now, I put it to you, Mr. Speaker, in my little localized example: You are going to sell your little shop, you have your choice. Do you want to get your

MR. R. SIMMONS: 10,000 bucks back, or do you want to get a dollar? Well my advice to you is, depending on how much of it you want to retrieve, either you use the conventional tactic of packaging it very positively - not telling any lies, but packaging it positively - or you use the unconventional, what we shall call the Crosbie-Moores-Marshall approach, the doom and gloom, not worth a dollar approach, and then having said that then you say, "It is not worth anything, but would you like to buy it?" And the Minister tells us about all the trouble they had selling it. Well, do you have any wonder they had some trouble selling it when they had such good salesmen working on it? "Do you want to buy a horse? She is dead, but we can give it to you cheap. Give it to you very cheap."

The options, he said, included finding another operator. Of course that was an option until the Administration destroyed that option. It was the Administration that destroyed the option. Ah, but we come back to motive. Why would a group of intelligent men do a thing that stunned? Ah, Mr. Speaker, it was not that stunned. The puppeteer, the man who pulled the strings, Mr. Crosbie, did not think it was that stunned because he had his own malicious motive, Mr. Speaker. He did not want another operator to take it over. He wanted to have his vendetta against John Doyle, but he also wanted the mill, or he wanted the mill in the situation where he could make the decisions about equipment purchases which I shall also come to in a minute. The option, Mr. Speaker, of finding another operator was only an option until Mr. Crosbie and his gang succeeded in destroying that option, and they destroyed that option as part of their purpose, part of their purpose to gain control of Linerboard so that they

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MR. R. SIMMONS:

could manipulate it to their  
advantage.

The member for St. John's East  
(Mr. W. Marshall) spent a fair amount of his time  
lambasting the former Liberal administration and blaming  
all the present Liberals, Mr. Speaker, for the sins,  
the alleged sins and crimes of the former Liberal administration.  
Well I have a little political advice to give to the member  
for St. John's East if he wants to continue to be No. 2 -  
or No. 1 man really - if he wants to continue to be No. 1  
man in this Administration

MR. SIMMONS:

he had better listen to the arguments of number two, the Premier, the man who has the title of Premier because, you see, if the member for St. John's East (Mr. Marshall), Mr. Number One in the administration, continues to push the argument that all the sins of the former Liberal Administration must be borne equal by all Liberals now and forever more, he should realize what his number two man, the Premier, is saying these days. His number two man is asking the people of the Province to believe that the things that this administration did four weeks ago are not his responsibility because he was not the Premier. A kind of a convoluted argument, would you not think? Hear that, Mr. Speaker, what the Premier did as a member of Cabinet four weeks ago he cannot take responsibility for, Mr. Speaker. He voted for it, oh yes, but he cannot take responsibility for it, Mr. Speaker, because he was not the Premier. Well, Mr. Speaker, I was not exactly the Premier either when this Linerboard thing was conceived, not exactly. Some other fellows on this side were not the Premier at the time. So if the member for St. John's East wants to talk about shared blame I hope he applies his principle equally on both sides of the House.

Mr. Speaker, enough of the history of the mill itself and whether it is in the right place or the wrong place. I hope for the sake of the government that the member for St. John's East will soon accept that it is in a pretty good place or else he is going to have difficulty rationalizing his position with Abitibi because he is in one mouthful wishing them luck and success and at the same time saying, "It cannot succeed". Well, unless they have moved it lately, Mr. Speaker, it is still in Stephenville. But let us talk about some other things, Mr. Speaker, during the period the government managed it - I use the word loosely. Mr. Speaker, the mill never had a hope of success while the government managed it for several reasons. One, political interference from day one. We all know, do we not, about the famous Bailey contract which the Premier cooked up for one of his buddies - I am talking about the albatross Premier now, Mr. Speaker - the famous Guy Bailey contract which if he had completed the contract would have been worth \$300,000 but because of a dispute with Linerboard

