



**PROVINCE OF NEWFOUNDLAND**

**THIRTY-SIXTH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND**

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Volume 3

3rd. Session

Number 77

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**VERBATIM REPORT**

MONDAY, JUNE 10, 1974

**SPEAKER: THE HONOURABLE JAMES M. RUSSELL**

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

PETITIONS:

MR. A. M. DUNPHY: Mr. Speaker, I would like to present a petition on behalf of the Community of McKay's. McKay's is located approximately fifteen miles from an area where they will receive the laying of pavement in the very near future.

This petition is signed by all of the residents of the Community of McKay's. Actually it accounts for one hundred per cent of the residents.

The prayer of the petition reads: "We the undersigned of the Community of McKay's, District of St. George's, hereby submit our names, strongly urging the government to include the one and one-half miles of road in our community for pavement, along with the announced programmes for Highlands and Maidstone which is approximately fifteen miles distance from our community. Efforts were made with the previous administration to no avail."

They desire to have this work done and I am hoping the Hon. Minister of Transportation and Communications can see his way possibly to add this small bit where paving is already proposed to go. One and one-half miles is not that much actually. It would mean a great deal to these citizens who live in McKay's. They have been after this for quite some time. Actually I think this is the only request of any consequence that they have ever made since I have been the member for that district.

I take pleasure in supporting this petition and asked that it be placed on the table of the House and referred to the department to which it relates.

MR. S. A. NEARY: Mr. Speaker, it is indeed a distinguished honour, Sir, and it is a great pleasure for me on behalf of my colleagues in Her Majesty's Loyal Opposition to be able to support the petition which

I believe is the first from McKay's, in the District of St. George's where one hundred per cent of the people in that community, Sir, would like to have a very simple matter like one and one-half miles of road paved. As the honourable member pointed out, it is the first time that these people have ever requested anything from a government, despite the fact that the member who introduced the petition could not resist the temptation to stick a little dart in at the previous Liberal Administration.

Sir, we are now in the midst of a federal general election. I am sure that the people in McKay's will have no problem at all to get Mr. Marshall, their Progressive Conservative Member, to use his influence on the Minister of Transportation and Communications and no doubt within a matter of a few days we will hear an announcement out on the West Coast, Sir, now that the Liberal Party has an excellent candidate out there. Mr. Marshall is running scared. Mr. Jim Campbell, the new Mayor of Stephenville -

MR. DUNPHY: The honourable gentleman from Bell Island, who is trying to support this petition, is wandering a long way from the petition and going into elections. Let me assure the honourable member that this member is quite capable of getting things in his district. He does not have to rely on the opposition. In the past, as the honourable gentleman will recall, when I was successful in getting twenty-five miles of pavement, the Hon. Member for White Bay North was mouthing off and not adding very much to my efforts. I would appreciate it if in the future he would keep out of my affairs.

MR. E. M. ROBERTS (Leader of the Opposition): Mr. Speaker, to that point of order. I have no desire to go into the affairs of the honourable gentleman. Whatever state his affairs are in is his own problem, not mine and not the Houses. I submit my colleague here is within his rights in attempting to support this petition. He is doing it in a very effective way. If the gentleman from St. George's, whom we are glad to see with us once again, out and around and in the best of health once again -

MR. EVANS: (Inaudible).

MR. ROBERTS: Speaking of affairs.

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: Name the honourable gentleman? I would not name the honourable gentleman.

MR. SPEAKER: Order please!

MR. ROBERTS: What I am suggesting, Mr. Speaker, is that my colleague has the right to be heard, according to the rules of the House. The honourable gentleman from St. George's, if he cannot keep his spleen to himself, he would be well-advised to confine it to his own colleagues.

MR. SPEAKER: Order please!

The Hon. Member for Bell Island may indeed have the right to rise in support of the petition, I do submit that he was certainly wandering very far afield from the prayer of the petition. If he should wish to continue, then he should be relevant to the prayer of that petition.

MR. NEARY: Thank you, Mr. Speaker.

As I understand it, Mr. Speaker, there will be some road paving done about fifteen miles away this year. They are so close to McKay's, Sir, that the people there can almost -

MR. DUNPHY: Point of order, Mr. Speaker. If the honourable gentleman is going to rise to support a petition, he can at least pronounce the word, McKay's and not McKI's.

MR. NEARY: Anyway, Sir, there it is. I have no doubt, Mr. Speaker. Incidentally the member made the point himself, Sir, that he could well look after his own district. Well, Sir, if he could, I wonder why the people had to circulate a petition and give it to the honourable member to present here in the House? Why could he not have gotten in there and fought with the Minister of Transportation and Communications and gotten this road paved and saved the people the inconvenience and the trouble of having to circulate a petition?



MR. DUNPHY: I think I portrayed to the House -

MR. ROBERTS: To a point of order, Sir. Does the honourable gentleman have the right to speak again in this matter? If so, there are a number of us who would like to get into it.

MR. SPEAKER: If the Hon. Member for St. George's is not rising on a point of order, he does not have the right to read the petition again.

MR. DUNPHY: Point of order, Mr. Speaker. The gentleman was misleading the House, to try to convey to the House that I was not aware of the needs nor wants of McKay's. I certainly was. I asked the people of McKay's, while attending a meeting there just a few weeks ago, to strengthen our case and to add a petition to the efforts put forward on my behalf. I think I will be successful.

MR. NEARY: Mr. Speaker, may I finish my few remarks now?

MR. SPEAKER: Order please!

MR. NEARY: Mr. Speaker, may I finish my few remarks?

MR. SPEAKER: The Hon. Member for Bell Island spoke in support of the petition -

MR. NEARY: Mr. Speaker, I had not finished my remarks. There were so many interruptions, I had not finished.

MR. SPEAKER: In the opinion of the Chair the Hon. Member for Bell Island has concluded his remarks in support of the petition and is not permitted to continue.

MR. NEARY: Point of order, Mr. Speaker. I am just going to ask the honourable House if this is a new technique now in getting things done in one's district. A public meeting is called, suggest to the people at the meeting that they circulate a petition and bring it into the House. Is this how one gets things done now, Sir?

MR. DUNPHY: Point of order, Mr. Speaker.

MR. SPEAKER: Order please!

Would the honourable member take his seat.

MR. SPEAKER: This matter has gone on for quite some time and I sense that it is becoming a debate between members of both sides of the honourable House and I suggest that we get on with other business.

HON. J. ROUSSEAU (Minister of Manpower and Industrial Relations): May I speak in support of the petition, Mr. Speaker, because I was a former resident of the West Coast and knowing how hard and how diligently the Hon. Member for St. George's has fought for every inch of pavement in his district and all the other things that he has been able to accomplish over there, I know that he needs no assistance in getting these small things that he needs.

I would like to stand up now for somebody who has worked so hard for the wonderful District of St. George's. He berates the ministers when they do not come across any time that he requests something for his district. He is so tenacious and vigilant in caring for the needs of his district, I think that this whole House should support such a member in his efforts to upgrade the district.

MR. ROBERTS: Mr. Speaker, impelled by the eloquence of the gentleman from Labrador West who said that the Member for St. George's needed no assistance and then proceeded to give him exactly that no assistance, I too want to say a word or two in support of the petition so ably and so originally presented by the gentleman from St. George's.

I hope the people of McKay's will get the pavement this year. I suggest to Your Honour and to the House how it can be done. All that has to be done is for the Member for St. George's to announce that the paving will be done and in fact it will be done. I am glad to see the Minister of Transportation and Communications in good health and I hope in full voice, with us again. We welcome him back. I have no doubt he will confirm this, Sir, that all is necessary is for the Member for St. George's to make a public announcement on

the radio and television stations and then it happens. The mere fact that the minister may not know anything about it or he may say to the House that he knows nothing about it, is of no regard at all. The Member for St. George's, Sir, - I think credit should be given where credit is due. The Member for St. George's has the ability to know what even the cabinet and what even the Premier do not know, and that is to get the roads paved.

I think the people of McKay's should have their road paved. If they do not get it paved right away, after what we have heard in the House today, it is clearly the responsibility and the fault of the gentleman from St. George's.

SOME HON. MEMBERS: Hear! Hear!

MR. F. STAGG: For the second day in a row I rise in support of the petition so ably presented by the Hon. Member for St. George's. It seems as if he is able to create a great deal of discussion on each petition he presents to the House. I think this is the seventh or eighth one he has presented and on each occasion it has led to protracted discussion on the merits of the petitions.

I agree with the matters that are set out in the petition. I am going to take a new tack of my own. Since we are in adjoining districts, I am going to ask the Member for St. George's to come down and assist me in drawing up some petitions so I can get some of the pavement of the type he has outlined.

MR. SPEAKER: It has been brought to my attention that we have in the galleries today The Hon. Allan Grossman, the Secretary of Resources for the Province of Ontario. It is a great pleasure for me to welcome the honourable gentleman to the galleries today. I trust that his visit here is most interesting.

ORAL QUESTIONS:

MR. ROBERTS: Mr. Speaker, I have a question for the Minister of Manpower and Industrial Relations. Could the minister tell us whether

he has as yet (He or the cabinet - he speaks for the cabinet in this matter) have appointed the Chairman of the Advisory Board, which is provided for, I think, under Section 35 of the Fishing Industry Collective Bargaining Act?

MR. ROUSSEAU: No, the chairman has not been appointed yet. It has been under consideration.

MR. ROBERTS: Mr. Speaker, we have been hearing that answer for the last year and one-half. Could the minister tell us when the consideration is expected to come to an end and when the appointment will be announced?

MR. ROUSSEAU: As soon as possible.

MR. ROBERTS: Mr. Speaker, on a different tack than with the honourable gentleman: Could he tell yet whether the government are going to introduce the amendments to the Fishing Industry Collective Bargaining Act which they first announced two years ago in the House?

MR. ROUSSEAU: That is before government at this time. That is all I can say.

MR. ROBERTS: Mr. Speaker, could the minister indicate whether (It has been there for two years. It has been announced as policy, not by him but by his predecessors in that portfolio who had announced that these amendments would be brought before the House) they will be brought before the House in this current session? In view of the fact that the price of fish will probably drop and could possibly drop severely, surely there is an urgent need for it now.

MR. ROUSSEAU: It is now before cabinet; that I can say and I am sure the honourable member can appreciate that. It is before cabinet, until cabinet makes its decision, which I hope will be made imminently, for everybody's sake. I cannot say anything further until this time.

MR. ROBERTS: Mr. Speaker, if I may: I do not know whether we will be sitting on Thursday (we may or may not) but may I merely note that if we should sit on Thursday, I shall want to raise this matter.

MR. NEARY: Mr. Speaker, I just wonder if I could ask a supplementary question arising from the questions by my colleague, the Leader of the Opposition. Would the minister indicate if the regulations that have to be drawn up under this act are drawn up and ready to be implemented?

MR. ROUSSEAU: Once the amendment is made or the amendment which is now under consideration is made, what we said in the original instance is that the act gives no power to the Fishing Industry Advisory Board. It is a paper tiger. It has no right to look into books to try to find the information it needs in order to give an indication to the minister what the price of fish should be. Until these amendments are brought in, in effect, then the Fishing Industry Advisory Board has no power whatsoever to be able to find out the information needed in order to establish itself.

MR. NEARY: In other words, the regulations are not even drafted yet.

MR. ROUSSEAU: The regulations would not be necessary, as I understand it. The amendment to the act would do it. It is an amendment which would give the Fishing Industry Advisory Board the abilities of the Public Enquiries Commissioners, under the Public Enquiries Act.

MR. NEARY: Mr. Speaker, I have so many questions I do not know where to start. I will start with my colleague, my friend, the Minister of Transportation and Communications. I gave the minister advance notice of this question, Sir. I would like to welcome him back to the House, Sir. I trust that he is in good health, feeling better after his surgery. I would like to ask the minister if he would inform the House if there is going to be any road paving done on Bell Island this present summer?

HON. T. V. HICKEY (Minister of Transportation and Communications): Mr. Speaker, there is approximately one mile of paving to be done on Bell Island. I not sure exactly which one it is. There are a couple of small projects

which were included or at least ones which we hope to get done. One of them is included in a tender which has been called, I believe, or in the process of being called. I am afraid I cannot give my friend any more detail than that because I just got back today and my deputy minister and assistant deputy minister are in Quebec City for meetings. Until they come back, I do not have any further details. I can confirm that there is one mile, I believe, of pavement and it is to be included in another project.

MR. NEARY: A supplementary, Mr. Speaker: Would the minister undertake to get me some more details about that one mile of paving? Could he tell me whether it is going to be Middleton Avenue, the East Track or Scotia No. 1, the Green or the East End? In what part of the island is this paving going to be done? What is the name of the road or what roads are going to be paved?

MR. HICKEY: I will.

MR. NEARY: Okay, Sir.

Now, Mr. Speaker, I would like to ask the Minister of Public Works what is going on down in the old Daily News Building, down there on Duckworth Street?

AN HON. MEMBER: (Inaudible).

MR. NEARY: The minister does not know? Well, perhaps the Minister of Justice could tell us. Has that building been taken over by the government? Is it being renovated by the Department of Public Works? Is it getting ready for the appeal court?

AN HON. MEMBER: (Inaudible).

MR. NEARY: The minister does not know what is going on? My understanding is by the Provincial Department of Public Works. Mr. Harold Duffett owns the building, in case the honourable gentleman is interested.

AN HON. MEMBER: (Inaudible).

MR. ROUSSEAU: I will check it out.

MR. NEARY: It is the minister's department that is renovating the building.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Find out if they have it rented and what they are doing with it. What is it going to be used for?

Seeing my friend here today, Sir, the Minister of Industrial Development, who is so cocky and so lippy, can the minister tell us if it is true or false that the subcontractors in Churchill Falls are being given forty-eight hours to clear out and take their equipment out of Churchill Falls?

HON. W. DOODY (Minister of Industrial Development): That sounds like a very silly question. I do not really know if there have been. I suspect,

certainly hope that they have not been. It sounds like a kind of a feat that we were used to under a previous administration. It is certainly not the policy of this government.

MR. NEARY: Well, Mr. Speaker, supplementary, Is the minister aware that workers that were recalled by these subcontractors in Churchill Falls were sent back home? There is no work there for them and they were told that they were given instructions by the government to get ready to move out of Churchill Falls.

MR. DOODY: Is that a question?

MR. NEARY: Yes, that is a question. Is the minister aware of that? I asked him in the beginning.

MR. DOODY: No.

MR. NEARY: It is not true.

MR. DOODY: I am not aware.

MR. NEARY: Not aware. Would the minister undertake to find out if it is correct or not?

MR. DOODY: Yes, I will undertake, Sir.

MR. NEARY: Mr. Speaker, the minister there behind my friend there, the Minister of Municipal Affairs and Housing, would the minister tell us what he has done about the request for special assistance from the Town of Wabana to maintain essential services and extend water and sewer lines on Bell Island? What is being done about that?

MR. EARLE: Mr. Speaker, sometime ago the minister asked somewhat a similar question. The affairs of Bell Island are being gone over very closely by officials in my department, trying to come to some satisfactory arrangement whereby the council can be enabled to do essential works. At the moment they have not yet completed their study.

MR. NEARY: Mr. Speaker, supplementary: Would the minister indicate when he expects the study, the Doane Report I think it is, to be completed and submitted to the minister? The council is threatening to resign. I saw a newsletter the other day they put out.

MR. EARLE: Mr. Speaker, in due course.

MR. NEARY: Everything with this government is due course, Sir.



I wonder, Sir, the Minister of Fisheries is back in his seat and I am asking him this question on behalf of my colleague who is attending the opening of the fish market over there on the southside today -

MR. DOODY: Inaudible.

MR. NEARY: The minister was invited. Why did he not go over to the opening? He might have gotten a codfish. I know they have been coddling the minister long enough, he might have gotten a cod if he went over there today.

MR. SPEAKER: Order please! Order please!

MR. NEARY: Sir, I want to find out from the Minister of Fisheries just what his government is going to do, forget this passing the buck to Ottawa, what is the province going to do to help the fishermen in Newfoundland and Labrador, I assume who cannot start fishing yet because of the ice conditions, especially along the northeast coast. Would the minister indicate what the province is going to do? Forget sending telegrams to Ottawa.

MR. DOODY: Why?

MR. NEARY: Because it is a provincial matter. I want to know what the provincial government is going to do about it.

AN HON. MEMBER: Inaudible.

MR. NEARY: No, but assistance, is there going to be any special assistance for these fishermen, apart from welfare? Will the storm troopers be sent in by the Minister of Social Services when they apply for social assistance? Is the minister going to answer?

MR. COLLINS: Mr. Speaker, I have been trying to find some people during the last few days to give me advice on how we can improve the weather and how we can get the ice moving off the northeast coast of Labrador and the northwest coast and I have been unable to find anyone. I checked all parties, including the Liberal Party and the NDP and Social Credit and others, and all of them came up with a blank. Now that does not mean there is not a real problem existing with regard to the fishermen who were unable to get their nets in the water and be able to earn some income. I would remind the honourable member that last year we had a similar occurrence and after a

lot of pressure was brought to bear on the Minister of the Environment, they have not got the good manners in Ottawa to have a Minister of Fisheries, after bringing a lot of pressure to bear on the Minister of the Environment, and the Premier on the Prime Minister of Canada, we eventually convinced the authorities in Ottawa that they did have a responsibility in terms of fishermen whose unemployment insurance benefits had terminated in mid April and May, to come up with an emergency programme for compensating fishermen for lost time, the time lost between termination of their unemployment insurance benefits and the time when they could get their nets in the water and obtain some income.

They did come up with a programme. To give them all credit, they did come up with a programme, which was not administered properly but that is not my fault nor anyone here; that is their problem. I have been in touch with the Minister of the Environment, the honourable Jack Davis. The Premier has wired Mr. Trudeau and if we can believe all of the utterances from those people during the campaign now, they are genuinely interested in the welfare of the fishermen of Newfoundland. We have said to them that in view of the fact that they have not come up with a proper income support programme and in view of the fact that the unemployment insurance benefits have terminated because of legislation and the regulations and so on and so forth, that they introduce an emergency financial programme to take care of the fishermen until such time as they can get their nets in the water.

Now the honourable member for Fogo he wired me a few days ago saying that the province had a responsibility. We do have some responsibilities but the real responsibility here, Mr. Speaker, is with the federal government because the unemployment insurance regulations as they are now discriminate against the fishermen of Newfoundland. Before the elections started, Mr. Davis was in the province, I met with him, I am sure the honourable members met with him, the honourable member for White Bay South, I met him going in when I was coming out, and there was every indication that an income support programme was going to be introduced. It has not been introduced and until that is done then the responsibility rests

with the federal government to come up with an income support programme to support the fishermen who through no fault of their own cannot get their nets in the water to make some money.

MR. MARTIN: Supplementary to that one, Mr. Speaker, since the honourable minister has indicated that the action taken by the federal government last year had some input from the provincial people, I wonder if he could tell us whether or not in this year's programme which they are trying to get through, whether the fishermen on the Labrador Coast will be treated equally with the fishermen on the Newfoundland Coast, since they were deliberately left out last year.

MR. COLLINS: Mr. Speaker, there is no reason why we should discriminate against the Labrador fishermen. The situation might be a little bit different there in that normally speaking the Labrador fishermen might not be getting their gear in the water so quickly as fishermen on the east coast. But whatever the facts are, the main thing which has got to be corrected is the discriminatory aspects of the Unemployment Insurance regulations. Last year, as I said, the federal government came up with an emergency programme which was not properly administered because had it been properly administered the fishermen would have received much more money than they did. They did not have the wherewithal or the intestinal fortitude to carry through and do things like they should have been done, because the compensation should have been made available to the fishermen whose unemployment insurance benefits had terminated in April or May. They are the only people who should have benefitted from it, the real fisherman whose unemployment insurance benefits had terminated. Instead they made the thing available just about on a universal basis and where fishermen should have received maybe \$700 or \$800 or \$900 or \$1,000, it ended up that the \$2 million that was allocated was divided in so many ways that nobody got anything out of it. What we are suggesting to the federal government now and we did then is that they look at the unemployment insurance records. It is all available on computer punch-outs, to find out what fishermen in Newfoundland. I hate to say Newfoundland and Labrador but I will say it for this purpose, all fishermen whose

unemployment insurance benefits have terminated, they were the only people to have been compensated to have benefitted from the emergency funds which were made available. I hope that they will do that this year and that the real fishermen will be the main beneficiary.

MR. ROUSSEAU: I will answer that questions which was a shock at the time it was mentioned I know, I just checked it out and actually we are looking into it, which I knew was the case. There is no work being done. It is an ongoing thing. When a government department requests space we look in the various areas where space might be available. There is certainly no work going on and negotiations have not in any way as yet been finalized but we are certainly considering that as a possible site for a government department that has requested it.

MR. NEARY: Could the minister indicate what government department has requested space down there in the old Daily News building?

MR. ROUSSEAU: The Department of Justice.

MR. NEARY: Mr. Speaker, I wonder if the Minister of Justice could indicate why his department requested the Department of Public Works to rent that space. Was it for the Appeals Court? Is it to take the overflow from the Supreme Court and start new offices? Why has the minister requested this office space?

MR. HICKMAN, Minister of Justice: Mr. Speaker, a few weeks ago legislation was passed by this House authorizing the setting up of a Court of Appeals and it may be many months yet before the Government of Canada sees fit to introduce the necessary legislation into Parliament to amend the Judges Act to provide for the appointment thereto. But it is incumbent upon the province to provide the facility to accommodate any courts in the province. The present building that is now used by the Supreme Court of Newfoundland and by the Magistrate's Court and the Family Court is filled to capacity. We looked at the building that is presently occupied by the two district courts and received a rough estimate that the cost of renovating it would be \$.5 million and we thereupon asked the Department of Public Works if they would try and find a building

reasonably close to the law library which is situated in the main courthouse building, to accommodate the Court of Appeal. I do hope my colleague, the Minister of Public Works and Services, and his officials will succeed in finding a building and finding an owner thereof who will be prepared to do the renovations to comply with our requirements and specifications. Thank you for asking me this question.

MR. NEARY: Mr. Speaker, the minister has the cart before the horse in this case. I think maybe he is expecting Mr. Stanfield to be elected and then the minister will be the new judge of the Court of Appeals, Sir, I wonder, seeing the Minister of Finance over there is anxious to have a few works today, I notice he has the Union Jack draped around him today, Sir. I would like to see the Union Jack draped around him but in a pine box, not around his neck.

Sir, I wonder if the minister could tell us, now that he has admitted, now that the minister had admitted that the eight per cent sales tax on manufactured homes, that is on labour and material and so forth, now that the minister has admitted the eight per cent sales tax is unfair, what does the minister intend to do about it? There was a suggestion of mine made in this House about three weeks ago.

MR. CROSBIE, Minister of Finance: Mr. Speaker, that is not a question, as I have not admitted that any tax is unfair. What I have said is that the fact that the sales tax is imposed on mobile homes, well these are not mobile homes, they are mobile for a while and then they put in the foundation, the sales tax is collected. We are looking at the situation to see whether there are any changes to be made so that the sales tax only applies to building materials in the home. So that matter is being looked into. However, it is not something new.

MR. NEARY: It is not something new, Mr. Speaker, I raised it three weeks or a month ago in this House. Sir, I wonder if the Minister of Transportation and Communications could tell us, Sir, what is happening in connection with the harbour arterial road. Is there anything new on that white elephant over there?

MR. HICKEY: Mr. Speaker, I will have to take that question under advisement.

As I have told the honourable gentleman, I have just gotten back and I have not had a chance to meet with my officials so I am not up to date on what the status of that project is but I will undertake to get the information for him.

MR. NEARY: Sir, we are not dragging much information out of him today.

I wonder if the Premier could tell us what the government's position is on wage and price controls. What is the provincial government's position on wage and price controls?

MR. MOORES: Mr. Speaker, that is a question that should be asked in the House of Commons. I strongly recommend the member for Bell Island have a go at that.

MR. NEARY: Mr. Speaker, I would if I thought it would do any good. Sir, is the Premier aware that wage and price controls can also be a provincial responsibility and are?

MR. MOORES: No.

MR. NEARY: The Premier is not aware of that. The Premier does not have the nerve to say he favours Mr. Stanfield's wage and price controls or not. He does not have the nerve.

MR. MOORES: Mr. Speaker, with all due respect for the honourable member for Bell Island, I made a statement on this. I do not see what it has to do with the urgency or the emergency in the House or relevancy even of the House.

MR. NEARY: Mr. Stanfield thinks it is urgent.

MR. MOORES: I have said, Sir, that I think wage and price controls put in for a very short period of time, until policies have been formulated by a federal government that will deal with the factor of the cost of living, that will deal with the factor of this rampant inflation that we have had for several years, that is increasing, that obviously the Liberal Government in Ottawa has absolutely no means or wherewithal to do anything about, they do not know what policies to put in. The policies are obvious by their absence, I would say if we had wage and price controls for a short period of time until proper policies can be



formulated and introduced then yes, Sir, I am in favour of it but only for a very short period of time.

MR. NEARY: What does the Minister of Finance think of that statement?

MR. SPEAKER: Order please!

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: I beg your pardon! He does not know what he said.

MR. W. ROYE: No, and nobody else knows.

MR. NEARY: That is true, Sir. Nobody else knows what the Premier said either. Sir, I wonder if the minister -

AN HONOURABLE MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. NEARY: If he should want me to go and ask the Premier that question. If I just asked him about Churchill Falls I might get a different answer, like I did the other day.

MR. SPEAKER: Order please!

MR. NEARY: I have a note here for the Premier. I want him to read it after.

Sir, I wonder if the Minister of Justice could inform the House what his government is doing about proposed increases in this province in automobile insurance?

MR. HICKMAN: Well, Mr. Speaker, I cannot tell you what my government is doing but I can tell you what the honourable Premier's government is doing.

MR. ROBERTS: The Queen's Government.

MR. HICKMAN: Well, the Queen's Government. The superintendent of insurance, who is with the Department of Provincial Affairs and the Environment, has been asked to inquire of the industry as to the basis from which they are now seeking to increase or have announced the increase in premiums. The only information we have been able to receive so far is that this is attributable primarily to the increase in the cost of repairing vehicles that are insured.

The no-fault: Does the honourable member want the no-fault?

MR. NEARY: Yes. I was going to ask a supplementary question about the no-fault insurance.

MR. HICKMAN: The position on no-fault, Mr. Speaker: How much time do we have to answer this question?

AN HONOURABLE MEMBER: We have a no-fault minister.

MR. HICKMAN: How much time, Mr. Speaker?

MR. SPEAKER: Approximately ten minutes.

MR. HICKMAN: I have a ten-minute answer on no-fault insurance.

MR. NEARY: No, table it. I can read. I can read.

MR. HICKMAN: In view of the fact that honourable gentlemen opposite do not wish to have the details of what is going on with respect to no-fault -

MR. NEARY: Does the honourable minister have the report of the subcommittee of cabinet?

MR. HICKMAN: May I simply say that the subcommittee of cabinet has met on several occasions since I last reported to this House. We, together with representatives of the other provinces, excluding the three provinces where they already have a state insurance, have met. We have told the insurance industry that the submissions they have made to date with respect to a proposed no-fault insurance scheme are not satisfactory, that they have not given us figures to indicate that the present proposed scheme will result in either a reduction in the insurance premiums and/or maintaining them even at their present level.

We have sent them back as well and told them that we want a proposal with respect to property damage coverage under the proposed no-fault scheme. We have asked them to submit to us and also the firm of chartered accountants who are doing a cost analysis of this, a proposal whereby there can be some coverage for a motorist under the no-fault scheme, for property damage loss; because the no-fault proposal and the no-fault scheme as in force in some other jurisdictions prohibits absolutely the right of a motorist to sue a third party for property damage to his own vehicle.



Many motorists in Newfoundland, I think the figure is about fifty per cent, do not carry collision coverage on their vehicles. They say: "If I am involved in a motor vehicle collision, there is a fifty-fifty chance that the other person will be to blame, therefore I can recover from him under his property damage coverage." Alternatively, "I am a very prudent driver and if I can get by with one collision every ten years I will be money in pocket." So, they have not been carrying collision insurance.

To suddenly wipe out a cause of action for property damage against a third party, in my opinion and this opinion is shared by ministers from other provinces, would be much too drastic.

We have also noted with some interest the rather tragic results that have emanated from the imposition of state insurance in the Province of Manitoba, known as AUTOPAC. This year there was a general premium increase of nine per cent and in some instances up as high as nineteen per cent. There was a very substantial loss to the Manitoba Treasury last year, which had to be made up out of the net deficit of approximately \$10.1 million which had to be made up by the taxpayers of Manitoba, to allow the motorine public the luxury of

what in the beginning was supposed to be a rate below industry. We know that Manitoba's is not working so, Mr. Speaker, when we receive back from the industry and from the firm of accountants - whose name I have been looking for here and cannot find -

MR. ROBERTS: Peat, Marwick?

MR. HICKMAN: No, it is not Peat, Marwick it is -

MR. W.H. ROWE: Doane?

MR. HICKMAN: No. No it is not. The government will decide whether it is in the best interest of the Newfoundland motorist to have no-fault insurance. The hope is that we can find a scheme that will result in no-fault insurance being implemented.

MR. NEARY: Mr. Speaker, I wonder if the honourable the Premier could elaborate on a public statement that he made outside of this House in connection with his recent trip to Europe and to Great Britain with regard to the negotiations and interviews with people that he hoped would come over and work for the Churchill Falls Corporation?

HON. F.D. MOORES (Premier): Mr. Speaker, that is not quite accurate. The position will be outlined later today when the debate resumes on the BRINCO - Churchill Falls Labrador Development bit and piece and it will be totally clarified at that time when I speak.

MR. NEARY: Mr. Speaker, a supplementary question: Will the Premier indicate then if these are replacements for people who have resigned at Churchill Falls? I asked the minister earlier, before the Premier came in, about the subcontractors down there. Have they been kicked out?

MR. MOORES: Mr. Speaker, I tried to mention that I will be clarifying this later this afternoon, I hope even to the honourable member's satisfaction.

MR. NEARY: Mr. Speaker, just to change the subject: I wonder if the Premier could tell us -

AN HON. MEMBER: (Inaudible)

MR. NEARY: Yes they have resigned, Sir.

AN HON. MEMBER: No! No! No!

MR. NEARY: "That ain't the way I heered it." I wonder, Sir, if the honourable the Premier - to change the subject - could tell us what is

happening to the buffalo population on Brunette Island?

MR. MOORES: I have no idea, Mr. Speaker. Maybe we should send the honourable gentleman, "The Reddy Kilowatt from Bell Island", to check it out.

MR. SPEAKER: Order please!

MR. SIMMONS: Mr. Speaker, I would like to direct a question to the Minister of Municipal Affairs: I wonder if he would bring us up to date on the proposed road for Gaultois. I have been having some difficulty getting information. I have tried a number of ministers but I understand now that it is the responsibility of the Department of Municipal Affairs. Could the minister bring us up to date on what is happening on the Gaultois road?

MR. H.R.V. EARLE (Minister of Municipal Affairs and Housing): Mr. Speaker, at the moment I am not in a position to give a correct answer. I will check it out and see where we stand.

MR. SIMMONS: I see the Minister of Transportation. Perhaps he could also indicate to me or to the House, what is happening on the ferry for Gaultois. He undertook a couple of months ago to pursue this matter with all haste. I have been having some difficulty getting reports since, so perhaps he could brief us on it.

MR. T.V. HICKEY (Minister of Transportation and Communications): Mr. Speaker, all I can tell the honourable gentleman is that subsequent to his meeting and that of the delegation from Gaultois, I passed on that request to the Director of Transportation. I have not had the chance to get together with him but I have asked him to give me some details in terms of what was required and so on. As soon as I get the report from him I shall be glad to pass it along.

MR. SIMMONS: A supplementary: Is the minister indicating that a feasibility study is being done now?

MR. HICKEY: Mr. Speaker, I am not sure whether I would term it a feasibility study. I have asked the Director of Transportation to indicate to me, for example, what type of vessel would be required and some further details before we get into actually talking about the service. At the present time it is not clear to me what kind of service would be required nor indeed what kind of a vessel would be required.

MR. SIMMONS: A supplementary: When does the minister expect to be able to have this study at hand and the findings?

MR. HICKEY: Mr. Speaker, I have no idea. As I indicated I have just gotten back and I have not had the chance to talk to my officials yet. I do not know how long it will take. All I can say to the honourable gentlemen is that as soon as I get it, I have no reason to keep it from him, I shall be glad to contact him and pass on the information.

MR. SPEAKER: The time for the question period has now expired and we shall proceed to Order of the Day.

On motion, that the House resolve itself into Committee of the Whole to consider certain resolutions relating to the raising of moneys required for the purchase by the Province from Brinco Limited of all the interest and title of that company in and to hydro electric facilities and water rights in Labrador, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN (Stagg): Order! I think the honourable the Leader of the Opposition had the floor when we finished on Friday.

MR. ROBERTS: Thank you! Mr. Chairman, I had said a few words on Friday by way of introduction. I would like to say a few more by means of closing phase (1) of our remarks on the resolution before the committee.

The basic point, I think which I had made on Friday, Mr. Chairman, was the point that the government have not yet given the committee nor for that matter the people of Newfoundland any real information about the financial aspects of the Upper Churchill project itself. They have not told us how much money the Churchill Falls Labrador Corporation is expected to earn in a given year. The corporation's income should within the next year, I should think, be at its peak or at least have reached a very high level. The only product of the company will be the electricity which comes from the Upper Churchill. The only source of revenue will be the money they will get from selling that power. As we all know, the power has been sold for many years forward and for many years forward at a fixed price.

That means that it should be relatively easy to foresee the

revenue of the company. The expenses I would think are nearly as easy to foresee. The cost of the money that has been borrowed to build the project is foreseeable. Most of the money in fact has been borrowed. The only variable cost I would assume would be staff, operations and maintenance costs, and they are surely a very small part. I suspect the government have this information. Indeed, I am quite sure that they do and I would like them to make it public.

I also made the point on Friday, which I think is worth making again just to put the thing into perspective, that to my colleagues and me the question with respect to the Lower Churchill is the destiny of the power and the price which shall be paid for that power and above all the involvement of the province in providing that price and in consuming that power. The Minister of Energy made the statement (I am putting words in his mouth but I think I am accurately reproducing his thought) that an aluminum plant or some such high-load factor, high-volume consumer of energy was not necessary. I was glad to hear him say that because, as I said and let me say again, an aluminum plant I think is of debatable value to Newfoundland.

It is a very expensive proposition. It would take a great deal of money to put one here. That money would not be put up by us but we would have to put up the money to provide the power supply. If an aluminum plant should use one-third of the Upper Churchill power, as it easily could, then we are putting up, if the cost is say \$1.2 million, and it is more than that as I will come to, we are putting up \$400 million for power for an aluminum plant.

I say that if industry should want to come and it cost us \$400 million, we have a right to expect a good deal in return. I am not sure that an aluminum plant represents such a good deal at all on those terms. I think it should be borne in mind that aluminum in particular and it is the one that everybody talks about when we come to talking of energy consumption, aluminum consumes a very great deal of energy for a relatively low return in jobs. Our interest in these projects is surely largely, not totally but largely based upon the number of jobs

to be produced and the amount of money that will be put into circulation.

We must be concerned as well with environmental considerations and with the general social factors. The aluminum plant by that measuring, by those standards then comes off at least as badly as any other large, heavy industry, any other large industrial process.

I hope that we will not get locked into the position where we have to take an aluminum plant. I would think that as we look at the Lower Churchill - there was an editorial in the "Telegram" on Saturday if I may be permitted to refer to that "yellow rag of journalism" or whatever it is. The "scurrilous dogs". I forget the current epithet that is being used, but it made a very good point. Sometimes the "Telegram" editorials make very good points and this is one of them. The point was that the deals which the government shall be making in the next little while, the next year or two, whatever it is with respect to the sale of the power from the Lower Churchill, the energy from the Lower Churchill, that we will really not know the value of those deals or not know the social nor economic worth or otherwise for a number of years.

The "Telegram" said that some of the present cabinet may not be in office, and I believe that to be correct. Indeed, I believe none of them will be in office by 1979, the date that they mentioned. It also said that some of them would be dead. I hope that that is a little optimistic. The only demise I wish for gentlemen opposite is political and the sooner that comes the better.

Mr. Chairman, there is an important point: We are going to have if the Lower Churchill development is brought to the island, as the ministry say they intend to do, we are going to have a very large block of power, 1,800 megawatts, in round figures, twice as much as we are now consuming on the island, for all purposes.

MR. DOODY: 1,400.

MR. ROBERTS: Well the Teshmont Report is 1,760.

MR. DOODY: That is up there.

MR. ROBERTS: That is up there. How much comes to the island?

MR. DOODY: 1,400 firm on the island.

MR. ROBERTS: 1,400 firm on the island. We are still talking one and a-half times as much as we are now consuming on this island. That is a lot of power, Sir. The Minister of Industrial Development is playing his usual role of being a "Yes" man.

MR. DOODY: I always agree with the honourable Leader of the Opposition, Sir.

MR. ROBERTS: The honourable gentleman does always agree.

MR. DOODY: Always.

MR. ROBERTS: Unfortunately he agrees not only with me but he agrees with others and that, Sir, is his problem. Mr. Chairman, the position is that the government are going to have to find a customer for that power. Until they have a customer at commercial rates for a long period of time, then there will be nobody willing to put up the money needed to finance the whole development. That includes the Government of Canada and that includes the money people, be they in London or in Montreal or in New York or wherever the money of this sort comes from. The Minister of Industry shakes his head. Well, I say that for once he is wrong. For once he should agree with me that nobody will lend the province, whether it be the province directly or whether it be Gull Island Power Company Limited, I do not care what they call it, if they set up a corporate entity to deal with the development of the Lower Churchill nobody is going to lend the money needed, over \$1 billion, it will be close to \$1.5 billion by the time we are done, nobody is going to lend that money without take-or-pay contracts for a very large chunk of the power to be produced and at rates that will generate revenues sufficient to amortize the debt, to repay the principal and to pay the interest.

We have two choices for that, Sir. We do not have to have industry. We do not have to, but we have to have a customer. My fear is and I think the government are on the brink of this now, I think they have made a political commitment and now they are going to have to chop reality to fit into it. I think they may be in the position of Procrustes, Procrustes' bed, who took travellers in and made people fit his iron bed.



If they were too short they were stretched and if they were too tall they had their feet chopped off or their heads chopped off. It goes way back to classical times.

I might also remind the honourable member of another classical simile that he for one would do well to remember. It is the story of Icarus, a man who on wings of wax and feathers flew too close to the sun. When Icarus got too close to the sun the wax and the wings melted. I would remind the honourable member that those who get too close to the radiance of high places often wilt and suffer.

AN HON. MEMBER: That happened to the honourable Leader of the Opposition some time ago.

MR. ROBERTS: No, Sir. My fall from grace had nothing at all to do with that sort of thing.

MR. DOODY: That was not the sun then?

MR. ROBERTS: No, Sir. In Newfoundland it was not. The Minister of Industrial Development would do very well. He has a chance here to do something worthwhile for Newfoundland or he has a chance to participate in what could be one of the great disasters in Canadian History. I must say, on his record he is equally competent to achieve either.

Now, Sir, we are a long way ahead of selling beans or whatever the honourable gentleman tells us he has done.

MR. DOODY: (Inaudible)

MR. CROSBIE: Of all the things he has done so far, I do not know of one mistake he made.

MR. ROBERTS: I realize the Minister of Finance does not know of any mistakes but that in itself, Sir, -

MR. DOODY: I am as good at selling beans as the honourable member is at practicing law. That is the way I look at it.

MR. ROBERTS: Mr. Chairman, they are all great tenders of the fact that I have not practiced law. At least let me say this, Mr. Chairman: I am able to go back to the practice of law, which is more than I can say for the honourable gentleman going back to the selling of beans. The standard of the bean industry has improved considerably since the honourable gentleman sold them.

MR. DOODY: They would love to have me. There are thousands of them



screaming outside the building now; "Doody leave the government and come back to the beans."

MR. ROBERTS: Yes, Sir, I agree. There are thousands outside the building screaming; "Doody leave the government." Most of them are the honourable gentleman's constituents, as he will find out.

MR. DOODY: That is right for -

MR. ROBERTS: Now, Mr. Chairman,

SOME HON. MEMBERS: (Inaudible)

MR. CHAIRMAN (Stagg): Order please! Order please! Being the first day of the week and the honourable gentlemen have now gotten some of their more intemperate remarks out of their systems, maybe we can resume this debate; a relevant debate and a courteous debate.

MR. ROBERTS: Mr. Chairman, as I was saying, the problem is that we are going to have a great quantity of power. We are going to have to find a customer and there are only two possible customers, two possible groups of customers: (1) is the government themselves through the Newfoundland and Labrador Power Commission or through some other agency and the other is industrial development. In the latter, if one wish, underlying it all is the domestic load growth.

I am told that by 1990 predictions are that the present domestic load will have grown to the point where it will absorb all of the extra power which could be produced from the Lower Churchill. That is fine, Sir. That is just Jim Dandy. In 1990 all of the power which would come to the island would be used up in normal domestic use. Well and good, a customer. Not a very good customer in economic terms, because you are looking at load factors at fifty per cent, but a customer, somebody to use the power. At least half of the power that will be produced from the Lower Churchill would be paid for. Who would pay for the other half? We the people would. What do we do for the eleven years in between? They are talking of this power coming here to the island in 1979 but 1990 is the earliest date at which, under present predictions, the domestic load growth will have grown sufficiently to absorb all of that power.

Yet, Sir, the power must be paid for the moment the money is borrowed, which means at the very latest 1979. The interest during construction

will be capitalized in accordance with the normal technique. I say there is a danger. I am not saying that it will happen, I hope it will not but the danger is there and the ministry are being intellectually dishonest in attempting to mislead the country. If they do not point out that the moment we the Newfoundland people decide through the government to go ahead and develop the Lower Churchill, we take upon ourselves the borrowing of all the money involved, \$1 billion, \$1.5 billion, and consequent upon that we take upon ourselves the obligation to repay that money. The money to repay that debt can come from only two sources: It either comes from the sale of the power or it comes from us the taxpayers. The burden of repaying that could be extremely heavy. It is estimated at the best level in this report, this Teshmont business, at over \$100 million a year. That is a lot of money.

If we sell all the power all is well and dandy. If the ministry can show us where they will sell the power and show us how it will be sold at commercial rates for desirable industries, then I would be the first to stand and say; Hurrah! and Well done! They have made no such efforts to show this. There is vague talk. The Premier goes to Corner Brook and speaks to his own riding association at a mass meeting. He talks about four, five, six or seven types of industry which will come. These are essentially the ones outlined in this report (I forget the page) a caustic soda plant, a chlorine plant, a cement, an aluminum reduction plant; all of them fine and all of them pipe dreams.

The cement plant may be close to reality; really through little achievement of the government but through the normal -

MR. DOODY: They laughed at the mine.

MR. ROBERTS: What mine?

MR. DOODY: The tech mine.

MR. ROBERTS: I did not laugh at the tech mine. Mr. Chairman, the honourable gentleman is attempting at the very best to twist and to distort.

MR. DOODY: Not at all.

MR. ROBERTS: The tech mine was made possible by grants.

MR DOODY: They refused to build the northern highway. What a joke!

MR ROBERTS: No, Sir. What I do say again is that the government are, to use David Lewis's phrase, taking part, taking part in a giant corporate rip-off by giving a great, rich company, a great rich corporation that can develop a mine and will make great profits out of that mine, depleting all resources, they will give them a free road. Nice crowd! Another corporate rip-off!

AN HONOURABLE MEMBER: DREE Road.

MR ROBERTS: Free road! Free and DREE! I would rather, Sir, if we are going to have DREE roads, let them put the road where the need is. Let the Premier get in his car and drive with me, or without me if he prefer, from Deer Lake to St Anthony, and let him then see where the road should go if they have DREE money. It is going in the Daniel's Harbour section because the province insisted upon it, because the province insisted upon it, asked for it, insisted upon it and said again and again that it must go there. Their interest was not people, their interest was the zinc mine. That was their interest. No, Sir, their interest in putting that DREE money and that free road for that great mining company -

MR SPEAKER: Order please! I would like to hear the end of it. It will probably take some time. I suggest it is stretching the bounds of relevancy to the resolution under discussion.

MR ROBERTS: I can understand Your Honour's ruling. I only hope the Minister of Industrial Development does as well. The point I was making was that the Premier, in Corner Brook, and it was based upon a statement in the Teshmont Report, the Premier announced a great range of possible energy users, possible industry could come to Newfoundland to use energy. (I will be at least ten minutes, yes.) The Premier is diving for a smoke. The Minister of Health would take umbrage to that, and so he should.

The industries are only pipe dreams, except for the cement plant. The cement plant is a very real possibility because we have the resource, and the economics of it in the world market and particularly in the American market are now such that our resource - it is down in Your Honour's district. Your Honour doubtlessly knows all about it.

Your Honour will doubtlessly be there laying the first cement or whatever it is one does to open a cement plant; and the gentleman from St George's will be a good second, which is his normal role in life anyway.

Now, Sir, the government are embarking upon this plan. They realize that the island needs power. There is no doubt at all that Newfoundland is going to run out of power, the Island of Newfoundland and the Mainland of Labrador are going to run out of power very quickly and very soon and very shortly. So, we must have power. If the Lower Churchill be the way to do it, they have not yet shown us that. I am not opposing it, I am not endorsing it, I am merely raising the question. They have not yet shown that the Lower Churchill is the best means of providing the power that we must have in Newfoundland.

They have come up with all sorts of airy-fairy statements that sound magnificent until they are examined. They have talked, for example, of exporting power to Quebec. The Premier has said this a number of times. The gentleman from Placentia West, the Minister of Mines and Energy, said again in the House on Friday, when he spoke.