MR. SIMMONS:

the contract could not be completed so the Premier arranged a deal for him whereby he got \$450,000. He got more in an out-of-court settlement, thanks to 'Frank Moores' than he could have gotten if he had completed the contract. How can a management, Mr. Speaker, of a linerboard operation watch its bucks, handle its money prudently if the Premier is on the phone all the time saying, "Look after my buddies. Look after Guy Bailey. Give him what he wants. Get him off your back whatever the price." The price was high in that case, Mr. Speaker. It was one and a half times what it would have been if the contract had been completed. The man was paid not to work and then they had to go get another contractor to do the work besides that. Political interference from the day go.

Vested interests, Mr. Speaker, saw to it that this mill could not work as an economic proposition while it was in government hands. The member for St. John's East (Mr. Marshall) talks about no wrongdoing by elected officials. I say to him quite candidly that he is wrong on that, he is quite wrong on that, very wrong. There was, Mr. Speaker, wrongdoing by elected officials, including Mr. Crosbie. Perhaps he wants me to tell him about International Forest Products. The member spent a lot of time talking about the difficulty with harvesting wood in Labrador. I noticed he carefully avoided talking about the shipping contracts. He carefully avoided that subject, Mr. Speaker. He carefully avoided that because then if he told the truth on it he would have had to tell us how Crosbie and Company cancelled a contract with the shipping people and then had to negotiate a new contract with the same people at considerable extra cost. Of course, if I were the shipping company my price would go up too if I had to

MR. SIMMONS: pay a finder's fee like that company had to pay, and if you do not know what I am talking about, I say to the member of St. John's East (Mr. W. Marshall), talk to your friend, Mr. Crosbie, again and then come back and see if you can see without fear of contradiction that there was no wrongdoing by elected officials. How stunned, Mr. Speaker.

MR. MARSHALL: Point of order.

MR. SPEAKER: (Ottenheimer) Point of order.

MR. MARSHALL: I want to raise this point of order as a serious one.

Beauchesne, page 107, states that "a member in debate may not impute bad motives or motives different from those acknowledged to a member or make a personal charge against a member". The thread, and it is only a bare thread and it is what appeals, I know it appeals to the media so -

MR. SIMMONS: To the point, to the point.

MR. MARSHALL: - the point is this; the whole thread of his argument is the allegation of motives against a member who is a member of this session - he is not a member now - and I feel, Mr. Speaker, and I feel quite strongly, even though the words there are 'members', that this applies to members of the House and in the course of their duties; he may not be sitting here at the present time.

It is to be remembered, Mr. Speaker, that this House has with it immunity from libel. A person may for very good reasons get up and say whatever they wish to in this House under the protection of the House and they cannot be sued for libel. But it is also incumbent upon this House to see that these rights are not abused and I feel quite strongly that the hon. member is transgressing here. If the hon. member has any allegations, and it is

MR. MARSHALL: not for me to debate them at the present time, I am raising a point of order, except to say I think they are base and very, very unfounded. But if the wishes to he should have the courage to make them outside of the House but certainly not within this House because it is an abuse of the privilege. It is extremely serious for a person to be bringing up allegations of this nature and I think they are entirely out of order and that they have to be stopped immediately. If the hon. member has any proof or anything like that that is -

MR. NEARY: He has the proof.

MR. MARSHALL: - you know, he is here using the immunity of this House and abusing it, Mr. Speaker, and the rights of members of this House, both past and present, have to be protected otherwise this House has no reason for existence and descends again to the depths that the hon. members opposite in their desperate attempt to deflect public attention from their own despicable conduct they are attempting to do every day here.

MR. SPEAKER: (Ottenheimer) Hon. Leader of the Opposition.

MR. W. ROWE: I should be rising on a point of privilege, Sir, affecting the privileges of this hon. House as a result of the debate, the second debate which the hon. member opposite has entered into concerning the Linerboard mill. His point of order has no substance to it whatsoever, Sir, I would submit.