Quebec, I have no doubt, will purchase our power. They will purchase it at a damn cheap price. The Teshmont suggestion is five mils : but it costs us fifteen mils for the island - and they are proposing to sell it to Quebec for five mils, short term, short-term recall. First of all, there is no evidence that Quebec will buy power on that basis and, secondly, there is no mention anywhere of the cost of providing the means of transmitting that power from the Upper Churchill - the inter-tie is provided for from the Lower Churchill to the Upper Churchill: from the Upper Churchill West. I am told, Mr. Chairman, by an engineer and I must go on what I am told, that the lines now there are not adequate to handle any significant extra amount of power. There are three lines there. Two of them are used to carry the full capacity of the Upper Churchill and the third is a spare to get an extra amount of power.

AN HONOURABLE MEMBER: The word from Hydro Quebec says that -

MR ROBERTS: The word from - I would like to see somebody a little more authoritative than the minister speaking off the cuff. I would like to see a statement, I would like to see a proposal, I would like to see something behind, beyond airy-fairy statements. The Premier's statement

in Corner Brook again was that airy-fairy when it came to this. Fine and dandy! But where are we going to get the money? We are on the back of the note and Quebec know it. The Minister of Finance was so eloquent the other day when he talked about the bargaining power of Quebec or the one-sided relationship which existed between Newfoundland on the one side and Quebec on the other, or Brinco and Quebec, when it came to selling Churchill power. Well, what bargaining power would we have here? Short-term power going west to Quebec, Sir, is a pipe dream, an absolute pipe dream. The danger is that the ministry will go ahead and build this project and then go looking for power consumers, then go looking for somebody to pay them for the energy; but meanwhile we will be on the back of the note, Sir, we will be lashing out the money each year. That is the danger.

Then too when they come to talk of industry, there is another point I would like them to elaborate upon when they speak and that is the liability factor, the back-up factor. Industry, the heavy users, particularly an aluminum plant insist upon a great degree of back-up; thirty or forty per cent I am told in aluminum plants. If they normally have a million units of electricity they want an assurance that at least three hundred thousand to four hundred thousand be available from an alternate source of supply, should the main source of supply for some reason cease to produce. And we are proposing to build an aluminum plant on this island, and one suggestion, proposing to build it at the end of a six hundred mile power line across some of the wildest country in North America. What are we using for back-up? Are we going to use Bay D'Espoir? That is terrific, just magnificent! We are all sitting at home some evening, watching our television, and a little notice comes on: "The main line is in trouble, therefore we are going to have to cut into the alternate supply. Therefore, ladies and gentlemen, your power is going to be cut in half so we can keep the pot line warm on the aluminum line."

Where is the alternate line going to come from? Thermo plant? Possibly. Maybe Holyrood. Holyrood is already being used for back-up.

Is it enough? If not, what is the extra cost? Another matter the ministry has not dealt with. On the quasi-technical thing, let me add something to the remarks of the Minister of Energy about crossing the Straits:

The Teshmont people have recommended there are two possible way of getting power across the Straits. It is a startling input into the obvious. They either run it in a submarine cable laid along the floor or they dig a tunnel and put the power cables through the tunnel. They recommend that it be laid on the submarine cable route, that tunnels be driven down at each end and out a little bit under the Straits and from then on it just follow the course of the bottom across the way.

Well, it is known that power to cross the Straits it will have to be a tunnel. There is no other way around it. The Teshmont Report makes a great point of saying that the depth of the water is two hundred and ten feet and that there is a central bank protecting it and that no icebergs can get down beyond that to destroy the cable.

Mr. Chairman, on last Thursday, when I checked this when I thought I might get to speak in the debate on that day, Thursday I checked this and there was an iceberg aground south of the Central Bank, directly on the route of the cable route, the proposed cable route across the Straits, in three hundred and ten feet of water. It was just off Point Amour on the Southern Coast of Labrador, and if there had been cables in existence that iceberg would have in all probability damaged those cables and possibly cut them.

So much for the Teshmont Report. But the fact remains that on last Thursday there was an iceberg, and it may still be there for all I know, aground in three hundred and ten feet of water. It was observed by the University Iceberg Report Spotting Station at Point Amour. They bought the lighthouse from the Government of Canada, the Transport Department. They have a team there. They have been studying it for a number of years. So for them to put the power across the Straits it will have to be in a submarine tunnel. We cannot take a chance because if the power should be interrupted it is not just a matter of replacing a fuse or of getting a new cord and splicing it on to the appliance, it is a matter of getting new cable and new cable laid. I am told that unless one be willing to carry



a very high inventory of twenty or thirty millions to have the cable just spare, ready on the shelf, that if one were not to do that one faces a wait of a year or two years to get new cables made to specifications.

It is obvious that if we are going to come across the Straits we are in for the extra cost of the tunnel whatever it may be. That will be \$50 million or \$60 million or \$70 million. I think if the Minister of Energy were to be frank with the House he would tell us that the technical people at Ottawa have expressed the same doubts as well, the very serious doubts about any possibility of bringing the power across the Straits by submarine cable, with the degree of reliance and safety and effectiveness which is needed.

If we are going to bring it across the Straits, we are going to put it rock tunnel across underneath the bottom of the Straits and bring it down to Forteau somewhere and bring it up on the other side to Salvage Cove or somewhere on that part of St Barbe North.

I have already touched upon the reliability, the factor that again has not been dealt with by any of the speakers for the ministry nor, as far as I can see, with the report.

What do we use for back-up supplies? Are we going to put the whole province's energy position in as hostage at the end of a six hundred mile line? Obviously that is unthinkable. We have some supplies on the Island, but are we going to have enough? If our domestic consumption is going to increase from nine hundred megawatts a year or gigawatts or gigawatt however that turns out to be - if it is going to increase from a capacity of nine hundred megawatts a year to a capacity of twenty-three hundred or twenty-four hundred megawatts a year, obviously the back-up supplies that we now have are not adequate. We shall need others. Where are they to come from? Where are they to be and what are they to cost? Because if we are to build thermo plants, these are very expensive, as we all know. They may be the only solution. What else? But again, what are the government thinking?

On the subject of cost, Mr. Chairman, I would like to know just what effect all of this is going to have on the debt of this province. The Minister of Finance pooh-poohed and scorned and got off with all his usual cheap claptrap which to me is dead certain proof that he is concerned, that he knows, that he is worried that this proposal to borrow over a billion

dollars, every cent of which, Mr. Chairman, will be directly on the credit of this province. It may not show in the direct debt but it will certainly show in our guaranteed debt: and in one blow we are going to double the debt of Newfoundland, from a billion and two hundred million dollars, a billion and three hundred million dollars, whatever it is today, to over two and a half billion dollars. I would think, Mr. Chairman, this is something that should be looked at and examined and thought about by all the people of Newfoundland, because we need roads and we need schools and hospital and water and sewer systems and we need a great deal else in Newfoundland: and our capacity to get those things depends upon our capacity to borrow money with which to build them and our capacity to repay that money we have borrowed. But if we increase the debt of the province, if we double it with one shot, what does that do to our capacity to borrow? The Minister of Finance has already, time and time again, lectured us with his tales of woe about how much we have borrowed and how we cannot go on borrowing as much. And we saw a savage tax increase this year, brought in for one purpose only, to appease the bond market, to try to convince them that they should lend them more money. What is going to happen when we add on a billion dollars to a billion and a half dollars? Let there be no doubt that every cent of it will be on our debt, every cent of it. That includes Ottawa because even if Ottawa put up the five hundred million dollars or whatever the transmission lines will cost, and I believe they will and I hope they will and I think they should, that shows on our debt. We have to undertake to pay off that debt and it is as much a part of the debt of this province as is the Confederation Building, the lease-back here, or the linerboard mill at Stephenville. If anybody think the Government of Canada are going to put up a transmission line and give it to us, he has another think coming. Five hundred million dollars even for Ottawa is a very great deal of money and they will do it only if they can be shown how it is to be paid back and given some security so that they get their repayment. They owe nothing less to the taxpayers of Canada and the people of the country who put up the money.



The total cost we are told, according to the report, twelve hundred million dollars: five hundred million at Gull Island, in round figures, five hundred millions, in round figures, for transmission, fifty millions for the inter-tie to the Upper Churchill; one hundred and fifty millions extra capacity on the Island, twinning or tripling, or whatever the technical phrase, of our power lines on the Island.

I say, Sir, that is not the true cost. I say that if we come out of this with less than one and a half billion dollars we will be doing well. The Minister of Energy can say anything he want , he can produce all of the fancy figures he want but anything less than a billion and a half dollars, \$1,500,000,000.

AN HONOURABLE MEMBER: He is using his glass ball.

MR ROBERTS: I am not using my glass ball, I am merely saying what has happened to every project that ever was started. I am also relying upon Mr. Jamieson who made some very good statements which have not been criticized - Oh, they have been criticized, of course, because they are unpalatable but they have not been contradicted. This Testomont Report is based on money at seven and a-half per cent, eight and a-half per cent. Money today is eleven per cent and twelve per cent. I was at a luncheon, so was the Minister of Finance, at which the chief general analyst of the Bank of Commerce was present. He was here and took out a number of prosperous persons and a number of us debtors, bought us all a lunch. He said, and it was not a private affair at all, that he could not see any real change in interest rates. He did not know what was going to happen, but he said that they might go down a little bit in the next little while, but he certainly would not bet a lot of money on it. Well, we are betting a lot of money on an interest rate. The major cost of a hydro-development is the cost of the borrowed money.

When the Minister of Energy speaks, and he can speak again and again and again, let him deal with those facts. What is it going to cost at eleven per cent interest or ten per cent interest?

MR BARRY: It is still the lowest cost, if the rates are anything less than thirteen per cent -

MR ROBERTS: The honourable gentleman says "lowest cost". I shall come in a minute to lowest costs, compared to what? I am sorry?

AN HONOURABLE MEMBER: The other alternatives.

MR ROBERTS: What I want to know is what it is going to do to the credit of the province and what effect it is going to have on our borrowing power.

I do not see how and I do not think anybody can see how we are going to be able to borrow another billion dollars without it affecting our credit. That is six year's borrowing. Add on the \$160,000,000 we are borrowing in the bill before the committee; project financing. Of course it is project financing but it still has to be borrowed and paid out.

AN HONOURABLE MEMBER: There is a lot of difference in the borrowing.

MR ROBERTS: Yes, that is true. That is true. The difference, Mr. Chairman, the difference is that the project pays it back. That is why I kept asking when will the project, where are we going to get it paid back? That is the information we have not had. That is the information we have not got. That is the important information. Of course it will affect it. The Bay D'Espoir was project financing. If one heard honourable gentlemen when they were on this side talking about the debt of the province, a quarter of a million of which includes Bay D'Espoir. We did not hear any talk about project financing then, Mr. Chairman, nor did we hear any talk about project financing when we came to look at the guarantees for all the other things shown in exactly the same way, EPA, all the other industrial developments which stand to the debt of this province, the fish plants and what have you, all of them project financing. But the only person in this project is the Government of the Province and the only people who stand behind it are the taxpayers of this province. So that is why the question must be asked and it must be dealt with.

In the Testmont Report, page 26:- "Even given fast energy growth, even given the government's optimistic forecast..." and I suspect they are more than optimistic - "...the power will not be used until 1985, in full." Who pays for the surplus energy? This year in the estimates of the government there is provision for about ten million dollars for surplus energy, and that is in connection with the Holyrood thermo plant and the surplus capacity we have on the Island, about one-third; thirty-three

per cent according to the Teshmont figures.

Who is going to pay for the surplus energy from 1979 to 1985? The answer is we, the people. Sure we are! Sure we are! It is going to come right out of our pockets, another two per cent or three per cent or four per cent on the sales tax, that is what we will pay. That is what we will pay. One point is nine million dollars or ten million dollars. How many points to pay for that? Well, we will come back to the question of other thermo plants beside oil plants or coal plants or nuclear plants, the three sources of thermo power. Nobody has ever used wood that I know of to make thermo power, although to hear the forestry people talk perhaps that is going to come next.

If we go on the slow growth, whatever that means, 1988: So we are stuck at the best with six years of paying for power that is not being used and stuck as well with the grave danger that even in a fast energy growth we will see loss leaders.

Let us put this to the ministry: They say now and they probably mean it, I think they mean it: "Oh well, we are not going to have any giveaways of power." And they will all stand and say to me: "We will all stand and believe it!" Well, I ask them now because I have seen the situation where honourable and honest men, honourable gentlemen opposite are honourable and honest, get trapped. I can see it now; they have to sell a certain proportion

of the power. They have only one, two or three possible customers. That is all they will have, only a limited number. They will have to take any terms they can get. The customers know that just as Hydro Quebec knew full well the situation with respect to the power on the Upper Churchill. The Minister of Finance went on at some length and he was quite right.

I invite the ministry now (They may laugh at this but I think it is an idea that is well worth looking into) to put an act on the books of this House, on the Statutes of this Province, that no power can be sold at less than cost. Put it on the Statute Books so that no minister or no cabinet have any power to do it. If there should be a case to do it, come back to the House and the House can change any law that the House has ever made. It would be statute barred. Then when the industries come in, a cost can be defined. It could be worked out. It might take a few words but it could be done. It worked out with John Shaheen a number of times.

MR. DOODY: (Inaudible).

MR. ROBERTS: Right, using the same definitions that we worked out the first time around, word for word. They are written by Mr. Fred Woolgar and Mr. Larry Johnson of Peat, Marwick, and checked by all sorts of people, but good definitions. Put it on the books and then a company figures: "Ah, ha! We got Newfoundland now, boys! She has got to sell 300 or 400 megawatts of power and we are the only possible users." Give the ministry the ability to say, "Well, we are statute barred, we cannot go into the House. Unless we go into the House, we cannot sell it at less than the defined rates." It is a suggestion well worth thinking about because believe me, Mr. Chairman, I can see the day coming when the ministry, be it this ministry or be it their successors, will be faced with the alternative of, "Boys, we got to sell the power. The only customer is a crowd who will buy it at a fire-sale rate, at a cheap rate. Are we going to do it or are we going to start digging into our own pockets to pay it out?" The Minister of Energy shakes his head. The Minister of Energy, Sir, is not much older than I am. Indeed, he may not even be as old as I am.

We are approximately the same age. I am afraid that I have seen more for good and for bad government than he has yet. I would suggest to the Minister of Energy that that suggestion is well-worth -

MR. BARRY: (Inaudible).

MR. ROBERTS: If the minister be genuine in his protestations that the province will not sell power at uneconomic rates, then let him bring in such legislation and put it on the books. It could always be changed if time should show the necessity to change it. It can always be changed. The House can change any law that the House has ever passed. We have that right under the constitution. I suggest that. It would be a good, earnest -

AN HON. MEMBER: Define cost.

MR. ROBERTS: Of course, one has to define cost. It might take a hundred pages to define cost. That would be a lot cheaper and a lot easier than selling power at less than the cost. Of course, cost can be defined. It is defined in the Teshmont Report and it is defined in every document the minister has. If it is not defined, he is working with less than the full information. This is not going to be cheap power, Mr. Chairman. Even giving the federal financing alternative, which is the cheapest alternative, the cost at the bus bar, 1985, is supposed to be 4.3 mils and another 4.3 mils to move it to the island. Mr. Chairman, you are looking at 8.5 mil power. Given the federal financing of the whole picture, 1980, Mr. Chairman, you are looking at power of 13.9 mils. Given the base case, 1980, the base case is the most expensive, it is the private enterprise group. Mr. Chairman, you are looking at 13 mil power in 1980, you are looking at 14 mil power in 1985. That is even with federal financing, the former figures of 14 mils in 1980 and 9 mils in 1985.

Mr. Chairman, the difference between them, of course, is that the base case includes sending power west to Quebec and the other case does not take that. The figures can be found on page ninety-four of the report, ninety-four and ninety-eight were the figures I quoted. The minister can look them up.

As for the federal role, there is an interesting thing which seems to be developing. The ministry seem to be taking the position now that if this thing should not go ahead it shall be all the fault of Ottawa. I have no doubt, Sir, and I have no authority to speak for Ottawa on this but if the problem, if financially sound and if there are sufficient customers located and signed up with sufficiently proper contracts, then Ottawa shall finance it. I want to know if we have to choose between that financing and something else. Ottawa has a limited number of dollars for all of Canada. Any government does, whether it is Mr. Stanfield as Prime Minister, Mr. Trudeau, Mr. Lewis or Mr. Caouette. If we get five hundred millions put into a power line, will that mean that much less for a highway or will it mean that much less for the housing funds from Central Mortgage or that much less for roads from DREE or that much less for resource development, fishery and forests? These are questions which should be answered. They have not been answered. I find it passing strange, while on Ottawa's involvement, that after the government buy the Upper Churchill, they go to Ottawa and ask to set up a study of the various financing methods and what they will cost. I would have thought that that would have been a preliminary step.

Finally, Mr. Chairman, I would like to say a word or two about nuclear power. The Teshmont Report on nuclear power deals with it in a short paragraph.

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: No, it has not been tabled. That is why I have not read it. When I checked for it, it was not here. It may have been lost.

The Teshmont Report deals with the nuclear alternative in a very short form. I think it is a paragraph. It may be eight or ten lines. I do not have the page reference here. I could find it if one wanted to look it up for a minute. I am sure the minister knows the report intimately.

I do not know what nuclear power will cost. The International Atomic Energy Agency, which is a UN body, convened a worldwide symposium, which was held in Istanbul, an interesting place. The information in that was that the total for nuclear power was 2.81 mills. That would be on site. There would have to be a transmission charge.

MR. DOODY: (Inaudible).

MR. ROBERTS: I am merely reading what is put out in this great marvelous book.

The Government of New Brunswick are putting up a project to produce 1,200 megawatts, which is about the same size as the one we have here. They are talking of \$900 million in 1979. It is not far out from what we are talking about. That is going to have in addition, off that figure will have to come the federal contribution because Ottawa I understand it has offered to pay half the cost of the first nuclear installation in each province. That, of course, really does not enter into it. The point I was going to make is that they will obviously have to do the same sort of thing for Newfoundland whether we go hydro or nuclear. There will be federal involvement and that is why there is going to be federal involvement at Churchill Falls.

The point is that the nuclear alternative is not as unthinkable as is so gaily and cavalierly said. The nuclear alternative has to come on I am told in blocks of 600 megawatts. One either builds a 600 megawatt unit or one does not build any. We are talking of building an 1,800 megawatt unit or building none at all.

MR. BARRY: (Inaudible).

MR. ROBERTS: The Minister of Energy shakes his head. What is he going to do, Mr. Chairman? Is he going to put a plant down there with an 1,800 megawatt capacity and not turn on half of it?

MR. BARRY: We will have different lines.



MR. ROBERTS: Oh, we are going to have different lines. Well given 600 megawatt reactors, nuclear plants, we could have three. We could put one in Labrador, if we needed one in Labrador. We could put one on the West Coast and we could put one on the East Coast and not even have to build the transmission lines.

Mr. Chairman, all I am saying is that the ministry, at least, to this point -

MR. BARRY: I do not believe what the honourable gentleman is saying.

MR. ROBERTS: Mr. Chairman, the fact that the Minister of Energy is unable to believe it only strengthens my belief. The honourable minister can get up and destroy me or disappoint me or anything he wants. He can try.

Mr. Chairman, all I am saying is that the nuclear alternative is not unthinkable. It may be unpalatable and it may well be undesirable. The ministry again, Mr. Chairman, have not made any convincing case. All I can say in summation, Sir, is that the government have made a political decision. That is neither good nor bad. They are now trying to get the facts to fit that decision. They have announced they are going ahead and now they have set up the financing study group after they commit us publicly to it. They have not sent any legal documents for the Lower Churchill. Then they commit us publicly to go ahead. I fear they are placing themselves in a position where they will have to go ahead whether the facts justify them or not. That is all I am saying. That is all any of us are saying. That is all any of us can say in Newfoundland. The government have not been very free with information. They produced one copy of a report for the committee and then there is the one copy here of the summary volume which was made available to the opposition. That is the sum total of the information which they have made public. The two speeches by the two ministers who spoke here in this debate have given us no information that we did not have before.

I say to the ministry, Sir, that they have a duty to tell the people of this province what it is they propose to do. Until they do, the people of this province cannot judge properly, cannot judge on the basis of all the evidence. All I have done throughout an hour and one-half of talk is raise questions, questions which I believe should be answered. I see no reason why they cannot be answered. The ministry have not answered them. I hope they will.

Mr. Chairman, let me just touch on one other point, Sir, the effect on Labrador. My colleague, the Member for Labrador North, is not here but he will be shortly. He doubtless will have a few words to say on it. I would assume that the gentleman from Labrador South will have a few words to say. In Labrador, Mr. Chairman, it is terribly relevant to this proposal to develop Churchill power. I feel and I fear that for the first time we may be seeing some substantial weight being given to a quasi-separatist or to a separatist movement.

I am glad to see the gentleman from Labrador West back in his seat because I know he is as concerned about this as we all are.

There is a feeling in Labrador, it has been there for a long time and it is becoming more articulate, it is becoming more coalescent, it is becoming more vocal, it is becoming more of a political factor, and that is that Labrador is not only getting the short end of the stick, it is not getting any end of the stick. The Snowden Report, which admittedly contains nothing new, is a good summary of many of the reasons why that feeling of discontent exists. It will be a mark of what can be achieved and it will be a test of what is achieved and so will this proposal to develop the Lower Churchill. There is a feeling of anger building among people who say why should our power? They took all of the Churchill power and

sent it west; they took all of our iron, ore and they are shipping it out; they are taking our forests and shipping them out to Stephenville; they are going to take the rest of the power and ship it off to the island." It is true it is part of the same province but that does not answer the questions which the people of Labrador raise.

Mr. Chairman, I think the government have a duty and a very heavy responsibility to ensure that if Churchill power is going to be used for industrial development that as much as possible of that industrial development take place on the Labrador itself. I know of all the problems, the difficulties of climate, the difficulties of shipping, the difficulties of distance and so forth. Run a line to Happy Valley and possibly to the coast to hook-up the domestic use, domestic people, the people who are there now, because what they are using in their homes now is not enough.

The iron ore mines in Labrador West and the great pelletizing plant in Labrador City are being fuelled and run on the power from Churchill Falls, Twin Falls originally. It is now all coming from Churchill. That still does not meet the feeling (We are not dealing with tangibles, we are not dealing with the types of things that can be put in a report and quantified. We are dealing with very real, very genuine and very deep feelings.) of 35,000 or 40,000 of the citizens of this province. The Lower Churchill will be the last great resource development. There will be other hydro developments presumably and other great mineral developments. It will be the last great hydro development. It will be the bench mark.

Mr. Chairman, I must say that in the last few months I have been having ever greater fears that the quasi-separatist movement for the first time is beginning to attract sympathetic attention from people of substance in Labrador. I think

it is fair to say that up until recently it had not become part of the political firmament but now it is a fact with which we must deal. One of the political parties of this province is studying it quite seriously and with an intention to make a study of it with a view to seeing whether the separatist option would work and whether the Territory of Labrador should be a federal territory as in the Yukon and Northwest Territories or whether it should become part of the Province of Quebec or whether it should attempt to achieve some other status separate from Newfoundland.

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: No, Sir. It is obviously not the Tory Party because they gave up studying some time ago. If the honourable gentleman do not know, I shall tell him. The New Labrador Party quite publicly announced that they have a committee or a number of committees at work studying this. It is a factor. It is something with which we must deal. We are not in this House of Assembly to take part -

MR. BARRY: (Inaudible).

MR. ROBERTS: Mr. Chairman, that is not worthy even of the usual despicable tactics of the gentleman from Placentia West. I am saying, and I shall repeat it again and I shall answer to anybody in this province for what I say in this committee or outside, that the feeling is there. It is the attitude of the Yahoos like the gentleman from Placentia West, that is leading to it. To ignore it, to pretend that it does not exist, Mr. Chairman, is to court disaster. The way to deal with it is to meet it head on, Mr. Chairman. There is a legitimate basis for that feeling. It took Don Snowden one-half million dollars and God knows how many man-hours of work to tell us what everybody knew. He did do the service of cataloguing it all and listing them all down. Just to pretend, ignoring and it will go away, is to court disaster. The way to deal with the problem is to bring it out. It is all over Labrador. People are talking seriously, maybe not the toadies with whom the Minister of Mines and Energy

consorts with when he goes there. I say the people of Labrador, Sir, for the first time in my experience of politics, brief as that may be, as long as anybody in this committee, there is some weight being given to it. I say that is a factor which must be taken into account in shaping the policy of the Lower Churchill. I do not believe that this province should be turned over to the technocrats. This province should be run by the elected politicians, the men who have been sent here by the citizens of this province and the men who will answer for what they have done and not done, not the technocrats. It is all very well to get Mr. Teshmont and pay him God knows how much to do a study. Well and good and useful! They do not make the decisions. They do not answer for the decisions. The people who answer for the decisions and the people who take them are here in this House of Assembly. They have to take into account the flesh and blood and the heart and spirit as well as the dollars and cents and the gigawatts, the kilowatts, the megawatts and the millibars and the mill rates and the whole bloody works. That is all I am saying. I say the feeling is there in Labrador.

The Minister of Energy's attitude is typical of the attitude of his colleagues. I hope and I believe it is not what I fear. I know it is not the attitude of the gentleman from Labrador West, who is as responsible and as concerned as the gentleman from Labrador South or my colleague from Labrador North or myself or any of us in this House. Anybody who has had the least thing to do with the people of Labrador in the last six months has seen that change. It is becoming quite obvious. It is becoming quite open for the first time. For the first time ever I have noticed it of that magnitude. Up until now it was always sort of, well not quite an oddball fringe but it was a radical group. I think the Minister of Manpower would agree with me that now there is beginning to be some solidity to it. It is not to be encouraged but

it will not go away if we just pretend that it does not exist. The place to discuss it is here in this House of Assembly. Since the ministry have not put down a motion on the Snowden Report and have not stated their policy on it, the appropriate place is here in the discussion of a motion which will affect Labrador and affect it very deeply. It is something which the ministry must take into account. If I have said little else in this debate that the ministry pay any heed to, I would ask them to pay some attention to that. I am deadly serious and I know what I am saying. It is a despicable tactic of the Minister of Mines and Energy. He should know better. If he do not, he should be silent.

MR. BARRY: (Inaudible).

MR. ROBERTS: Mr. Chairman, it is not encouraging a fact to mention it. One does not encourage crime by mentioning the fact that there is crime in this world.

MR. W. N. ROWE: We are supposed to bury our heads in the sand.

MR. ROBERTS: Yes, the Minister of Energy would have us bury it and pretend it does not. the reason the problem is as bad as it is is that for too long it was ignored; for too long the ostrich like attitude of the Minister of Energy prevailed.

MR. BARRY: (Inaudible).

MR. ROBERTS: Mr. Chairman, the honourable gentleman's conduct and words are equally despicable so I will not deal with them.

Now, Sir, in closing, all I have said throughout the

hour or so I have spoken in this debate that I have asked for more information, I said we shall support this bill, The bill itself is fairly straightforward. It is a bill to authorize the government to borrow \$160 million. We shall support it. I would assume, I do not want to speak for the gentleman from Labrador South, he will do that for himself, I assume he will support it too and every member of this House will support the bill. What we have not been told, and hopefully we will be told the financial details. I can only assume the reason we were not told was that the Minister of Finance, through no fault of his own, is not in the best of health these days. I am sure otherwise he would have mentioned it. Perhaps when he speaks at some later point in the committee debate, and it is a committee debate, we can all speak again, there is no rule of speaking only once in this committee, that the Minister of Finance or one of his colleagues will spell it out in sufficient detail. It does not have to be great detail but it has to be sufficient detail.

Then the other points which I have made are worth answering. The questions deserve an answer. No answer, or sarcasm or scorn, all the tactics which anybody can use. It does not take very much intelligence to use them, anybody can use them, a loud noise and a lot of scorn and sarcastic talk, We are just as capable of it on this side. I can assure Your Honour, if those questions, if they are answered by that sort of tactic, that in itself is revealing. That will show that the government have no answers, that they have not thought through the problems.

I could be wrong. Indeed I might very well be wrong on most of the things that I have said. I am not the least bit concerned about being wrong, what concerns me is if these matters go through the House without any debate, if they go through without questions being asked.

I do not assume the ministry are the fountain, repository of all wisdom. Maybe they are, but they have to establish that they are. I must say, the more I see of their performance, the less that I am convinced that they are the repository of all wisdom and knowledge. Indeed the more



I see them the more I am convinced that they have very little knowledge or wisdom at all. It is not enough just to fling down a report and the other volumes which have been tabled, but which only one copy of which is available, and say that is the answer. We are talking of \$1.5 billion, more than that we are talking about the future of this province and that is too important to be dealt with hurriedly. It is too important to be dealt with by airy-fairy platitudes, with empty phrases and generalities.

The government have already committed us to a \$20 million gamble this year. We are on the hook now for \$20 million and if it work out well and good and if it do not we are out-of-pocket \$20 million. That is the \$14 million that is in the Lower Churchill, going ahead this year on surveys and what have you and another \$5 million which would have to be paid out if the project were to be cut off this summer or cut off this fall, if it were not to go ahead.

I suspect the government rushed into that decision. I suspect they rushed ahead on the basis of the Teshmont Report which they got in February and which laid down that they had to act. By April 1, was it? It is here on the first two or three pages.

Here is a report the government get, dated I believe February 1974, "If the feasibility of bringing Gull Island power to the island by January 1, 1979, is to be protected, a decision must be made by April 1, 1974, authorizing an immediate programme of field investigation and engineering work during the spring and summer of 1974. The costs of the preliminary work will be \$14 million. To maintain the schedule a full project release would be required by October 1, 1974. If for any reason a full project release was not given on October 1, 1974 and all work was suspended at that time, there would be an added cost of \$5 million for cancellation of contracts, demobilization and general wind-down expenses."

So that is the \$19 million or \$20 million we are gambling now. It may be a very good gamble. But I for one am quite prepared as a Newfoundlander to see the government of our province gamble \$20 million on this project. The stakes are worth it. The gamble is either a

good one or a bad one and only time will tell, but it is a good risk to take. But, Sir, until and unless these other questions are answered we will not know. I think it is up to the government, particularly up to the Premier who will speak now. I assume he will speak now. I hope he will speak now. It is up to the government to give us as many of these answers as they can and where they do not have answers indicate what they are doing to get them. We have had precious few so far.

The Minister of Finance was well off his usual form. He is not well. It is not his fault and we hope he will soon be back in full vim and vigour and full of all the many marvellous things which he is usually filled with. The Minister of Energy was in his usual form, and as a result of the two speeches together we were not given a great deal of information. Well I hope we will and if they want to crack me or criticize me then they should feel perfectly at liberty to do so. It does not particularly bother me, as long as we get the information. That, Sir, is where we see it now. The government have not as yet produced enough information. They have not produced very much information of any sort and I would hope and I would ask the Premier, and that these be my closing words at this stage, to assure us that he will produce the information, that as much of it as possible will be given before this session ends and that the questions that are in my mind and in the mind of all sorts of people all over this province will be dealt with and will be dealt with satisfactory. They have not been as yet.

MR. MOORES: Mr. Chairman, unlike the Leader of the Opposition I will try to be somewhat brief and answer I would hope most or all of his questions, certainly either directly or by taking a position whereby they will be available by one of the ministers in this debate. Certainly it is not the intention of the government to become involved on an individual basis at this time whereas the Leader of the Opposition says that you can go after him the individual. I think this bill we are debating in the House now is probably of such importance that certainly the parochialism and partisanship that has been practiced many times in the

past should be something that is put aside because we are talking about the largest industrial development, the largest responsibility I suppose than any government in this province has up until now ever taken on.

First of all I would like to say, Sir, that the bulk of my remarks will be involving the corporate structure, how it is envisaged for the development of Labrador energy, what will happen to the power from that development and also later the technicalities and various financial figures will be made available by the Minister of Finance. I might say that the Leader of the Opposition has, I am sure not intentionally but he has used a great many wrong facts when applying them to this particular project, in giving illustrations from Venezuela or whatever part of the world he got his latest brochure from. The fact is that we are talking, Mr. Chairman, about the development of Labrador. We are talking about the development of hydro power in Labrador and by talking about this I think we should stay with that particular subject and exactly what it means to our province in the future development and also in cost to us the people.

The Leader of the Opposition did say one thing which I can certainly totally agree with and I think all members of this House agree with, that is to pay a tribute to the BRINCO people for a job exceptionally well done from the time of initiation. When I say 'well done' I am talking about being pioneers in the fields of engineering and financial achievement. I agree that when the Upper Churchill was commenced, I suppose it was a very difficult time for people in an area such as remote as that part of Labrador was, it was very difficult for financiers in New York, for the people who put the engineering studies together, to make it a real thing.

The sales contract which sold the power that qualified the financing at the time certainly is a matter of debate. Hindsight is not what is important now. Although I am sure that most of us feel that Newfoundland did not benefit to the degree we should have at the time that power was sold. Certainly with hindsight we know we should have benefitted more. However, I will grant the opposition or anyone else

the fact that at the time the engineering and the financial performance of the principals were indeed magnificent achievements.

The individuals involved, the late Mr. Don McFarland, Donald Gordon, Henry Borden, all the other gentlemen who headed this great organization deserves every credit in the world. Anyone who has had the fortunate experience of visiting Churchill Falls realizes that the engineering achievement taking place in our province is something physically in itself literally to be very proud of.

However, that is not what we are discussing here today, Mr. Chairman. We are talking about what this particular development will mean to the future of our province. Before going into that I would like to reply to a few of the points the Leader of the Opposition brought forward. He talked about the price of money being the criteria on what the price of power will be in the future. Well, that of course is absolutely accurate. But also what he failed to say is that the price of money is relative to any source of power, not just hydro but also nuclear, thermo or any other. When we talk about the price of power or the price of money, we are talking about the price of any source of power.

So as long as the world needs energy, Mr. Chairman, the price of money is relative to any source of power itself. Before this debate is over the Minister of Finance will establish the price that has been negotiated with the Bank of Nova Scotia for the cost of money in the terms of that loan. That will be done when he speaks next. That was one of the questions the Leader of the Opposition was very concerned about. Also the generation of revenue, repayment possibilities, will be discussed by the Minister of Finance.

The other point that the Leader of the Opposition made, that we paid too much, well that Mr. Chairman, has to be quite a ridiculous statement because it is very difficult for anyone at this point in time to say that we have paid too little, too much, and given without the information it has to be an opinion only. Where did the figure of \$160 million come from? That will also be explained by the Minister of Finance in his wind-up remarks when we break down exactly how we

arrived at that figure and why we were prepared to pay it.

During this debate we have heard a great deal about the Lower Churchill, necessary for the development of our province, when I say the development of our province I am talking about the island part and Labrador. The one thing that seems to have gotten totally out of wack, Mr. Chairman, is the cost of alternative sources of energy. Now energy is the life-blood of any society, industrial society or with any aspirations to be an industrial society. The alternatives are very simple, We have three: Thermal power, based on oil supplied, and we know what that is in world cost today. We cannot possibly depend on a source of fuel for a thermal plant based on the middle East philosophy, the OPEC nations, without some degree of skepticism, possibly worry because we have absolutely no control over what the oil producing countries of the world are going to charge for their product.

Secondly, the other possibility in the thermo field is through coal, fire furnaces. With the amount of coal that would be required to supply Newfoundland in the future, I think twenty ships would be needed, at 50,000 tons, regularly supplying coal. As a matter of fact, Mr. Chairman, the area required to land coal to fire the thermo plant would be bigger than any industrial base that could possibly be seen for the province. I suppose it is a great labour-consumer, unloading coal. The arithmetic of it, in the analysis, just does not add up.

The third possibility, which is a possibility, is a nuclear installation. A nuclear plant, unfortunately because of the size of our province and the size of a nuclear plant, the minimum size is 1,600 megawatts. That is just too big as a one-shot element into the system because if anything happens to anything as large as that, it means that the whole system goes out of whack. There is no flexibility, there is no regional grid, there is absolutely no security in establishing a nuclear plant and it has been proven by authorities, outside of government and inside, both governments for that matter, that a nuclear plant of the minimum size is, unfortunately I suppose, too large for our province.

Also nuclear plants are open to the varying costs that happen throughout any area where one has to have uranium mined, where one has to have labour involvement, where one has to have anything that can escalate, factors that can escalate. A nuclear plant is a much more susceptible thing to this than hydro would be, which is probably the most secure and stable of all the sources of energy.

Mr. Chairman, the Leader of the Opposition also mentioned that we have not explained what we have done. I suppose in infinite detail, this is true. There is one thing that we have explained and the people of this province know it and that is that we have taken back a resource which is critical for the future development of our people. That does not need any great specific detail. We have taken back a resource which is the birthright of our people. We have taken back a resource or we have negotiated to get back a resource which is probably the only tool that can develop our province for our people in the manner which they deserve. If the opposition do not realize that, I would say, Sir, that they are one of the few groups in the province who do not.

I would like now to review what the plans of this government are, in general in some cases and specifically in others. I think the past has been ably reviewed by the Minister of Finance, leading up to what happened at the Upper Churchill with the Government of Newfoundland, Quebec Hydro and others. The technical review was made, I believe thoroughly, by the Minister of Mines and Energy, outlining the various ways and means that energy can be delivered to our province and also in spelling out the alternatives which are unacceptable.

Sir, I would like once again to mention the basic principle underlining this government's decision to purchase the shares in the Churchill Falls Company and also to take over the future hydro development in Labrador. As I have said, we want to control our own resource, a resource which is so vital that it has as a matter of policy to be implemented and developed in the best interests of our people. Our future, our total heritage in



this province is one where we cannot allow that one article, energy, which is so critical today, to be used for any one other than for ourselves. As I mentioned previously, it is our birthright. Energy in this province is vital for our survival.

Energy is probably the one single factor that is a tool that can be used for the future development of our way of life and for a better way of life. By developing the hydro electricity in Labrador and using it throughout our province, it gives assured security and prosperity by the power coming to this island. I think we should make one thing very clear here, and it particularly concerns the Members for Labrador South, Labrador North and Labrador West, and that is that it is not the intention of the government that power should come to the Island of Newfoundland, that Labrador should be the Saviour of the island part of the province without any of the benefits themselves. That would be totally wrong. I am sure it would be totally intolerable for the people of that area.

Labrador has to be developed and be the beneficiary of its own resources as much as is possibly able to be done, taking into consideration the shortage of population in one context, if we are talking about massive development and the economics of the winter season for shipping and the other things that go with it. However, I think it can be said and said very clearly that the energy rate that would be available in Labrador would be such as to attract industry which would more than compensate the people who are



I suppose presently living in that part of the province and also probably a great many more. I think the economic future of Labrador is probably more secure than any other part of our province.

The Burin Peninsula with its fishery has a secure future. Labrador with its resources, I would say probably has a much more outstanding future. I think it is our responsibility as a government, Mr. Chairman, to accept that challenge and to make sure that it comes about.

The people of our province I suppose in the end analysis are the chief customers. That is not a very glamorous group to pick off megawatts. That is not a group who I suppose by the economic index in Ottawa can be classified as a triple "A" rating when it comes to paying their bills but the fact is, that one and probably - well not probably, it is the major reason. The major reason why the energy has to come to this province is: (1) To create jobs through economic development so that people can go to work but more importantly and much more importantly is so that the people themselves can have a secure source of power in their homes, for light, for electrical appliances, for all those amenities that go with modern society, so that these people can have these things at a staple secure rate when other places in North America and other places in the world cannot possibly hope to have the same thing. That may not be a very glamorous customer but that happens to be a very important customer.

Of course it will attract new industries to our province, which I shall talk about in a moment. If we do not bring it here, Mr. Chairman, what is the alternate for our people? Out at Holyrood now, the thermal plant we have there is producing power well in excess of twenty mils. Our alternative is to add more of the same. First of all the customers, as I said, will be the people first, new industry second. Surplus power will be sold to Quebec. I will talk about that in a moment. The fact is that if we have to hang our hat on developments such as the Holyrood thermal plant, we have no future in this province economically to combat inflation, to combat the cost of living, we just do not have anything that will give our people a better deal from the resource we have.

The customers which the opposition and others are worried about and I think justifiably, are the people first, new industry second. Surplus power for a short period of time will have to be sold to Quebec Hydro. I think that is indentified, accepted and in our talks with Quebec it has been accepted by them. It has been established, by the way, Mr. Chairman, unlike what was said here today, that the present lines going into Quebec can accommodate surplus power, certainly to the amount that we are talking about.

The opportunities that are going to be available to our province economically will take time. No one is saying they will not. They are not going to happen tomorrow morning. These examples that I have been told that I have given in Corner Brook are examples only, Mr. Chairman. They are not announcements of specific industries. There will be many opportunities, given the power available to our province.

New industries will come here. There is no question whatsoever about that. When new industries do come here, for the benefit of the opposition or anyone else who is listening, they will pay the full rate for power. There will be no giveaway power, there will be no subsidization of power, there will be the development of an economy, the development of a province. The full rate will be charged because with our deep water, icefree ports, with the geographic location, not exactly midway between Europe and the Northeastern United States but very close to it, with a comparatively secure political climate, with secure power, with the geographic location that we have, with having several of the very few icefree, deep-water ports in North America, there is no question, Mr. Chairman, that the power and the development will take place.

There are a great many things that one can talk about on this subject. The fact that we will sell to Quebec, I suppose, at a lesser rate than we could if it were on a long-term basis, is not to me as important as probably to others. I think what is important is that we have a recall right so that as soon as we need the power in this province we can recall it. I think that is critical.

The aluminums that have been mentioned; if they pay the rate they are welcome. If they show that they are going to be a good corporate citizen, employing Newfoundlanders, that can pay the shot, fair enough! But there is going to be no great subsidization of aluminum just as a means to an end, because our heritage and our future are too important for that.

A lot of talk has gone on about the original deal between Churchill Falls, Quebec Hydro and the Government of Newfoundland. I think it is true to say now that it has little lasting benefit to our province. I think the greatest thing that comes out of the original deal is the message that we cannot ever do it again. We should not be allowed to do it again and we do not intend to do it again. Energy has become identifiable as an important factor in society, probably the most important factor when it comes to economic development. It is not the intention of this government or any members of it to do anything that will jeopardize the full benefit, the absolute benefit to our people in the long haul.

It has been explained by the Minister of Finance and the Minister of Mines and Energy, I think thoroughly, but I shall repeat it, that without the hydro power of Labrador being distributed throughout our whole province, without the stability, without the cost, without the availability of that power we do not have any future as a people economically. Anything based on energy must be developed from within for the stability of it, for to base it on any other factor, Mr. Chairman, would not just be wrong but it would not work.

We have taken a bold step, there is no question about it, a bold step that was very well planned, well researched and well thought out. We are not rushing now but the question I think can be very honestly asked and I think quite rightfully answered; Where do we go from here? In the immediate future the first thing that has to be done is to complete the Upper Churchill. That is of critical importance and of great importance. We are presently negotiating with BRINCO and their engineers who have done this job before, the staff of Churchill Falls. Contrary to statements that have been made the staff of Churchill Falls and

Labrador who can carry on will just carry on the work that they have already been doing. Certainly from our point of view it is desirable to have the expertise that has been available all along to complete that job, BRINCO and their senior executives. As a matter of fact, in the official letter of intent they have spelled out that they are prepared to see that job through to its conclusion. I think it is very important that it be concluded and concluded well.

It is not the intention of this government to take it on and have all kinds of ministers and others running up there with screwdrivers trying to finish it, Sir. We are going to leave it to the people who can do it best.

Secondly; the thing that next comes up is the initiation of construction of the Gull Island project. Once again we would have liked to have started it two months ago but the fact is in order to do it and do it well with the amount of money involved, we had to have the very best people available to do that job. We are having negotiations with BRINCO, Shawmont, Eckers Bechtel and others, to make sure that all the expertise that is available will be brought to bear on that particular project.

Then in the future we have the other sources of energy particularly in Labrador, the expansion of the Upper Churchill which holds tremendous possibilities even with the existing plant, with more water, which is a subject for a later debate but one which I am sure will be expanded over a period of time by the corporation which is responsible for creating the energy in Labrador. The other rivers of Labrador; Muskrat Falls, further down from Gull Island, the Eagle, the Naskaupi, the Pinware and the Lewis; all these other rivers all in themselves are economically feasible given certain sets of numbers and certainly are going to be a major responsibility in the development of energy in this province.

All this, Mr. Chairman, will require a sound organization and the very best personnel that can be recruited to do the job. At this time I would like to review briefly something I think that is very important, the structure of the administrative body that we feel will be necessary to do this job. I suppose one could call it the corporate

structure of what will be required. At the top of the corporate structure and I use names here which are not official by the way but I use them for indentifying purposes, hypothetical if one should like, but names that I shall use rather than use "X". For instance we shall call it the Newfoundland and Labrador Energy Authority, an overriding body which will be responsible for energy development, distribution, the works for our province in total. It will be composed of a chairman, board of directors; a president, who will be a chief executive officer.

That group will in essence replace the present BRINCO organization in doing the same job. They will be in charge of all the power entities that will be created in the development, particularly now of Labrador. On one hand there will be CFLCo. which is sixty-six per cent owned, after this has gone through, by the Province of Newfoundland and thirty-four per cent by Quebec. That will be one aspect of the operation which in turn will have a president, directors, chairman and so on. On the other hand another aspect of that corporation will be the Gull Island Corporation which will be one hundred per cent owned by the Province of Newfoundland.