We have two rules of long standing taken from parliamentary tradition. One is that a member may say what he wants to in this hon. House concerning anyone outside the hon. House without fear of prosecution for libel or slander and there is a good reason for that. Sometimes it is a member's duty to bring up things which



MR. W. ROWE: he suspects or has suspicions of in order to precipitate investigations - we have had experience of that before - that may not be gotten into the public domain otherwise, and there are other reasons as well, in order not to restrict a member's right to debate.

The other rule, Sir, is that a member may not say anything improper, attribute improper motives to a member of this hon. House which, Sir, has to apply to present members of this hon. House. If such a rule were to extend to previous members of this hon. House then, Sir, the whole substance of the first rule which I cited to Your Honour would be done away with.

Every member in this hon. House has the protection of the Chair and the protection of the House against having improper motivations attributed to them and, Sir, I would say, because I do not want to cut in any further - there is much as could be said on this topic - I do not want to cut any further into the hon. member's time in making his very valid points in this debate. I would say, Sir, that the point of order raised by the hon. member opposite was specious and without foundation, Sir, and in itself perhaps should have been the subject of a point of privilege of some hon. member.

MR. SPEAKER: (Ottenheimer) The point before the House, as I understand it, is, number one, to clarify the situation. There is no doubt that members speaking in the House have immunity from libel. I do not think that is the point of issue. There is a second rule

MR. SPEAKER (Ottenheimer):

and that is that no hon. member may impugn or attribute false motives to another hon. member. Now the point, as I see it, is whether that second rule applies to people and to the motives of people not now in the House but who were members of the House at the time that their actions are being criticized. In other words, we have an instance where what is being criticized or what motives are being impugned refer to a period of time during which a person was a member of the House and that person is no longer a member.

That is a matter on which I will have to do some research. I cannot rule on that now. Not ruling on it, if the hon. member continues we are going to be in a difficult situation because I am not in a position to say whether it is in order or not in order. There is an obvious suggestion but it is up to hon. members to make it, not for me to make it.

The hon. member.

MR. SIMMONS: I appreciate the dilemma of the Speaker on this point and I just have five minutes or so to one o'clock and I shall not get into the subject at hand if I can avoid it. I have other subjects I want to mention. And I think in that respect, Mr. Speaker, the member for St. John's East (Mr. Marshall) has achieved his purpose, apart from giving a good political speech for his colleague who is in trouble in St. John's West federally. But I shall wait with interest for the ruling because I would hope that I will be able to continue in the vein that I have been. At the same time an observation is in order, and if I am not it certainly puts the member for St. John's East in an awkward position in terms of his continuing attacks on the former Premier, Mr. Smallwood, and assigning motives to him. So in a way, Mr. Speaker -

MR. MARSHALL: Why do you not say it outside the House?

MR. SIMMONS: - I would welcome a ruling either way because a ruling against me on this particular point would mean equally that the member for St. John's East would have to stop his continuing assignment of motives to the former Premier, Mr. Smallwood, who has been a member of

MR. SIMMONS:

this House for some time. But I will go on to some other subjects, Mr. Speaker.

I know the member for St. John's East does not particularly want to hear this because it knocks a hole in his case about how savoury this whole thing has been. And I submit, Mr. Speaker, it has been very far from savoury because of the vested interests that I have talked about, because of the political interference I have talked about and because of the third matter, which I now come to, the matter of outright illegal activity which went on during that period, Mr. Speaker, illegal activities. Before I get directly into that though I did have an example on vested interest. A company supplied a number of four-wheeled rubber tired vehicles called CanCar Clippers. I say to the member for St. John's East (Mr. Marshall) if he found out the company who supplied these he would find that the name of a certain former of this House would keep coming up again. And if he found that four of them were purchased at \$75,000, allowed to sit in the yard in Stephenville for two or three years, \$300,000 value, and then sold to a Quebec firm of \$36,000, you would not have to wonder what I mean when I am talking about vested interest. Or if I told you that in the Coal Brook Logging operation, Labrador Linerboard on one occasion cut 30,000 cords that would normally require the supervision of the superintendent and a foreman and yet, thanks to Mr. Crosbie, there were ten supervisory personnel on that particular job doing what two people would normally do. I am talking, Mr. Speaker, about political interference and about vested interest.