Really what we are saying, Mr. Chairman, is that there will be an overriding body that dictates policy, the administration and so on, through consultation with the directors and government but basically a company that is pretty autonomous by normal standards. They have to be if they are going to be efficient. I do not see an operating body totally as a direct branch of government being efficient, if it were open to, and I say this with all sincerity, political interference from time to time. A lot of people would put it another way, and people who do not know what they are talking about from time to time. Certainly irrespective of what party is the government, the type of corporate development or structure that we are talking about here obviously has to be with top people doing a top job in their field.

There will be a construction branch for the Gull Island Power Corporation and eventually an engineering branch to study the other possibilities of the other rivers in Labrador. One of the things that we have right now on our plate, and I have been involved in it as have other ministers, is interviewing the top possible candidates for jobs.

A lot of people could ask what qualifications we have to interview anybody. I would say: "That is fair enough!" However, top men have to be found, men not just with reputations but with performance records. We are talking about the very top men and they in return will do their own recruiting. That, and I cannot underline this enough, Mr. Chairman, is of critical importance to this province. The job of the chairman of the Newfoundland and Labrador Development Corporation, if we have the man in this province, by all means he should get it. If the necessary man is in Hong Kong or Timbuktu, as long as he is the right man, that is the man who has to go in charge of a job which is not just a billion or a billion and a-half dollar project, as was mentioned by the Leader of the Opposition, it is much more than that, Sir.

The Upper Churchill was a billion dollars, the Lower Churchill is in excess of a billion dollars and the future development I am sure will be much in excess of both of those. We are talking about persons, directors, presidents, chairmen, controls which are awfully, awfully carefully thought out and with the very best people available to make sure they are done well. These persons must be of excellent calibre. They must have a great deal of experience and proven record in administration, finance and everything else, engineering and everything else that is required to do the job.

Mr. Chairman, it is not an easy job that we have taken on. The federal-provincial study that is now going on, taking a look at the Teshmont Report, taking a look at our proposition, it is absolutely right that it be done. Anything of this magnitude that has such a dramatic effect on our province has to be researched and absolutely looked at from every angle to make sure that it is foolproof before it is proceeded with in any great detail. There is no question about that. After all, we do not want to go ahead unless we are absolutely sure. With the federal-provincial high-powered people involved in it to try to research and recheck what has already been done, sure, as far as I am concerned, it is not only desirable it is essential.

The one thing, Mr. Chairman, that I think is safe to say is that of all sources of energy in Canada, hydro does have the greatest



potential for the future development, not only of this province but for our nation generally. Unknown to a great many persons there is less than fifty per cent of our hydro potential in Canada developed. As a matter of fact, if all our hydro potential in Canada were developed we would not need any other source of energy. Just taking the figures, of course one would need oil and gas for cars but taking the energy total end result amount, we have enough hydro electricity in Canada to be self-sufficient in all our energy requirements. Most people do not realize that, I do not think.

Hydro is certainly the most obvious because water flowing over the years will not really cost that much more ten years from now than it does now. This year we have allocated, as has been said, some \$14 million, which in the essence I suppose will not be lost but it is part of a gamble too. It is required to do a transmission survey as to the route, the various things that will be found, the diamond drilling at the site for the location of the dams and the generating plant itself, the construction camp establishment, which means the constructing of an on-site camp whereby the people can actually carry on the construction in the location of Gull Island itself.

I might say at this time that the eventual suggestion and I think a wise one from all the opinions we have heard, is that the operating camp basically for the Gull Island Site would be located in the Happy Valley-Goose Bay Area so that the many amenities that are there do not have to be transferred into a new townsite. Road upgrading has to be done this year from the Upper Churchill to the Lower Churchill Site and also from the Gull Island Site to Goose Bay itself.

A great many things have been said, Mr. Chairman, about the Labrador Highway. I do not know if people have really stopped to realize that by developing Gull Island the road from Gull Island to Goose Bay has to be established, upgraded and made operational both for employees going back and forth and for equipment moving in. Equally the road from Churchill to Gull has to be upgraded to bring equipment and traffic back and forth. Obviously, traffic that has to come into the Lower Churchill - Gull from Esker, the railhead, that highway also has to be upgraded for the winter months and the other months when at



Goose Bay the port is closed.

Really, when we talk about the Labrador Highway, it will not be the finished article but there will be a road from Esker to Goose. Now the road from Esker to Labrador City is the one section that would then remain unfinished of that particular section of the Labrador Highway. As I understand the Government of Quebec and the Government of Canada, together with ourselves; they are working from Menihok V to Mount Wright which would be eventually a total connection.

The projects do go together. They are not isolated. It is not either a highway for Labrador nor a power development. They do go together because development means development of highways and development of power and what have you.

We have also, Mr. Chairman, contacted several financial institutions regarding the financing of the power plant itself. We have contacted financial institutions on a couple of continents, I guess and the thing is, through the various agencies we have contacted we have every reason I think to believe that the \$500 million can be realized for the establishment of the generating plant. That is a big statement, Sir. I think the Minister of Finance who has been involved in these negotiations will agree with me that this money can be realized, based on the project itself.

We have said on this side of the House that we have gambled on this thing. I suppose we have. The opposition say we have. We have gambled but there is a big

difference, Mr. Chairman, with gambling before you get your money raised, before you have got your stuff thought out. You gamble but it has been well researched, it has been well planned. There is a great deal of difference between making a decision based on planning and research and one based on the spur of the moment.

One comment that was made by the Leader of the Opposition which is not forgivable is the fact that we needed a big project for election purposes. I am sure the Leader of the Opposition could not possibly mean that, Mr. Chairman, I mean in this particular context, something of this particular magnitude, with such a bearing on our province. It would be totally irresponsible if he did, but I am sure that he can speak for himself. I would certainly not like to think that he would think that this party or this government would prostitute itself to a position whereby we would risk the future of this province just for political gain in one election. There is no way, Sir.

All in all it was a bold step that we took and as I say, it was a well planned one. It was not hurriedly done nor will it be hurriedly done. We will take our time and make sure that it is done well. Many months of careful planning have gone into this and many months of careful planning will go into the future; and there is a huge job ahead for all of us to be involved in.

I suppose I could stand here and talk about a few of the remarks that the Leader of the Opposition made regarding customers, who they will be, and they want to give away the cape of power again, and all the stuff that really is not relevant. I mean there is no darn point, Mr. Speaker, in getting up here and just cracking each other as individuals. What we are talking about here is the future of this province, a very major single project which cannot possibly be used just in glib debate. There is more than that to it. It is far too serious for that.

The province's credit position: Will this affect our credit position? Yes, Mr. Speaker, it will. First of all I should identify that our credit position today was never better than it is now. It was never better, since we have had a finance department which has run a tight ship and put our affairs in shape. Not only that, Sir, but through this

particular acquisition our credit position, I would say, has improved not lessened; because now we have some real assets to show for what we spent. We show real potential as to what we can be in the future and we show that through project financing, through the development of our resources we have something tangible that is in itself in a position to pay back rather than just something that has to end up in a tax on the people directly.

The reaction of the financial press from the beginning, in Canada and other places, was favourable not only in the way that the offer was made to Brinco but also in the way it has been carried out.

Mr. Chairman, it is our intention as a government to make sure that any progression we make in the development of the Lower Churchill, in the consummation of this whole deal is that it will be done in such a way as to make sure that our people are protected and also that we have respect of the financial and the other communities that are so important for the credit and for the future involvement of this province.

As I said, Mr. Chairman, when I started, I will be brief. The Minister of Finance and others I am sure will be participating in this debate.

There is one thing I can say, Sir, and just having given a brief outline of the corporate structure, establishing what will be brought forth by the Minister of Finance and others later, also establishing the fact that the alternative sources are not comparable, establishing the position that we are not going to rush into something that we cannot do well, irrespective of how much pressure to get cracking at it, there is one other thing, Sir, that has to be realized. It is that no matter what you tackle in this world you can make work if you want to make it work. There is nothing that this House of Assembly, all of us together, our people, ourselves cannot make work if we want to do it badly enough. And there is nothing we should want to make work more than the bringing of energy for distribution throughout our whole province, because it is the one thing that can develop our way of life like no other could possibly do.

I doubt, Mr. Chairman, if anyone in this House will be part of a more significant event than the one we are presently involved in. That I sincerely doubt. I can say, Sir, that probably the proudest moment that I will have is to be directly associated with it as leader of this government when it is being brought about.

MR NEARY: Mr. Chairman, after hearing what the Hon. Premier had to say, Sir, I personally can find no fault in the philosophy, in what he expressed, in the fact that Newfoundland should own its own resources. I think I was probably the first in this honourable House; not Sir, the first, the one and only. I was the first, Sir, that made this statement both inside and outside of this House, that Newfoundland should have control of the hydro-power in Labrador.

I must say, Mr. Chairman, that politics in this province takes a rather unusual turn sometimes, an unusual swing. The last people in this world, Sir, that I would suspect to talk about nationalization would be the Tories. I got the shock of my life, Sir, when I heard the announcement one morning that the government were making an offer -

AN HONOURABLE MEMBER: Inaudible.

MR NEARY: I must say, Sir, that of all the leaks in the administration, that was one time when I did not get tipped off. There was no leak. Security was very tight. I must say I was rather pleasantly surprised, Sir, to say the least -

MR CHAIRMAN: If the honourable gentleman from Bell Island would permit, if he would give me a moment to welcome to the House a delegation from the Campbellton Community Council, Major Glen Hooper, Mr. Fred Gale, Mr. Ed Noftehl and Mr. Jim Kingsman.

MR NEARY: So, Mr. Chairman, it came as a sort of a bolt out of the blue to a fellow like myself, an old socialist, Sir, an old former NDP'er, to discover that the Minister of Finance, who represents vested interests in this province, and the Minister of Justice, a well-to-do lawyer, I could understand the Minister of Industrial Development. The minister represents vested interests. He has his collar on now. The Premier will soon have the leash on him. It is about time. Muzzled will be next. I could understand the Minister of Industrial

Development, my old socialistic friend of long standing. Maybe it was that the influence of the minister was brought to bear on his colleagues that persuaded him to make this move. But even though, Mr. Chairman, I am all for Newfoundland taking over the hydro operations in Labrador, nevertheless, Sir, I cannot help but wondering about the timing. I cannot help it, Sir. I would suspect, Mr. Chairman, in my opinion, that there was no real rush to oust Brinco from Labrador. I think a couple, three, four, five years hence would not have made -

AN HONOURABLE MEMBER: Inaudible.

MR. FEARY: Sir, I think that this move could have been made anytime within the next three, four or five years. Even though, Mr. Chairman, I am anxious, personally anxious for this province to have control of its resources, I believe that Brinco should have been given an opportunity to finish the Upper Churchill. Oh, they were not, Sir. They were not given that opportunity. Work is continuing there, has been continuing for the last six or seven years -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No. Sir. Mr. Chairman, I am not deserting anybody but the organization had been put together and listening to the Premier there, the last part of his remarks, I got the impression that the government now have to start in and put together an organization that Brinco put together ten, twelve, thirteen years ago. We have to start off from scratch. Well, Sir, there is a problem. It took Brinco, Mr. Chairman, who have far more experience in this field than the honourable members who are sitting on the benches opposite me, to put together an organization. They had the expertise to do it. They had the connections. They had the international financial world behind them. Now, Sir, we are going to have to start off from scratch. That is why that I think the timing was wrong. I do not think there was any hurry to oust Brinco when it happened. I think there is a little bit of financial or fancy financial foot work going on, Sir. I think the government were ill-advised by their fiscal agents, Burns Brothers and Denton, who stand to gain tremendously through this action which was taken by the government. They stand to gain, Sir, substantially. I have no doubt that they had a big influence in persuading

the government to make the move at this time.

Mr. Chairman, as the Leader of the Opposition indicated, there was probably a little bit of politics involved in it. What I fail to understand, Sir, what I cannot understand at the moment, I really cannot understand this, from the time the announcement was made, right up to the present time and right throughout this whole debate in the House, there seems to be no gut feeling on this matter.

Why, Sir? Why is this? Why are the government, why are the ministers not enthusiastic about it? It would seem to me, Mr. Chairman, that ninety-nine out of a hundred Newfoundlanders are not wild about this, they are not enthusiastic about it. As I say, there is no gut feeling. Why? Can anybody explain to me why? It is a major accomplishment, I suppose. It is a very significant event. Why is there no gut feeling about it? Everybody agrees with it? No, Sir, somehow or other I get the impression that the reason why there is really no strong feeling running high in the province over this is that a lot of unemployed Newfoundlanders that were looking forward to employment this year on the Lower Churchill are not going to get it. They are going to be disappointed again. After coming through a long, hard winter of unemployment, they were looking forward to jobs down here at the second oil refinery in Come By Chance and on the Lower Churchill. They have been looking forward all winter to these two major projects, the only two projects that they feel could take up the slack for the unemployed in this province. Now, Sir, I am afraid they are disillusioned. They know there are going to be no jobs on the Lower Churchill this year, apart from a handful of students maybe and a few surveyors that we probably will not be able to find in Newfoundland, in using up this fourteen million dollars that the Premier mentioned a few minutes ago, which is only a drop in the bucket. It will probably do another feasibility study or do some survey work down there, Sir.

Trying to leave the impression - and I bet you a dollar, Sir, before the next election or during the next election you will hear the Minister of Finance, who is quite capable of exaggerating things, coming out and saying that the Lower Churchill is started.



AN HONOURABLE MEMBER: Inaudible.

MR NEARY: No, I am talking about my old friend over there who has been collared - collared - collared.

AN HONOURABLE MEMBER: The next federal election?

MR NEARY: No, the next provincial I said. He is not following me. Listen closely, pay attention.

AN HONOURABLE MEMBER: Inaudible.

MR NEARY: Well, unemployment may have some bearing on the outcome of that election too.

The Minister of Finance, Sir, and some of his colleagues will be going around saying that the Lower Churchill is started. "We got her started. We spent fourteen million dollars last year. We are going to spend another thirty million dollars or forty million dollars or fifty million dollars in 1975." Then the whole thing will grind to a halt, as soon as the next provincial election is over, if it do not grind to a halt before that. Because there is no way, Sir, that, there is no way, the way this honourable crowd are proceeding now, that this thing is going to survive. It is doomed. It is doomed, Mr. Chairman. Let us face it.

The Premier got up today and made a great patriotic statement and emotional cliché, Newfoundlanders are going to get the first crack at the electricity. Then will it be left in Labrador, and then the surplus will be sold to Quebec Hydro. What surplus? The surplus he is talking about is about ninety-nine point nine per cent. That is what will be sold to Quebec Hydro. There is a surplus on the Island here right now. Even if every home in Newfoundland used electric power at the present time, they could not use the surplus that we have here on the Island.

AN HONOURABLE MEMBER: It would be expensive though.

MR NEARY: Well, I do not care what it is. It would be more expensive to bring it from Labrador down here to the Island, would it not? It will not? It will be cheaper? They will have a job to convince me of that then. They will have a job to convince me. Five hundred million dollars!



AN HON. MEMBER: Inaudible.

MR NEARY: So this is all malarkey, Sir, it is all, it is words that do not mean anything. "Newfoundlanders are going to be given first crack at the power." Sir, Premier Smallwood said that seven, eight, nine, ten years ago. "Newfoundland will get the first crack at the power." That is nothing new, Sir. There is nothing new in that. That is old hat. I have heard it so often before that I got sick and tired of listening to it.

AN HONOURABLE MEMBER: He never mentioned it to him, did he?

MR NEARY: I certainly did mention it to him. Mr. Chairman, as the Premier indicated, hindsight I suppose is better than foresight. At least, Sir, I do not have disc trouble from genuflecting. My back, I still have a pretty good spine, Sir, a pretty good spine. I am a one - party man. I am not spineless.

AN HONOURABLE MEMBER: He has a rubber neck.

MR NEARY: We know the people in this honourable House, Sir, who have spine trouble.

AN HONOURABLE MEMBER: Hindthought, Sir, is proverbially easier than forethought.

MR NEARY: Out of this takeover, Mr. Chairman, at tremendous expense to this province, there should come at least some forethought for the future.

For instance, Sir, we heard the Premier this afternoon telling us about nuclear power. He said the minimum plant that can be built on this Island is six hundred megawatts. Six hundred! That is the minimum, he said. Well that is what he said. It is what the Premier said. Who said it is not true? What is not true? "Six hundred megawatts," he said, "was the minimum." It was the minimum sized plant, nuclear plant. Well, that is what I am saying.

AN HONOURABLE MEMBER: Inaudible.

MR NEARY: Go down, boy, go down in the Royal Trust Building and peddle your bonds!

Then the Premier went on to say, Mr. Chairman, that the reason you could not build one in Newfoundland was because there would be no alternative supply of power. There you would have it. If anything went wrong, that is it. Everything stops dead. Only about ten minutes before that

Mr. Chairman, we heard the honourable the Premier talking about transmission lines across the Straits of Belle Isle. What happens if an iceberg comes in and cuts off the transmission lines across the Straits of Belle Isle? Would we not be in exactly the same position?

MR. BARRY: We would have six different lines.

MR. NEARY: We would have six different lines?

MR. DOODY: Five hundred feet apart.

MR. NEARY: Six different lines, five hundred feet apart?

MR. BARRY: (Inaudible)

MR. NEARY: What kind of comic books have the honourable gentlemen been reading lately?

AN HON. MEMBER: Two spare cables.

MR. NEARY: Two spare cables?

MR. W.N. ROWE: Six tunnels across the Straits.

MR. NEARY: It is fantastic, Sir. Incredible! Absolutely incredible!

A few years ago when I mentioned building a tunnel across the Straits of Belle Isle, Sir, I was nearly laughed out of the House.

Mr. Chairman, I am inclined to agree with my colleague the Leader of the Opposition.

SOME HON. MEMBERS: (Inaudible)

MR. NEARY: While they are beating their gums, would you mind getting me a little water please!

Mr. Chairman, is there any wonder, Sir, with this kind of attitude, is there any wonder that John Q. Citizen has the sort of inbred fatalistic attitude towards this government that he has today? Is there any wonder?

MR. EVANS: (Inaudible)

MR. NEARY: Intellect! Is there any wonder, Mr. Chairman, when you hear remarks coming from the other side as we have just heard, that the people of this province have such a fatalistic attitude toward the way that the administration has handled this project? Handled, Sir, at such a tremendous expense to the province, it increases our provincial debt substantially.

We have heard quite a bit during this debate, Sir, about - and we heard it again this afternoon from the honourable the Premier - how the Minister of Finance is running a tight ship and the province is in great condition financially. The Minister of Finance, he told us, is running a tight ship. He is running a tight ship all right, Sir. Do you know, Sir, what the P.C. Administration will have borrowed at the end of this fiscal year? In only thirty-odd months? Thirty months in power? Thirty-one or thirty-two months in power? Do you know, Sir, how much they have increased the provincial debt by? At the end of this fiscal year \$500 million.

AN HON. MEMBER: That is not so.

MR. NEARY: It is so, \$500 million at the end of this fiscal year.

AN HON. MEMBER: (Inaudible)

MR. NEARY: Pardon?

AN HON. MEMBER: There was Liberal inflation.

MR. NEARY: \$500 million is running a tight ship? No, Mr. Chairman, the real answer to it, the real answer, Sir, is that this administration's ability to borrow is only because of the foundation that was laid by the much maligned former Liberal Administration.

AN HON. MEMBER: (Inaudible)

MR. NEARY: Two years. More than two years, two provincial elections. The Minister of Finance when he came across the House two or three times, I do not remember if it were his second or third trip over here, stood over here, Sir, and lambasted the government for at least two years, telling the people of this province that Newfoundland was bankrupt. "She is belly-up. Joey is after bankrupting Newfoundland. She is sunk." That is what he said. Yes he did.

AN HON. MEMBER: (Inaudible)

MR. NEARY: So did the Minister of Finance and so did the Minister of Municipal affairs who tried to cling on by his fingernails. Going around this province ranting and raving telling the people that Newfoundland was bankrupt, so they coasted into power on this negative platform of theirs. What happens their first two years in office, Mr. Chairman? They borrow \$500 million.

MR. MARSHALL: Interest. Interest.

MR. NEARY: Not interest, Sir. No interest.

MR. MARSHALL: (Inaudible)

MR. NEARY: Now they are talking - I think it is thirty months they have been in office - about tacking on another \$160 million to buy the controlling interest in the Churchill Falls Corporation, \$1 billion to develop the Lower Churchill, \$500 million to bring a transmission line across the Straits of Belle Isle that is not going to work.

AN HON. MEMBER: It is going to work.

MR. NEARY: No it will not work. No it will not work. I can tell the honourable minister that right now. The only way it will work, Sir, is if they bring it across by tunnel. That is the only way it will work. The icebergs, I suppose dragging the bottom in the Straits of Belle Isle, gouge out parts of the floor of the ocean down as much as one hundred feet or more.

MR. BARRY: Scours of up to thirty feet deep in a water depth of seven hundred feet -

MR. NEARY: There we go. I am only seventy feet out, Sir, but I would say that they will find portions of the floor of the ocean, down there under the Straits of Belle Isle, where the icebergs go a little deeper than thirty feet. The one down there in Portugal Cove that is grounded has probably gouged out fifty or seventy feet. If we get a big one in there up through Conception Bay, that is the end of the submarine cable to Bell Island. It will not be the first time, Mr. Chairman, that the submarine cable to Bell Island was broken by an iceberg. Not the first time! I think this is all a pipe dream, this matter of laying a submarine cable across the Straits of Belle Isle.

AN HON. MEMBER: Probably going to build a tunnel.

MR. NEARY: It will go the tunnel route, Sir. I will predict that right now. I will forecast that that is where it will go, via the tunnel route.

Mr. Chairman, the previous Liberal Administration did not do too badly by leaving behind this great foundation to enable this honourable crowd to borrow \$500 million in their first thirty months in office and then borrow another \$160 million to buy the controlling interest in the

Churchill Falls Corporation. Then they may go on and borrow another billion dollars to develop the Lower Churchill and I hope they do. Mr. Chairman, I want to say that I am all for it. I hope that they can borrow that billion dollars. I am all for it.

Bur, Sir, I am not an economist, I am not a financial wizard but what I would like to know, Sir, and I was hoping the Premier would tell us today, what I would like to know is who is going to give them a billion dollars to develop the Lower Churchill if they do not have customers? There is just no Santa Clause, Sir. I cannot see the big bond houses and the big financial people coming along and lashing out a half billion or one billion dollars. I think the Premier mentioned a half billion dollars just to put in the generating system down there.

MR. MARSHALL: (Inaudible)

MR. NEARY: Yes I know. The people over on Bell Island are also interested. The unemployed are interested in getting jobs at Churchill Falls. They are interested in the East Track too. They are not interested in the minister when he goes over there, I can tell him that.

AN HON. MEMBER: Make some sense.

MR. NEARY: I am making some sense. Mr. Chairman, I do not understand why there was such a flurry of activity when there was. Why it was necessary to boot BRINCO out at the time the administration did it, when they had not even finished the Upper Churchill and they were in the process of making plans for developing the Lower Churchill? Why, Sir? Why was this great rush to oust BRINCO? Mr. Chairman, I have my own suspicions and I know the Premier is going to say; "There we are now, partisan politics again, getting parochial again, getting personal." Well, Sir, the day that this debate opened in this honourable House I happened to look up in the gallery here and I saw an honourable gentleman sitting in the gallery waiting anxiously for this debate to get under way, waiting to see what pearls of wisdom were going to fall from the lips of the honourable members of this House.

I would not be one bit surprised, Mr. Chairman, that at this very moment that same gentleman is sitting down on the eighth floor with the P.A. system on and his ear cocked to what is going on in this

honourable committee. I may be dirty-minded -

AN HON. MEMBER: Who is it?

MR. NEARY: I will tell the honourable member who it is, Sir, it is the honourable Premier's former super executive assistant, Dr. Stuart Peters.

AN HON. MEMBER: (Inaudible)

MR. WILSON: The charge is that he is down, sat in the office.

MR. NEARY: No I did not say that. I did not make any charges.

MR. WILSON: The charge that he made is that he would not doubt that -

MR. NEARY: I said that I would not doubt one bit the day the debate started in this honourable House he was sitting up in the gallery there waiting -

AN HON. MEMBER: For what?

MR. NEARY: Waiting to hear what was going to happen.

AN HON. MEMBER: So what?

MR. NEARY: So what? Well, Sir, when I raised the matter of Mr. Colbourne who was another brain thrust the Premier had down in his office,

MR. MOORES: How about Dr. Peters? Let us hear about that.

MR. NEARY: I will finish with Dr. Peters. I am coming back to him. I just want to substantiate what I am saying here.

MR. BARRY: By analogy.

MR. NEARY: Not by analogy. One other gentleman, a brain thrust, Sir, the Premier had down in his office, a Mr. Colbourne. Remember the questions I asked in this honourable House about that gentleman?

AN HON. MEMBER: What has that to do with the Lower Churchill?

MR. NEARY: It has all to do with it. I am getting back to Dr. Peters here. He was another high-priced flunkie. I kept asking questions about him and the Premier kept denying that he was leaving and going with Trizec. I kept forecasting and I kept prodding and what happened a couple of days ago? We pick up the newspaper and there he is, manager of Trizec in Newfoundland.

AN HON. MEMBER: The honourable Member for Bell Island gave him the idea.

MR. DOODY: He had no intention of going with Trizec. The honourable

member forced him into it.

MR. CHAIRMAN (Stagg): Order please! Order please!

MR. DOODY: I am on the way over to my seat.

MR. CHAIRMAN (Stagg): Maybe the honourable member is going to make his point relevant. However, I think he is lingering a bit too long in the irrelevant. I suggest that he make his point.

AN HON. MEMBER: His mind wanders.

MR. NEARY: Maybe it is my suspicious mind. I have no doubt at all Sir, that Dr. Peters is going to play a major role - the Premier nods his head in the negative and says no. Well, I hope he is right. The Premier told me that Mr. Colbourne would not be or was not associated with Trizec, and he was and he is.

AN HON. MEMBER: Not at all.

MR. NEARY: No? Two days after I brought it up in this honourable House the gentleman resigned from the Premier's office.

AN HON. MEMBER: (Inaudible)

MR. NEARY: I should be a fortuneteller.

AN HON. MEMBER: The honourable member certainly got him placed in a good job.

MR. NEARY: I certainly did. Sir, if this is going to happen - and I hope that it will not. I hope that the Premier is right and that it is not going to happen - that I would say that if this were why Dr. Peters quit his job as a super-adviser or a super-brain thruster for the Premier, then it is about time that we brought in some more changes in the House rules in this honourable House. I think it would be a good idea, Mr. Chairman, I think it would be a good idea -

AN HON. MEMBER: Is John Green available?

MR. NEARY: No. George McLean is available though.

AN HON. MEMBER: That is not true, is it?

AN HON. MEMBER: What Green is that?

AN HON. MEMBER: Dick Green is available.

MR. NEARY: Shall we call it six o'clock, Mr. Chairman?

MR. CHAIRMAN (Stagg): Order please! It now being six o'clock I leave the Chair until eight o'clock this evening.



The Committee resumed at 8:00 P.M:

MR. NEARY: Mr. Chairman, could you tell me how much time I have left, please?

MR. CHAIRMAN (Stagg): Fifteen minutes.

MR. NEARY: Fifteen minutes. Sir, before we rose for supper I was dealing with the question I suppose you could call it, Mr. Chairman, of the danger of the amount of patronage that can now creep in to the development of the Lower Churchill. One think I will say, Mr. Chairman, is this: BRINCO was an honourable company. I think everybody in this honourable House will agree that there was no chance in this world of wheeling and dealing with BRINCO under the table, no chance at all. As hard as anyone in this world could try, one could not budge BRINCO, Sir. They would not wheel and deal under the table.

They may contribute, Mr. Chairman, to a political party, income tax deductible. They may contribute to two parties or three, I do not know and they probably have, Sir, contributed to both major parties in this Province and in Canada, but there was no way that I can see, Sir, that you could negotiate under the table with BRINCO.

Now, Mr. Chairman, she is wide open. She is wide open, Sir. Mr. Chairman, if any other administration in this world had taken the controlling interest in Churchill Falls Corporation and were going to develop the Lower Churchill, as I said this afternoon, the philosophy behind it is good and I am all for it. Sir, the record of this administration -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Yes, I am trying to pick and chose my words here. Sir, I could come flat out but I know I would be unparliamentary.

The record, Sir, is not conducive to making a go of this deal that we are entering into now. It really is not, Mr. Chairman. Just look at the track record of the administration, Sir. We see all kinds of little construction companies being formed on the other side. The member for Bay de Verde has one called Selworth Construction; Sellers, Howard, Selworth, Sir.

MR. B. HOWARD: On a point of order, Mr. Chairman, I would like to ask the honourable member for Bell Island to retract that statement. I am a partnership in no company in Newfoundland or any other place whatsoever.

MR. NEARY: Well, Sir, my information leads me to believe -

MR. HOWARD: Well, the honourable member's information is wrong.

MR. CHAIRMAN: Order, please!

MR. NEARY: Hold it, Mr. Chairman.

MR. CHAIRMAN: Order, please! It is a difference as to fact between two honourable members. Each honourable member has the right to stand in debate and make points which are relevant. I suggest that the honourable member must make points that are relevant and certainly the point that he is making, while a certain amount of leeway is given, drawing comparisons, I would suggest that that particular comparison was irrelevant. Perhaps the honourable member might get on to matters that are relevant.

MR. NEARY: I am just pointing out the danger, Mr. Chairman, of political patronage creeping into this deal. I say, Sir, that if the honourable member from Bay de Verde is not one of the owners of Selworth Construction then I accept his word for that. The Minister of Provincial Affairs, Sir, has a construction company, Eagle Construction. As a matter of fact, the memorandum, Sir, under the Companies Act was drawn up by none other than the Minister without Portfolio. The point I am making and I could go on and on, Sir, you have the family compact, you have the vested interest and you have the people who have left the government employment, Sir, and I am thinking about that superstar who used to be down in the honourable Premier's office who now heads up a firm called North Star Power.

MR. W. MARSHALL: On a point of order, Sir. We have been entertained for some three or four months by the honourable member for Bell Island. This has no relevancy whatsoever to the point at issue which is the borrowing of \$160 odd million for the purchase of BRINCO and the ratification of the BRINCO bill. I mean, it might be of interest to people who read such things irrelevant, such things as Dear Abby and Ann Landers and what have you, but it has no relevancy to the point at issue in this House.

MR. NEARY: Mr. Chairman, I presume there is no point of order, Sir.

MR. CHAIRMAN (Stagg): Order, please! There is a point of order, the same point on which I rose earlier. It is a point which if pursued by the honourable member may indeed become a most vexatious point. I would suggest that the honourable member has to relate the companies to which he refers to this resolution, which I submit is going to be rather precise and may call for prompt and frequent interference by the Chair and by honourable members who may wish to rise on a point of order.

MR. NEARY: Mr. Chairman, the honourable gentleman to whom I am referring, Sir, I would submit has more than just a passing interest in the development of the Lower Churchill. I am merely pointing out, Sir, the danger of political patronage creeping into this whole deal.

What I am going to suggest, Mr. Chairman, is that people who work in the Premier's office, for instance, I do not know how we can do this. Perhaps we can put some teeth into toothless conflict of interest legislation that we have in this Province. I think, Mr. Chairman, that we should bar people like this from going into the Premier's office, getting the inside information, senior government officials, appointees, advisers to the Premier and so forth, that when they leave the government service, Sir, for at least two years the company that steals them away should not be permitted to do business with the government.

I would feel much more comfortable, Sir, if we had this type of legislation in this Province with the government taking over Churchill Falls Corporation and developing the Lower Churchill. I wonder then, Mr. Chairman, if there would be any rush by the private sector corporations to steal so many honourable gentlemen away from the Premier's administration.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: I do not know where he would be working. He would not be working with DOSCO that is for sure.

Mr. Chairman, there is the question of George MacLean. Will he be doing the public relations work for the government in connection with the bond issue? He is already, Sir, representing the government and

representing Burns Brothers and Denton, doing the public relations work.

What I am afraid of, Mr. Chairman, -

MR. MARSHALL: On a point of order. Mr. Chairman, look, this has nothing to do with this particular bill which is under consideration at the present time. We are not legislating George MacLean. We are not incorporating George MacLean. We are not doing anything with George MacLean. There is no mention of George MacLean in the bill. The bill relates to the agreement between the government and BRINCO for the purpose of acquisition of certain assets. The matter under consideration relates to the borrowing of certain monies. It relates not one whit to George MacLean, not one whit to the personalities that the honourable member for Bell Island is talking about. He is out of order. He is irrelevant and he should not be allowed to continue along this vein. If he want to speak on the bill let him speak on it but not these foolish irrelevancies.

MR. W. ROWE: Mr. Chairman, speaking to the point of order: My colleague, the member for Bell Island, Sir, speaking to the point of order, is being very relevant. He is talking about the takeover of the Upper Churchill and the consequences thereof, the respective development of the Lower Churchill and the probability of this government's track record is any indication, the probability of this whole deal being fertile ground for political patronage.

Nothing in this House that has been uttered since this House began is more relevant to this bill than that, Mr. Chairman. I would suggest to Your Honour that my colleague, the member for Bell Island, be permitted to carry on with his remarks.

MR. CHAIRMAN (Stagg): As usual honourable members have tossed the ball into the Chairman's lap and the wisdom of Solomon is expected to emanate from him. However the rule of relevance is one that is extremely difficult to adjudicate upon. The honourable member quite adroitly attempts to tie in the point that he is making with the Upper Churchill Project.

I would suggest that probably any money-raising bill would be subject to the same argument. It is extremely difficult. Probably

the time factor will rescue us all since the honourable member has two minutes left.

MR. NEARY: Mr. Chairman, he does not like to hear this kind of argument.

MR. CHAIRMAN: Maybe that is so. The honourable member only has two minutes and perhaps I will reserve judgment until that time is up.

MR. NEARY: Mr. Chairman, the Minister without Portfolio took up about ten minutes of my time, Sir. This is why I said the clock should be stopped in this honourable House when points of order are raised. The minister goes off, imbibes during lunch hour and then comes back lippping specious points of order and what have you. Sir, the Premier this afternoon, Sir, indicated that there is no problem to get the money to develop the Lower Churchill. I hope he is right, Sir.

Well that is what the Premier said. The Premier says, "Now, not quite that." Well I was sitting here listening and the Premier said there is no problem to get the money. Is that correct?

AN HONOURABLE MEMBER: Not quite.

MR. NEARY: Not quite. Well what is the problem? We have not got any information. That is what we have been trying to get for two or three days here. What is the problem?

Sir, I would say that if the Premier can get the money that the administration proceed as rapidly as possible with the Lower Churchill. Get her going!

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Down Rover! Down, boy! Down! Throw him a bone there. Get her going, Sir. The transmission of power to the Island part of the Province can come later, if that is what the administration is trying to do, I would say, Sir, I would concur with what the Leader of the Opposition said this afternoon. Why not use the power, Mr. Chairman, to develop that vast land resource of Labrador. It should be built up, Sir! I agree with my colleague from Labrador North. Why not set up industries?

MR. CHAIRMAN (Stagg): Order, please! I think that maybe the timing -

AN HONOURABLE MEMBER: Inaudible.

MR. CHAIRMAN (Stagg): Order, please! I must ask all honourable members to respect the Chair when the person occupying it rises. I suggest that the timing at the beginning of the honourable member's speech may have been a little bit approximate but I suggest that he has a couple of minutes left, even though officially the time may have expired.

MR. NEARY: Merci, Monsieur Président. Sir, why not use that vast power resource to build up Labrador as it should be built?

Mr. Chairman, we are all Newfoundlanders. Why not create the industries and the jobs in Labrador, Sir? Sooner or later, Mr. Chairman, we are going to have to occupy Labrador or our neighbours, Sir, in the La Belle Province, who can get in there by road, will occupy it, Sir, and sooner or later we are going to lose Labrador.

AN HONOURABLE MEMBER: The sooner the better.

MR. NEARY: No, not the sooner the better. I do not agree with that. So, Sir, we must adopt a policy of developing Labrador. It is ours socially, politically, economically, no matter how you look at it. We own it, Sir and it is going to fall more and more under the domination of those ambitious people from across the border who can get there by a land bridge from Quebec.

Now, Sir, we are in the process of putting the formal and rather empty seal of approval on a somewhat unsavoury and distasteful episode in the economic history of Newfoundland and Labrador. I call upon the government now, Sir, because there are so many unemployed Newfoundlanders waiting for the word, I call upon the government not to delay one second in getting the Lower Churchill off the ground, because as I said this afternoon, unemployed Newfoundlanders have spent the whole winter waiting for the second oil refinery and the development of the Lower Churchill. Let us get it out of the way and deal with some of the more important matters in this Province, like the high cost of living and the record unemployment that we have in this Province at the present time.

MR. CHAIRMAN: The Honourable Member for Labrador North:



MR. WOODWARD: Mr. Chairman, looking at this particular resolution and hearing the debate on the resolution, I suppose one would say that you would be against motherhood if you did not support the principle of the resolution. I support the principle of this resolution, Mr. Chairman, on the basis that this resolution applies wholly and totally to all of the Province of Newfoundland and Labrador.

I do not support this resolution in the same context as the Premier has stated in his remarks this afternoon. When I think of the Premier's remarks they were basically the same as the remarks made by the Minister of Mines and Energy going back to Friday of last week. Labrador hydro is essential for the development of this Island. Labrador Hydro is essential to take advantage of and develop our ice-free ports.

Mr. Chairman, if I thought for one minute that this government were pulling another rape deal on Labrador as has happened in the past I would not vote for the principle of this bill or any camouflage deal that that administration on the other side of the House has cooked up to extract more of the resources from Labrador and leave the Labrador people in the limbo that they exist in today is quite obvious when you look at the Snowden Report and see what has happened over the years and see what the present administration on the other side of the House in their term of office for the last thirty odd months have done to assist the economy or to help the people in that portion of the Province.

There has been no action, no action at all, Mr. Chairman. This is one of the reasons why I feel that we should not, unless the government sit down with the people of Labrador and consults with the people of Labrador on a local basis and makes some sort of a commitment or a deal or arrangement for the people of Labrador that they will indeed share in the benefit of that power.

Mr. Chairman, we all know very well that the labour that is going to be derived from the benefit of developing the Lower Churchill hydro site or any other power that exists in Labrador, that is a joke, Mr. Chairman, that indeed is a joke. When we have 40,000 people sitting in



Labrador, they do not think it is a joke. They do not think it is a joke. The honourable Minister of Finance, as I have repeated in this House before, is one of the most hated persons in this Province because of the fact that he is totally responsible for not assisting or not seeing that Labrador is helped in this respect.

AN HONOURABLE MEMBER: Inaudible.

MR. WOODWARD: Equally as stupid as he is.

MR. CHAIRMAN: Order, please!

MR. WOODWARD: He and his big mouth! It is a joke.

MR. CHAIRMAN (Stagg): Order, please! Maybe honourable gentlemen would prefer to resume this debate in the corridor or some other appropriate theatre. However, I would suggest to the speaker, the honourable member for Labrador North, that his remarks are by their nature vexatious and they give rise to heated responses. There is a method of speaking in chambers such as this, which is noted as the parliamentary method. One of the hallmarks of the parliamentary method is that it does not arouse heated emotion nor the possibility of anarchy within the chamber.

So I suggest to the honourable member and also honourable members to my left who may capitalize upon the emotion of other honourable members, maybe if all honourable members would be a little more temperate the debate could go on in a much more reasonable fashion. I trust that by having spoken for the past two minutes and allowed honourable members to cool off the debate can proceed in a normal way.

MR. WOODWARD: Thank you, Mr. Chairman. After seeing the behaviour of the committee this afternoon, one cannot help but have his temper to rise.

Newfoundland for the first time, Mr. Chairman, needs something that Labrador has. The Minister of Mines and Resources as well as the Premier have said, "Unless we develop that power for use not only in the Island portion of the Province but in Labrador as well there will be total stagnation in this Province over a period of time." Total stagnation?

So now, Mr. Chairman, I will say to the people of Labrador: "You have a trump card." For the first time when the people of Labrador have been sitting with a jackpot in their hands. I think that the people of Labrador should make good use of that particular jackpot. This is what I feel, that I should sit down and the government should have the diplomacy to go along to the people of Labrador and say "Look, we recognize your neglect. We recognize that we have to develop your resources but then again we want to do something for you and in turn for developing the power and taking it down to the Island of Newfoundland, we are going to bring you public services, we are going to have an infusion of public funds into your portion of the province." This to date, Mr. Chairman, has not been done.

The only thing that I have heard in debates in this House is the fact that the people on the island portion of the province need Labrador power, we must have Labrador power for the sake of survival. Now I can see a great danger, Mr. Chairman, when you once develop that power and put a transmission line into the island portion of the province, I think this in turn will take the incentive away from development in Labrador. Why should people, if the power were here and were accessible here on the island, have to go to Labrador to develop industry? And if the same attitudes have been expressed by this administration, I will go back and say, as far as any administration since we became a province of Canada, if the same attitudes prevail, then in Labrador will stay in the same undeveloped state that exist there today, its people shall be saddled with the same problems and the same discriminatory actions that are taken place right now.

So, Mr. Chairman, I am not all in favour, I am in favour of the development of the Lower Churchill. I am indeed in favour of the total development of all the hydro resource in the whole of Labrador, but I am not at all in favour of using it for development purposes only using the island portion of the province to get the benefit from it.

So I think that this particular government, and the Premier when he spoke in the debate today appeared to be very sincere about his actions. It is a gamble. Sure it is a gamble. I do not think it is at all feasible, and I do not think that the government are all yet satisfied that it is feasible to bring that power across the Straits of Belle. I do not think that the Tishmont Reports are at all comprehensive enough. I do not think that there have been enough of on-the-job work done or surveys done. I think the report is merely a bunch of engineers getting together and applying a certain condition when not knowing what the real conditions are, and saying, if this were to happen, this is what we can do. But they have not yet taken a real look at the crossing of the Straits of Belle as far as the feasibility of putting cables and tunnels underneath the Straits of Belle.

The other problem, Mr. Chairman, and I have mentioned it in this Committee before, is the fact that in the event - the Minister of Finance have come out and said it, it is essential to get funding from the federal government for the transmission line, something in the area of some \$500,000,000 to \$600,000,000. It is essential. Without it we cannot afford to take the development on.

There are a lot of things that are needed in Labrador, Mr. Chairman. One of the things that we have expressed and one of the things that the Tory Government promised in their platform when they were looking for votes in Labrador is that they would build a Trans Labrador Highway. The Premier mentioned this afternoon about a portion of the highway will be completed. This is true. If they see fit to upgrade the road from Goose Bay to Churchill Falls or to the Lower Churchill, the Gull Island Site and in turn to upgrade the road from the Gull Island Site to the Upper Churchill Development, then the road from Churchill into Eskier is one of the best dirt roads in this province. This will be an escape for the people in the Goose Bay Area and the Lake Melville Area but, Mr. Chairman, there is no assurance that this road will be maintained after, maintained by the provincial government after the project is completed. I think this is one of the

conditions that this administration should tell or explain to the people of Labrador that that road will be maintained all the year around to have access to the railhead at Eskier.

But the people in Labrador are asking these questions, Mr. Chairman, but no one in the government has seen fit to consult with the people of Labrador on this matter or indeed on any other matter. When I think in terms of a crown corporation to take over from the Power Commission, I think in terms of government involvement in the management and the development of the project and the size of the Lower Churchill and indeed to go further beyond that and develop the total water resource in the whole of Labrador, I only have to look back at what is happening today in a small operation like the woods harvesting by Labrador Linerboard in the Lake Melville Area and see the total waste of money by that crown corporation, I can only shiver to think what would happen when we get involved in maybe what the Premier said today is \$2 billion development. When we think in terms of what is happening just in harvesting a mere 120,000 cords or 130,000 cords of wood.

Government efficiency, Mr. Chairman, I do not think it is known in any operation that is carried out by government; there is no efficiency in it. I think this is very prevalent all throughout the Western World and indeed Canada but now we venture out, we venture out into a socialist type of government. We kick people out, like BRINCO. They are good corporate citizens of this province. There is no one in Labrador that had a bad word for the BRINCO organization. The only people who had bad words for the BRINCO organization were the people who sit here on the island portion of the province and the government administration. They did their job well. They treated the native people well.

But now on the other hand, we see what is happening as far as the Linerboard operation is concerned. Will this particular hydro development be a repeat of that organization? Mr. Chairman, if indeed it is, the 500,000 souls in this province will not be able to afford to pay the bill.

There is such a thing as native rights. At least if they do not have any legal rights, the government should have the courtesy to sit down with a group of people who have pride in their own land, moral rights, to sit down and tell the people what they are going to do to them.

AN HON. MEMBER: Inaudible.

MR. WOODWARD: Well, Mr. Chairman, we are all aware of what has happen on the James Bay project. We are all aware of the problems that the Quebec Government are having with the natives claiming rights. If we look very seriously at the total problem we could possibly see that there is some legal title to that property, but no one on this portion of the island, no one here, very few of the ministers were ever in Labrador, very few. So they have no feeling for it and they have no feeling for its people. Their method is rank.

Mr. Chairman, maybe one way to develop the Lower Churchill is to go into a total money-making proposition and forget about putting a transmission line down to the island. Maybe the government should make a deal with Quebec Hydro as they did on the Upper Churchill and sell the total power to Quebec Hydro and in turn -

AN HON. MEMBER: Inaudible.

MR. WOODWARD: Mr. Chairman, maybe we can afford from the revenue derived from the sale of power to the Quebec Hydro, we can stage in a programme in nuclear plants here on the island to meet the demand as the demand arises.

AN HON. MEMBER: Inaudible.

MR. WOODWARD: I am not joking. If this Committee 's a joke to the members on the other side, Mr. Chairman, I am not joing.

AN HON. MEMBER: Inaudible.