I could tell you about the Crosbie Trucking Contract that trucked paper from here to Stephenville and two years later, Mr. Speaker -

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

MR. SPEAKER (Ottenheimer): A point of order.

MR. MARSHALL: The hon. member has the latitude, if he wishes to, to say these things outside the House but there has been a point of order raised before Your Honour that Your Honour understandably needs a certain

MR. MARSHALL:

amount of time to research and consider. And the hon. member, you know, he is in suspension.

MR. SIMMONS: We are on Crosbie Trucking now.

MR. MARSHALL: If he is allowed to do it, Your Honour has not decided.

MR. SIMMONS: I am not making (inaudible).

MR. MARSHALL: He is using the immunity of the House to do exactly the same thing as -

MR. SIMMONS: No, Mr. Speaker.

MR. MARSHALL: He knows exactly what he is doing, Your Honour. That is exactly what he is doing.

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

MR. SIMMONS: I have not since mentioned the name, Mr. Speaker, of Mr. John Crosbie. I have talked about a Crosbie firm. I understand that the Crosbie name applies not only to one individual in this Province but to a whole gamut of commercial interest in this Province and it was in the latter vein, Mr. Speaker, that I used the term.

MR. MARSHALL: He used the name.

MR. SIMMONS: You are too sensitive, boy.

MR. R. SIMMONS: You might want to cover up for him, but that is another issue.

MR. SPEAKER:(Otteneheimer) There is not a great deal I can say in addition to what I said a few minutes ago and that is that the point brought up, which another way of putting it is whether there is retroactivity to the rule that one hon. member may not impugn unworthy motives to another hon. member, or in certain other ways describe his actions or motives whether that has a retroactive effect: Until I have an opportunity to study that question, which comes up quite rarely, I can not give a decision on it. So all I can do is ask hon. members to give that area of discussion a fairly wide berth. There is only about another minute to adjournment so it should not be difficult.

Hon. member for Burgeo-Bay d'Espoir,

MR. R. SIMMONS: The member set out to achieve what he wanted to achieve, and he did because he has effectively seen to it that this issue is not aired properly. But we have other opportunities in this debate, Mr. Speaker; I have three pages of notes I will pass on to my colleagues.

Let me say this, Mr. Speaker, before finishing. On the subject of illegal activities, the Minister of Mines and Energy says that there is no indication of wrongdoing. Now, Mr. Speaker, how can he say that with such a straight face when we have just two examples? First of all, we have an RCMP fraud squad investigating it for some time. I am not saying there has to be illegality before they come in, but there certainly has to be some suspicion of it before they are called in. Number one, they are involved so let us not give the impression that all is roses here. And secondly, we have the report of the Joint Council Committee over in Stephenville a year or so ago and one of the recommendations it made to Government was that

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MR. R. SIMMONS: it should make an enquiry relating to having a Royal Commission appointed to investigate the operation to date of Labrador Linerboard. There have been, Mr. Speaker, illegal activities -

AN HON. MEMBER: Adjourn the debate.

MR. R. SIMMONS: One o'clock, I move the adjournment of the debate.

MR. SPEAKER:(Otteneheimer) The hon. member has moved adjournment of the debate.

MR. W. MARSHALL: Mr. Speaker, I move that the House at its rising do adjourn until tomorrow, Monday, at three o'clock and that this House be now adjourned.

MR. SPEAKER:(Otteneheimer) It has been moved that this House adjourn until Monday next at 3 P.M. Those in favour 'Aye', contrary 'Nay'. Carried.

The House stands adjourned until Monday next at 3 P.M.