MR. WOODWARD: That is not the case, Mr. Chairman, of giving it away. I feel that our capable Finance Minister can sit down with Quebec, We have a total of maybe some -

AN HON. MEMBER: Inaudible.

MR. WOODWARD: No what I suggest should be done and I feel that it can be done, Mr. Chairman, is to develop the total water resource in Labrador, to tie up a contract with Quebec, to have recall rights for the development of Labrador as the power is needed, with the revenue from that particular sale of power, we put nuclear plants on the island to meet the demand as the demand arises. We do not have to go into \$2 million or \$1.5 billion project with no customers in mind, no sale of the power. I do not think we have to work it that way and not knowing then if it is at all feasible to bring the power across the Straits of Belle for generation in the island portion of the province.

Maybe that is the way it should be done, but this particular administration, Mr. Chairman, did not see fit to do it that way. The only thing that they had in mind was that we need this power for the island and the only way to get it was to have a for sale of BRINCO or indeed to charge them with nationalization, we would take the thing over.

What happens, Mr. Chairman, once that transmission line is down to the island? What happens to future development of Labrador? When that particular power line is down to the island you will not see stagnation on the island portion of the province but you will see stagnation on the Labrador portion of the province. So I suggest, Mr. Chairman, and I will say to this government that they should at least have the courtesy to sit down and consult with the Labrador people and to tell the people of Labrador just how they are going to affect their economic lives for the next fifty or one hundred years.

AN HON. MEMBER: Hear! Hear!

MR CHAIRMAN: The Honourable Member for Labrador South:

MR. M. MARTIN: Mr. Chairman, \$160 million is quite a bit of money to be tossing about. As has already been pointed out, this is probably the largest project that this province is going to get itself into for a long time to come. It is a dramatic moment. It occurs to me that there are two things missing from the drama that is unfolding before us tonight: a bloody great bonfire and a set of bongo drums.

We are being asked to perform a ritual dance, a legislative ritual dance. We are asked to get up and speak on something which has already been agreed upon, to ratify, confirm and adopt an agreement the details of which we knew nothing about prior to two days before the opening of this particular part of the session. I find that highly offensive. There is nothing more we can do in this debate than to put on record how we feel about this particular project. There is no way that one can intelligently debate this project without facts. I submit, Sir, that neither the opposition nor the government have sufficient facts to enter into any kind of an intelligent debate. We have preliminary studies. The fact is that we do not know what this is finally going to cost and whether or not the cost is going to be worth it.

Let us for a moment take a look at the principle. We are going to be taking over our hydro resources and the facilities that have been built at private expense to harness those resources. There is no doubt that the principle is a sound one. There is one question that I would like to have answered before we go any further. In all fairness, I think Brinco did a good job. They are not perhaps as good as corporate citizens as many people think they might be. Generally speaking, they did an excellent job of harnessing the Churchill Falls on the Hamilton.

However, it says that we are going to be buying back all of the issued share capital, etc., all plans, estimates, maps, etc. pertaining to the Gull Island Site. Section (B) states: "All water power rights owned by the said Brinco group in Labrador."



Now, Sir, I would like to know what it was Brinco paid us for those rights in the first place. Absolutely, not one red copper. Those rights were given to them as a free gift from the people of this province. Are we then to turn around and lash out good money to buy back our country? If I am being asked to vote on something like that, then my answer is emphatically no. We take those rights. They are ours. We do not pay one copper for them. Sure, we buy the Churchill Plant, sure we buy the studies that have been done but there is no reason in the world why we have to buy back the Upper Naskaupi, Sail Lake, Norman Lake, Sona Lake and Michikamau. They belonged to our fathers and they belong to us. They do not belong to Brinco.

We have seen certain statements as to what is going to be done on the Gull Island. We know that we are going to be creating a major lake, another major lake in Central Labrador. There have been estimates as to the possible cost of development.

Engineers will tell you, anybody who wants to ask them, the Gull Site is primarily sand. Nobody knows for certain what is going to happen to those estimated costs once you get into stabilizing fluid sand. That is one variable of which we know very little.

There was a study done on crossing the Straits with a power line. One alternative which was suggested is that we use a submarine cable. It was put forward as a viable alternative, as I believe it has been mentioned here in the House this afternoon. This spring, just a few weeks ago, an iceberg grounded in three hundred feet of water. So much for the Teshmont-Zinder Study. The fact is, Mr. Chairman, we know very, very little upon which to base this debate.

One of the things which concern me, having seen what happened to the upper river, the development at Churchill Falls, is what happens to the ecology. I believe there is a contract already let for a small study this summer, a couple of weeks for an ecological study on the effect of this project.

Brinco, who are supposed to be such good corporate citizens - does anybody know that one whole year of migratory fowl have been wiped out this spring on the Upper Churchill Watershed because somebody closed the dam and left it closed too long? Does anybody know that?

Does anybody know that the major salmon river in Hamilton Inlet has been rendered sterile because there was no control structure put across the Upper Naskaupi?

The people who fished for salmon in Groswater Bay, in Hamilton Inlet, relied on the Naskaupi River for their stocks. It was into the Naskaupi that the salmon went to spawn. There are only perhaps two other rivers. The Hamilton River was never a salmon river. There is the Kenemich, the Kenamu, perhaps one or two minor rivers, but the Naskaupi was the main one. There was a bloody great dam put across the top of it and the Upper Naskaupi has ceased to flow. The Eagle has not been affected so far. It is a different water source.

But these kinds of things were never taken into consideration when the Upper Churchill had to be built. I am wondering whether or not this government is prepared to put itself on record as making those

kinds of blunders for \$160 millions worth of public money, because one way or another this administration is going to be judged upon how they deal with this project, not only because of what happens to the economy or the ecology but also what happens within the provincial political structure itself.

This administration is sooner or later going to have to go back to the people and ask to be elected again. I can guarantee it that this project and \$160 million worth of money are going to be no minor issue and if they blunder it they are going to be out for a long time.

Now I cannot let this opportunity pass, I must not let this opportunity pass without referring to a matter brought up by the Hon. Leader of the Opposition this afternoon with respect to the attitude of separatism. I think this thing has become a little over-dramatized. I think it is probably being used a little more than it is worth, but I would say that it is a serious problem, not so much that Labrador may one day set itself adrift; that is a remote possibility but it is a possibility. That is not what bothers me. What worries me about this kind of thing is that after so many years of deliberate neglect here is a chance for the Government of Newfoundland and Labrador to prove that they are dealing in good faith. This is the last chance as far as the people of Labrador are concerned. And if you deal in bad faith now, it is going to mean there is going to be a loss of faith in the province as a political structure, in the whole political institution and more importantly in themselves; because if we cannot work within this system then there is going to be chaos, regardless of the consequences. It is a negative effect. Regardless of the outcome, we will not have a good, healthy, positive attitude developing in a country where we have everything going for us. Just for the record, if I may, Mr. Chairman: Just for the record, since it has been brought up in this debate already: Let me reiterate once more; I have not been and I am not one of those who say that this province should be separated. We were forced to make this statement again in the election campaign in which I participated. I find that I am still being forced to do so because as a regional splinter party

trying to make known to the people of this province what our legitimate gripes are, we are being tagged as separatists. I submit, Sir, that we are the only political force in this province that are not and have become on record as not being in favour of separatism. Look back over the records - it is there. I will say it again, that we are trying to do everything in our power to make the system work for us, quite selfishly, yes, for us! We are trying to make the system work: we are not trying to destroy it. And if we see that our one big and dramatic resource is to be developed for the benefit of people outside of Labrador, whether it is in the other half of the province or to the westward in Quebec, if we do not realize any material gain from this project, then we are going to see chaos and confusion within the minds of the people of Labrador.

It does not matter whether it is a feasible alternative to go for separation, they are going to go for it anyway. And if this administration want to campaign in the next election, on the island, as being the administration that generated that kind of attitude in Labrador, then I would not want to run in their camp. I think you are handing it right back where it came from.

Another thing that bothers me: We have already heard from the Hon. Minister of Forestry and Agriculture, Sir, that there will be harvesting of the timber resources, the timber stands in the Winokapu Region, that is the Lower Churchill to those who are not from Labrador. The very best stands of timber in Labrador, bar none, two hundred and eighty thousand cords, standing, waiting to be harvested. I do not believe there is time within the period laid down for the completion of this project to harvest economically, that is to reap the full benefit of those three hundred and eighty thousand cords.

If anybody were to take a look at what has happened since the Bay D'Espoir development, down in that watershed, he would shudder. The timber down there was not all that good as compared to that of Winokapu, but if you go down there today, to the region that was flooded by the Bay D'Espoir dams, you will see acres and acres, endless acres of tree-tops sticking out of the water. Not only will the timber never be harvested but it has ruled out the recreation potential of that watershed for boating and for fishing and any possible commercial fishery

that might have been done, and that was possible.

These are the things that we must be cognizant of when we talk about developing Gull Island.

What do we know about the economics of this project?

Let us take a look at very rough - and I will admit, Mr. Chairman, that they are very rough projected costs: It is estimated that it would cost \$1.5 billion to produce 1.8 million kilowatts of electricity, \$1.5 billion dollars to produce 1.8 million kilowatts on the Lower Churchill, as compared to less than a billion dollars to produce five times as much, 9.2 million kilowatts at Churchill Falls.

Taking those figures into consideration, taking into consideration the fact that building a dam on an unstable base, taking into consideration we know very little about the ecological consequences, the fact that the Teshmont study, which is being held up as the end-all in feasibility studies on this particular project, has already been proven wrong in one of the major recommendations, I wonder if it is worth it then to go ahead and give this government the power to spend \$165 million of the people's money. I do not know. I do know that I do not want to be associated with the passage of this bill at this particular time. I will - whether I vote for it or against it, of course, means very little. Whether anybody on this side of the House vote for it or against it means very little, means absolutely nothing. It has been agreed upon already. But I for one want to go on record as not being in favour of it at this particular time, not until we know more about it.

I do not think the Province can afford that very high unit cost of electricity with so many unknown variables

AN HONOURABLE MEMBER: This is only for the takeover of the Upper Churchill. It has nothing to do with the Lower Churchill.

MR MARTIN: Well, the reason: Presumably, as stated, the reason for the takeover of the Upper Churchill is so that we can go ahead with the Lower Churchill.

AN HONOURABLE MEMBER: Not necessarily though - not necessarily.

MR MARTIN: That is right.

AN HONOURABLE MEMBER: Two distinct projects.

MR MARTIN: Two distinct projects as far as the bill is concerned, but without one you cannot do the other.

AN HONOURABLE MEMBER: But with one you may never have the other though.

MR MARTIN: With one we may never.

I am not at all sure that what we need are big hydro developments in this country anymore. Perhaps the time has passed. Maybe we are still being -

AN HONOURABLE MEMBER: Not automatically -

MR MARTIN: I am not saying we do not need electricity. I am saying that perhaps the time has come when we do not need any gigantic hydro developments. I think it is more than just a bold gamble, Sir; I think it is an exercise in foolhardiness to proceed at this stage without knowing more about it. I am not saying the project is foolhardy; but to borrow that much money without knowing more about it is foolhardy; and I cannot support it at this time.

MR. W. ROWE: I just have one or two words. I thought perhaps one or two of the other ministers, Mr. Chairman, might want to speak because I do not believe anybody else on this side is going to speak once I have said my few words.

I had a big list of notes, Sir, that I was going to draw upon to speak in this debate. I think most of the information we do have at our disposal has been given and most of the questions which we were going to ask have been asked by the Leader of the Opposition, by my colleague, the member for Labrador North, my colleague, the member for Bell Island, and our friend on this side of the House, though not part of the official opposition, the member for Labrador South. So I throw out the notes and I just want to make one or two brief remarks on this whole issue, a very important issue, an issue which will have great consequences for good or for bad in the future history of this province.

The main reason that I am getting up to speak at all, Sir, is that I do want to stress - because I believe that the last speaker, the member for Labrador South may have confused the issue somewhat, not intentionally but the manner in which he put his last concluding remarks may have obscured the issue somewhat. We are talking about two separate and distinct issues. It is true that the one depends on the other. That is the Development of the Gull Island site, the Lower



Churchill Site may depend on and does depend on really the acquisition by the government of the Upper Churchill Site so that the whole thing can be one massive hydro-electrical development.

Merely because we vote for this resolution before the House today, which is a resolution which stands on its own merits without reference to the Lower Churchill, does not mean, Sir, that we are in favor, neither the member for Labrador South nor the official opposition is in favor of the particular methodology being chosen by this government for the development of the Lower Churchill. It does not mean it at all. I think that the Upper Churchill, the Churchill Falls development, the Upper Churchill development has now reached the stage where it is feasible and sensible for a government of a province to take it over because it has now reached the stage, Mr. Chairman, where it is very little, or will be by the fall of the year, very little more than a public utility company, an operating company supplying electricity. None of the great technical problems that would have been encountered in developing the Upper Churchill are going to be encountered in the future. It will be an operating company.

Therefore, I have no hesitation, as a member of this House and as a member of the Liberal Party, in saying that the government is taking the right step in taking over the Upper Churchill development, CFLCo which operates that particular utility company. That is what it basically amounts to. I think that the time has come now for us to be in charge of that resource. If it be possible in the next few years for the government to renegotiate certain contracts with Quebec or to recall power for future industrialization in Labrador or on the island part of the province, then it is the government which should be in the drivers seat to do that.

Now, Sir, that is a far cry from saying that the government of this province should have developed the Upper Churchill six or seven or eight years ago or started the development of the Upper Churchill six or seven or eight years ago. At that time when the government of this province managed to be the midwife at a deal with BRINCO and BRINCO backers and the Quebec agency, the power commission in Quebec,

Quebec Hydro, I think that that was the best deal that could have been obtained at that time. I think that if a government of this province, be it the previous administration or this present administration, had been foolhardy enough to venture into the development with their own public money, the development of that Upper Churchill, Sir, they would have deserved to have been drummed out of office.

At that time, with so many technical unknowns, so many technical risks, with a billion dollars of risk capital being put up to develop the Upper Churchill, any government would have been off its head, would have been off its rocker to put up a billion dollars of public money, Newfoundland public monies in particular, a poor province, as risk capital in a project that has in hindsight proved to be feasible and very successful but at that time certainly had some doubts if not grave doubts then some doubts as to whether it would ever get off the ground or not and get going or not. It was genuine risk capital. The government of Newfoundland was right at that time not to risk one billion dollars worth of public money in trying to get that gigantic operation going.

Now that the project is going and all technical problems have been overcome and worked out by one of the first-rate companies of this earth, ERINCO, in that particular field, then I think it is only right and proper that as long as ERINCO and ERINCO shareholders get a fair amount of money for their investment, for their work, for their time then it is right and proper that we should own the operating company.

This is what we are doing here tonight, Mr. Chairman. We are about to vote on whether the government should have \$160 million approved by this House that it can either raise or guarantee that amount of money to purchase the asset of ERINCO, Churchill Falls Corporation and the other water rights in Labrador. I have no hesitation whatsoever in voting for that.

If I were certain that my honourable friend, the member for Labrador South - did I hear him correct when he said that he was going to vote against that, the take over?

My question is whether it is worth \$160 million when there are three items that we are supposed to be buying back; Churchill Falls Company and the power station, the plans and maps, etc., associated with Gull Island and the water rights. Now I would like to know more about how much these items cost. I am genuinely not sure of whether or not it is worth \$160 million. If this should be the fact, then the whole thing that goes after that then becomes very, very relevant. It is the \$160 million that I question.

MR. W. N. ROWE: That is a fair question. Perhaps the Minister of Finance when he gets up will give us some further information on this. The Minister of Finance has not said that. "Well, we are paying \$140 million for CFLCo. shares, for BRINCO shares and CFLCo. and say \$20 million for the water rights," we have not had that kind of information.

I agree with the Hon. Member for Labrador South. The amount of \$160 million is too much money. It is far too much money. The Minister of Finance himself, I believe has indicated on one or two occasions, once in this House and once outside, that they probably could have gotten a better deal. I believe that they could have had the whole of BRINCO with all its multifarious assets for \$11 million more or some such figure. I just forget the figures now. It is quite obvious that the Minister of Finance or whoever bargained for the government, probably three or four ministers bargaining for the government, did not get a very good deal in terms of money. Perhaps the Member for Labrador South has a good point there. They could not beat Sir Val Duncan down. Any man (Rio-Tinto had profits of \$300 million odd this year) who heads an operation which makes \$300 million or more profit in a year is certainly perhaps not too bad at sitting across a table and bargaining effectively for his company.

They did not get a very good deal. I believe the Minister of Finance has indicated that they did not get a very good deal. Perhaps a better deal would have been \$140 million or something. We can quibble about the amounts of money involved.

The point I am trying to make is that as a matter of principle I think it is good that the government take over this operation. I cannot get too upset about the amount of money involved because I do realize that the government, with fiendish malice aforethought, made a grab after BRINCO at a time when they knew that perhaps the market was somewhat depressed in BRINCO shares. The amount that they originally offered BRINCO, if one were comparing that to the amount which is now being paid BRINCO for the assets which are being purchased, the fact that it might be pretty close together is perhaps not too material because the shareholders in BRINCO, at \$7.07 a share which I believe is being offered by the government as the expropriation price. It was not what the market for BRINCO would have been say a year from now when the Upper Churchill came on stream fully and completely and the amount of revenue became public knowledge over a long period of time.

I cannot get too excited about that. Perhaps they paid too much, \$15 million or \$20 million too much. What is \$20 million to the Minister of Finance? He lights his cigars with \$1,000 bills, so I understand. What is \$20 million? What is \$1 million?

It is a good point that the Member for Labrador South has bought up. The Minister of Finance and his cohorts were taken in in the negotiations.

MR. CROSBIE: We were raped.

MR. W. N. ROWE: The Minister of Finance does not look like a rapist, perhaps a raper.

MR. WOODWARD: He must have gotten his neck caught in some kind of an act in which he got his neck twisted.

MR. W. N. ROWE: What was going on there?

They got taken but that is all history now.

The agreement is signed. The whole thing is signed, sealed and delivered

and fixed. We are now asked really to vote upon whether we agree on the principle or not. If one wish , one can make some noises about the price being paid. Some will say that it is too high. I would say that BRINCO probably thinks and its supporters would think it is too low.

As a matter of principle, Mr. Chairman, I have no hesitation in endorsing the government's action in taking over this operating company.

The Lower Churchill, which is really irrelevant to the debate before the committee tonight and has been all along but everybody has talked about it, is a different quintal of fish altogether. There are many questions to be asked about the Lower Churchill. The Leader of the Opposition has asked many.

The Member for Labrador South, the Member for Labrador North, the Member for Bell Island have asked others. There are many questions to be answered about the possible potential development of the Lower Churchill. Perhaps the Minister of Finance will give us the benefit of the information he has on some of the questions which have been asked. The main one that bothers me somewhat, Mr. Chairman, and I would not be honest if I did not mention it ( I am fully appreciative of what the Premier has said and other members and ministers have said that Newfoundland has to develop its resources if it is going to become a viable, industrial force or an economic entity in the future, there is no doubt about that ) is that if this government have to go behind, go on the back of borrowings of up to \$1 billion or \$1.5 billion, that it is going to have some kind of a short-term effect, (By short term, I mean ten or fifteen years) a bad short-term effect on the development of public services in this province.

Representing a rural district myself, with poor roads, with horrendous water and sewer facilities and in many cases a complete lack thereof, with the summer coming up again now where I know hundreds of people, particularly babies and children, are going to have gastroenteritis again, simply because of atrocious sanitary conditions in their drinking water, then I have to cast some kind of a doubt on the wisdom, at least

in the short-term of a government locking itself in to \$1 billion or \$1.5 billion development if it is going to have a bad effect on the future development of public services in this province. I would like to hear some further assurances from the Minister of Finance on that. He seemed to be rather tender on that issue. He said that it is not going to have any effect on the development of public services.

I am sure that twenty-five years from now, with revenue coming in from the Lower Churchill Development, that we will all be better off in the long run if this thing should go ahead and if it should prove to be a success. In the meantime, the government have to guarantee in some way or another, indirectly or directly, and have to stand behind this massive borrowing. Even the amount coming from the federal government of a-half billion dollars or four hundred million dollars is borrowed money which will have to be paid off, by the user-charge analogy, the government of this small province has to double its direct and indirect liabilities in one-fell swoop.

Now I would like to hear further assurances from the Minister of Finance as to how this is not going to be a disadvantage to the further development of public services in Newfoundland and Labrador. I would like to hear how he thinks we are going to get around that. Is it because when we are borrowing money for the public services, the asset, the Lower Churchill asset and the liability will cancel each other out in the minds of the money lenders, the bondholders? Perhaps it will, I do not know. If I were a bondholder and I saw a province like Newfoundland, which is owing say \$3 billion, with our income I do not know if I should feel too happy or it should feel too reassured by the fact that we have a partially constructed asset, worth one-half billion dollars, up in the Lower Churchill of Labrador, the Lower Churchill River. Perhaps that should be a consideration.



If it were going to be a massive disadvantage to this province as far as the public services are concerned, then I should suggest to the minister, (if it were, and I am not sure,) and to the government that perhaps alternative methods of financing and developing of this operation be considered. I do not know what the alternatives would be at this late stage. Perhaps one alternative would have been to allow BRINCO to develop the Lower Churchill and then again when it became an operating company to do much the same thing as they have done with the Upper Churchill Development: take it over as a viable concern when it is no longer in the nature of a risky project involving risk capital. Perhaps it is too late to follow that particular avenue of approach to the problem at this time.

That is my only real concern, Mr. Chairman. There are other picayune points that could be made and will undoubtedly be made in the next several years as the Upper Churchill comes on stream and the Lower Churchill Development comes closer to realization. I will not get into them tonight. Most of them have been made. Now I would just like to settle back and hear what the Minister of Finance has to say in answer to some of the questions which have been raised in the committee.

MR. ROUSSEAU: I would like to say a few words if I may. I had not intended to get into this debate. On the matter of principle, as there is, I certainly want to have something to say on it.

The first thing I would like to say though is that the Hon. Member for Labrador South, in mentioning those names for those people in the House who are not from Labrador and who picked up the names, I think recognized the beauty of these names. I would certainly hope that in any further developments in Labrador that these names remain as they are. They are beautiful names. They are not needed to be Anglicized. In their own way they have a melodic ring to them. I would hope that as a member of this government and my colleagues on this side of the committee, indeed all colleagues in the committee, as all

people in Labrador and in the province, will want to maintain this heritage of beauty and melody in the names that ring out of Labrador as they do out of other areas of the island. I would be the first one should anybody ever suggest that something be named after me, to turn it down because I would think that that would be something that I would not want. I am sure anybody in this province would want to feel the same way. Michikamau and names of that nature should never be changed. I would hope that in our development in Labrador or in any other part of the island that the beautiful names that have a long history and a heritage in this province would remain as they are.

I have to take up a few points here with the Hon. Member for Labrador North, as a matter of principle, in the suggestion that the power be routed to Quebec. I have some rather strong feelings on that. I think I would like to go on record as giving my feelings on where this power should go in respect to the development of the Lower Churchill. The Upper Churchill is gone. We have some recall power. Hopefully some day the resources of Labrador will be developed to such an extent that this recall will be necessary. I would certainly be happy with that. I can assure the Hon. Member for Labrador North, the honourable members of this committee and the honourable people of this province as well as the people especially in Labrador, this government would like nothing better than to see the recall of this power for the development of resources in Labrador.

I say: "No! No! No! to power from the Lower Churchill to Quebec. No! No! No! Quebec can have what is left over after Labrador, after the island. If there should be anything left, give it to Quebec but give it to them on a short-term lease. Sell it to them.

But no. No! No! to power to Quebec, like it was on the Upper Churchill. Let us not be small about it and let us not think of ourselves. We will all be dead in a few years. Let us think of twenty, thirty, forty, fifty or one hundred years time when we need the power in this province. Quebec has the power on the Upper Churchill. The Premier of this Province has stood up and said that he will talk with the people of Quebec in trying to get a better deal. If the Quebec people should say no

we have a deal for sixty years," then we have to accept that because that is how governments function, they function on their words. But not from the Lower Churchill! I am not saying that to break with my colleagues in cabinet. They feel the same way. First to Labrador, then to Newfoundland and then what is left over to Quebec, on a recall basis, for a short period of time. That is the position that we have stated. Anybody who says anything different has not got the best interests of Labrador at heart as far as I am personally concerned or as far as this government are concerned.

SOME HON. MEMBERS: Hear! Hear!

MR. ROUSSEAU: A look at it in five years, six years, ten years, never mind that, let us look at it in thirty, forty, fifty, let us look at our children and our grandchildren and our great grandchildren. There are not many more areas of this continent where power can be generated like it can be generated on the Lower Churchill and the Muskrat and the succeeding rivers down. I for one would not stand to see this power go to Quebec. If I have to sit around a table and say that; then it would be with a very heavy heart and it would be a matter of great principle to me. This government do not stand for that and will not stand for it. Quebec can have what is left over. I want to say it again and again so that there will be no mistaken impression as to what this government stand for.

There should be the development of Labrador first. Do not twist it. Do not stand up and say something different, because that is what we are saying. Do not get on radio tomorrow and say that is not what we said. I am saying it now so that there will be no misinterpretation, no misunderstanding. Labrador first, Newfoundland second and what is left over to Quebec, on a short-term basis, for recall. That to me is abundantly clear. It cannot be misinterpreted, cannot be misconstrued and certainly I hope cannot be misunderstood. That is our position. It is simple. The people of Labrador deserve their resources.

Nobody wants to rape Labrador. It was done once. I will tell you and I will tell the people of this province and I will tell the people of Labrador something that the sixteen people I sit around the cabinet table with and the thirty-one people I sit around the caucus with are not trying to rape Labrador. You are not going to right the ills of many, many, many years. I am not talking about twenty-years of Liberal rule, I am talking about twenty-five years of whatever happened in Labrador for whatever reason. It is going to take time.

AN HON. MEMBER: (Inaudible).

MR. ROUSSEAU: Don Snowden did not need to do the job for the Hon. Member for Labrador North nor for the gentleman from Labrador South nor for the gentleman from Labrador West. He has put in writing what we already knew in many instances. If we had had the time to sit around with a tape recorder, we could have done the same thing. That is no problem. What it has done for us is put our case before the people of this province, the government of this province, in an objective way with somebody outside the three of us. I think that is a good thing.

I would like to mention something else by the way, because I have been listening to this. I have never mentioned this before. Possibly it is minor point but it is a major point to me because I have some friends, many friends I hope but at least some in Churchill Falls and in other parts of Labrador, especially Churchill Falls. I think we tend in the past few months to talk about BRINCO. BRINCO did a wonderful job. They put the money together for the Upper Churchill and nobody can deny them that. They did a fantastic job. I think the one thing we have done is that we have underestimated Acres Canadian Betchel. I do not speak of that as the company, Acres Canadian Betchel, but of the people associated with Acres Canadian Betchel who happen to be my constituents. Acres Canadian Betchel are the ones who built the Upper Churchill. I think

that in giving BRINCO its mark of excellence for developing the Upper Churchill, certainly nobody would ever suggest that they did not do a wonderful job up there, a fantastic job. I think the people who went in there and the people who built it also should come in for some of the compliments that have been handed out. I think Acres Canadian Betchel and the other contractors up there did a fantastic job. I think that should not be let go without at least a word.

There are two more little, short points that I would like to make and that is in respect to the Lower Churchill and its development in respect to labour. I stood up in this House a little while ago and I said as a matter of principle

I feel that the people of Labrador and the people of this province should benefit from the jobs on the Lower Churchill. Where there are available people in this province they should work on the Lower Churchill, there is no question about that as far as this government is concerned, no question at all.

Now let me tell you, I know now what happened the last time around. I know of the supervisors who went in and brought all their friends in from outside this province. But we have learned our lesson and the same thing will not happen again because now we know what to look for. This government stands for Newfoundlanders and Labradorians ( If you want to use both, Newfoundlanders will do me) to work on these jobs on the Lower Churchill, where they are available. Now that does not mean that where they are not available we are going to sacrifice the excellence of a project just to employ a Newfoundlander, but where they are available, We, as a government, have a responsibility to hope that we can make everybody in this province who wants to work available for the job by training them in such a way, labour from the province. Supplies and materials, where they are available. We are now becoming an industrial province. This is what it is all about. This is what this government is trying to do, to develop the province with an industrial base so we would be able to produce our own goods, so that when a project like the Lower Churchill goes on stream that we have the materials down here to supply. We are going to have very precious few materials to supply to the Lower Churchill operation in respect to the large items. There are a number of small items of course we will be able to supply and some of the larger items but if we had a larger and broader industrial base, if we had been industrialized through the years, then we would be in a position to reap the maximum benefit from the supply of materials to the Lower Churchill. We cannot do that and this is what this government is trying, and it cannot do it in thirty months or twenty-eight months, and we are not going to do it in four years.

The other side will probably be over here and we will be back over here again before it is finally done to a point where we could supply a



project the magnitude of the Lower Churchill. It is going to take time but where it is available here then it should be bought in this province. There is no question in our minds about that.

My message to the people of Labrador is this, let us not secede, let us succeed. Let us not be negative, let us be positive. There is no need of talking about secession nor separatist movements. Myself and the honourable member for Labrador South agree on that. Let us not secede, let us succeed. Let us fight. We will fight but we will fight in our own quiet way, not with a raised voice, as I have been tonight because I am a little emotional about this Quebec situation here as mentioned by the honourable member for Labrador North, but in our own quiet way. I do not have to fight. I do not have to raise a voice around the Cabinet table or in caucus or within the offices of my colleagues. When I give them a reasonable argument as to why something should be done, they do not care if it is in Labrador or Newfoundland or where it is, if it be a reasonable argument they shall get it.

But anyway, that is very important.

MR. WOODWARD: Inaudible.

MR. ROUSSEAU: The honourable member is against that, is he?

MR. WM. ROWE: If it means that something else more important were not done, yes.

MR. ROUSSEAU: That is very important to the people in Labrador West right now. It took us eleven years to get the park. Now that we have the park we are going to build a road to it. There is nothing wrong with that. It is part of the Trans Labrador Highway. But anyway, Sir, that is my feelings on the power going to Quebec, on the labour situation and the development of the Lower Churchill, the supply of materials on the Lower Churchill, the message of let us succeed, let us be positive instead of being negative like the honourable member from Labrador North with his doom and gloom message, his twisting of facts. It serves nobody's purpose, it certainly does not serve the purpose of the people he represents. They are not going to benefit from that in any way, shape or form. The honourable gentleman represents a minority in his district and when he talks let him make sure that he talks on behalf of the majority

of the people in Labrador. He certainly does not in this respect.

So these are a few words, Mr. Chairman, I had not meant as I said to get involved in a debate but because of the suggestion that our power go to Quebec I felt impelled to do so and I did so with some emotion, but that is how I feel and I would like to have these remarks of course placed on the record that I have so spoken.

MR. CHAIRMAN (MR. DUNPHY): If the honourable Minister of Finance speak he shall close the debate.

MR. CROSBIE: Well we are in committee actually, Mr. Chairman, so if anybody wants to speak afterwards they can.

Mr. Chairman, there have been a lot of genuine questions asked by honourable gentlemen opposite and of course as the House Leader for the Opposition has pointed out, there are really two separate things involved here. The bill we are discussing now is the bill to authorize us to arrange a loan sufficient to buy shares that BRINCO now has in CFLCo., the shares of the Gull Power Company and the water rights and other assets that BRINCO has in Labrador. The companion legislation of course deals with the same subject. That is not the same and it is a different subject than the development of the Lower Churchill but if the Lower Churchill were ever to be developed so that the people of this province gained the greatest benefit possible from it, then this step had to come first. We could not develop the Lower Churchill, we would have no chance of developing the Lower Churchill to the greatest benefit of the people of this province if BRINCO remained owner of the Upper Churchill Falls Project. We had twenty-four months of experience in attempting to get BRINCO to enter into an arrangement first, and first we had not thought it was possible to bring power here to the Island of Newfoundland from Labrador, to get them to enter into an arrangement with us that would give us, the people of Newfoundland, substantially more than they had gotten on the Upper Churchill, even if the Lower Churchill power were sold to Quebec.

In twenty-four months we could get nowhere on any satisfactory arrangements with them. They were so obtuse, they were so blind to the realities of what the province was really getting from the Upper Churchill

that they did not want to enter into an arrangement with us on the Lower Churchill that would give us anything substantially more than we had gotten on the Upper Churchill. That was their position.

There was no chance whatsoever, I would stake my life on it, never would the Lower Churchill be developed and the power come to Newfoundland if BRINCO controlled the Upper Churchill. They had no intention, they did not want to see it, they did not think it could be done and they had no interest in it, in seeing that power developed to come to Newfoundland. They wanted to see it developed and sold to Quebec, which was more logical to them, more easily done, yes more logical, It is more logical to me, more easily done. Yes, it is more easily done, developing the Lower Churchill to sell the power to Quebec is far easier than developing the Lower Churchill and bringing the power to Newfoundland. It is a snap compared to developing the Lower Churchill and bringing the power to Newfoundland. It is more logical. It is easier. It is more economic. It is more feasible. It is all of those things. If we want to do the most economical, the most feasible, the easiest thing, we shall develop the Lower Churchill and send the power to Quebec; that is the easiest.

But we do not want to do the easiest thing, Mr. Chairman. We are dedicated to doing the thing that is going to benefit this province most. What will benefit this province most today in a world that knows that we are starving for energy and that energy is getting more and more expensive, in a world that today it is as plain as the nose on your face that any country that controls the resource of energy, whether it is oil or hydro or coal or whatever, is a country far ahead, in a far more advantageous position than any other. We know that today. If the Lower Churchill be not economic to develop this year it shall be economic next year and if it should not be economic next year it shall be economic in five years. It will be economic sometime for that power to be developed and used in Labrador and Newfoundland rather than for us to sell it for sixty-five years at peanuts to the Province of Quebec, which happened on the Upper Churchill.

This is a harder road to go, Mr. Chairman. If we just wanted to get a project going for an election, the way to do it would be to have signed an agreement with BRINCO and say, "Boys, ship her out to Quebec!" We could have done that. Quebec Hydro would agree to pay five mils or six mils or some piddling price, at point "a" on the border to buy the power, and we would be getting them a future. In five years or ten years time, we would get \$10 million a year or \$12 million a year revenue from it, but we would have had all of those construction jobs in the meantime. We would have had it going for the next election. That is the easy route.

The honourable member for Bell Island suggested that is why we are anxious to do the Lower Churchill, for political reasons. We could have had it started last year if we wanted to ship it out to Quebec. It could definitely be going this year. It could certainly be going next year if that were all we were interested in, a few hundred or a thousand or two thousand construction jobs, so we can stay in power for five years more. That is the political route. That is what happened on the Upper, with more justification. But we are in different circumstances today. A government that allowed that power today to be shipped out to Quebec at five or six mils for \$10 million or \$12 million a year revenue to the people of Newfoundland, that government, they should every one of them, be strung up on the lamp posts out in front of this building; they should dangle from the eaves. That is what should happen to such traitors of their province. We are not doing that.

I cannot assure you tonight the Lower Churchill is going to go ahead and power is going to come to Newfoundland. I cannot stand here tonight and say unequivocally, without any question, that Gull Island is going to be developed, the power is going to come to Newfoundland. I cannot say that. I have no way absolutely of knowing that. But I say this and I can say this and every member of the government can and the Premier and the rest of us can say this, that if anything within human effort, if anything within our power and effort and work can do it, then Gull Island is going to be developed and the power is going to come to

Newfoundland and it is going to go to Labrador, I include Labrador in Newfoundland. I can say that because this government is dedicated to that. That is why this bill is before the House. We are not colonialists.

I have listened to the member for Labrador North tonight talking about BRINCO. You know it reminded me about some Uncle Tom talking about the English when the English used to be here supervising the colonies and how wonderful the English were. How wonderful BRINCO was, he said. He said everything about BRINCO was wonderful. Well that is the colonial attitude. I say everything about BRINCO was not wonderful. Yes, technically they did their job, fine, competent. They raised the money and they did a good technical job but their pulse and heart are not part of the Newfoundland pulse and heart. They do not care about Newfoundland. Why should they? They are just another big corporation controlled by Rio Tinto Zinc, which controls 100, 200, 300 corporations around the world, which has a copper mine in Bougainville in New Guinea, out of which they are making hundreds of millions of dollars now, and so on.

BRINCO is just a company controlled by Rio Tinto Zinc which operates for the benefit of its majority shareholder and the incidental benefit of the minority shareholder, not operating for the benefit of Newfoundland. Do I not get sick of hearing all this talk about how wonderful BRINCO is? I do not care how wonderful they are. They were the imperialist masters and we were the peasants and the colonialists and that is how they looked at us. That is how they regarded us; but the peasants turned around and bit the master. That was the biggest surprise they ever got. I say, yes they were wonderful at the technical job they did and they did a fine job on the Upper Churchill. The construction job was excellent. Their engineering was excellent. They raised the money and so on. Thank you BRINCO! And they made a few dollars while they were doing it and they are getting \$160 million now for their effort. About \$80 million of that is a capital gain. So they are getting well recompensed for that. But with BRINCO left in the scene, this Island

of Newfoundland would never see one horsepower of power from Labrador, never.

Now we are only going to see it now if we fight for it every inch of the way. We have to persuade the federal government. We have got to try to argue with them, persuade them and dragoon them and present studies to them and keep at it, and hopefully the opposition will help and Mr. Jamieson and our other members in Ottawa, whoever they are after July 8, will do the same. We have to persuade the Government of Canada that this is sensible and economic and something that this province has got to have if we are ever to break our bondage so we are no longer just suckers of Ottawa, Ottawa suckers. I am tired myself of being an Ottawa sucker. We are always going to be Ottawa suckers if we cannot get this Lower Churchill power to Newfoundland and if we do not control the gas and oil off our shores; we are always going to be little suppliants down here in Newfoundland, going up and being sweet to Ottawa and going up and being sweet to BRINCO, and sweet to this one and sweet to that one. We should be in the position where we can say to the world, "Kiss our, you know what. We do not have to care for any of you." That is the position we want to get ourselves into.

MR. NEARY: Loosen the rope, boy, before you gag yourself there.

MR. CROSBIE: If I loosened myself up, God knows what I would say. So I say: "All Right, BRINCO did a good job but the time has come, as the House Leader of the Opposition said, for them to be taken over."

Now what is this nonsense, Mr. Chairman, this rape of Labrador, that the member for Labrador North talks about? What absolute tripe; the rape of Labrador. Labrador has been violated and raped and raped and assaulted indecently and decently in every way under the sun, according to the member for Labrador North. By whom? This government has been in office two years and several months and we have yet to rape anyone. We have not violated a single person that we know about. We certainly have not violated Labrador. We have done everything we can to take a proper attitude to Labrador.

I know that the people in Labrador have got lots of complaints



and they have been ignored in many areas and so on and we have got lots of areas here on the Island of Newfoundland can say the same and that it needs more attention paid to it.

MR. MARTIN: Would the honourable member permit a question?

MR. CROSBIE: Go ahead.

MR. MARTIN:- Is the honourable minister aware, Mr. Chairman, of the situation at Goose Bay, around the Goose River, with a Crown Corporation which is perpetrating rape upon the forest resources there?

MR. CROSBIE: Mr. Chairman, a rape of Labrador is a rape of this province. Now if the honourable member for Labrador North or Labrador South should want to get up and say that the province is being raped, I should like to tell them with more attention. But when they tell me Labrador is being raped, that is only propaganda for their own constituents. They represent Labrador constituents. They do not want to get up and say the resources of the province have been raped, they want to get up and say the resources of Labrador are being raped. No I do not know of any resource being raped up in Goose Bay. I know this, that the people of Newfoundland, Labrador and Newfoundland are putting millions of dollars into Labrador Linerboard who are conducting a logging operation up in the Happy Valley Area, an operation that would not be carried on by any private enterprise firm because it could not operate economically, the costs are too high. I know that the people of Newfoundland are putting millions into that, whether that is a rape of Happy Valley I do not know. I know the payroll up there \$3 million or \$4 million a year at least, plus everything else that goes into the economy. I do not call that rape.

I say, "Yes, the province is being raped and sometimes for a little gain, that the iron ore that goes out of Wabush and Labrador City is going out of there with little return to this province. They are not paying enough because of the agreements entered into and the same with what comes out of Buchans and what came out of Bell Island and so on." Yes, the Province of Newfoundland, Labrador and Newfoundland has been raped many times but the Labrador part of this province has never been raped by this government. It has not been raped and it is not being neglected by



this government. I know it is useless to mention the various points that have been made.

Did the new minimum wage not apply to Labrador, Mr. Chairman? Did that only apply to the Island of Newfoundland? Did exempting children's clothing and shoes from the S.S.A. tax, did that only apply in Newfoundland and not in Labrador? We never hear the members opposite from Labrador say a good word about anything that is done, The increased northern allowance for civil servants and teachers that live up in Labrador, was that a good move? Was that not something done in connection with Labrador? Never. We hear tonight a member for Labrador North, jealously or enviously criticize a road being built in another part of Labrador, in Labrador West, Ten or eleven miles of road being paved up there and he is mad and envious and jealous about that.

One other thing about the member for Labrador North: I think that one of the things he said to me is disgusting, absolutely disgusting. He got up in this House and said that I am the most hated man in the province. How would he know it even if it were true? Who has ever heard in a House of Assembly some member get up and say, "That member over there, he is the most hated man in the province." If I were sensitive, Cripes! I might go out, right out the window! My God! If I am hated like that, I might have dove right through the window. If I thought that the member for Labrador North was for a moment serious, or if I did not think he was foolish, I might have been right out through that window. Imagine getting up and saying that! Thank God I got a hide on me! I have a hide on me because it was flayed for two or three years by a mentor of the member for Labrador North, the former member for Bonavista North or Humber West or wherever it was or Placentia East, who travelled with me across the Atlantic last Sunday and we had quite a chat. The two of us are seriously considering a new party.

MR. DOODY: They are trying to unseat the -

MR. CROSBIE: But we are having a hell of a decision on who is going to be the leader.

MR. NEARY: Could I ask the minister a question, Sir? Did the minister actually give the former Premier a lift from Gander on the government aircraft?

MR. CROSBIE: Definitely *lèse-majesté*.

MR. NEARY: I am really disappointed. My God, I will tell you, I will not sleep tonight!

MR. CROSBIE: I will tell the member for Labrador North, I have done as much for Labrador as he has ever done and more. What is the member for Labrador North doing? The member for Labrador North has a business and lives in Labrador. So naturally I hope he is doing something for Labrador and doing something for himself up there. I have no business in Labrador, no connection with it, but representing the government I am Chairman of Labrador Linerboard Limited and I have spent a lot of time trying to see that that operation continued to operate and become a success and operate in the Goose Bay Area.

If I were inclined to exaggerate a bit. I would say this, that I have put - if I were the type that talked about some \$15 million in wages in the Happy Valley - Goose Bay area in the last three years, I have.

AN HONOURABLE MEMBER: How much have "I" wasted on the operation?

MR. CROSBIE: I do not know how much is wasted. We took over a situation that was a very difficult one. I know this, that certain parties up there who want to have the wharf clear so that they can conduct their own business and so on without interruption, get angry because Labrador Liner Board occupies some of the wharf area up there. The stevedoring chief up there does not like it when the wood boats are there and these other freighters cannot get in so he cannot unload them. I am getting a little bit sick of the member for Labrador North standing up in this House and shooting off his big maw mouth, "The Maw Mouth from Melville" in unfair criticism and personal attacks on myself. Now, if he do not mention me again, I shall not mention him again.

Now, what about separatism, Mr. Chairman? What about separatism?

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

MR. CROSBIE: I have heard more malarkey about separatism and the dangers of separatism. The people who are talking about the dangers of separatism are the ones who are trying to get a little separatist movement going so that they can prove their point, that if such and such should not be done there is going to be a separatist movement going in Labrador. There might be a separatist movement on Bell Island. There might be one on the Northern Peninsula. There might be one in Ramea. This is all one province. There are 40,000 Newfoundlanders living in Labrador and 500,000 living on the island. So, just keep the thing in proportion, Separatism!

Anyway they got me off the track now. To come back to the bill: There were some good questions raised. Now, Mr. Chairman, this is not a decision the government made lightly. It is not every day \$160 million gets thrown on the table by a Government of Newfoundland. Ten years ago the whole budget did not come to \$160 million. Do not think

that this decision was made lightly. It was not made lightly. If the Lower Churchill go ahead, the honourable the House Leader opposite asked a question about our credit: "How can Newfoundland afford the billion or a billion and a-half dollars if the Lower Churchill should go or if we should borrow it and have to guarantee it, shall we be able to borrow money for other purposes and carry on services and so on?"

My answer to that is that there is no way of knowing for sure, no way at all. I can only give an opinion. We do not know for sure. I do know this, that we had the rating agencies down here last year. What did he call them? Moody, Standard and Poor. We wanted to get our rating improved. Our rating down in the states is B-A-A. We wanted to see if we could get up to an A. Most of the Canadian provinces, their credit rating is A. The best one is "AA" I think.

We had them down here and gave them all kinds of information. In Newfoundland a lot of trouble was credit rating in the couple of years before we took over. Quite seriously, because of things that were going on, we could not get the facts about them. The linerboard mill was one thing and the oil refinery and so on. Their credit rating was not in that good a shape and people were getting concerned about it. Now, that has improved a lot in the last couple of years. So we had these people down and gave them all the information we could and took them around and so on, and our rating stayed the same.

So I asked them why. There has been a lot of progress here and Newfoundland is coming on pretty well and our economy is pretty good and the transfer payments are up considerably from the Government of Canada. Why should we not have an A rating? Their answer was, "Well, the reason you have not got an A rating is that you have not got a sufficient economic base. Newfoundland will get an A rating when you get some more industrial development down here, if your power is used and you develop more industry. You have not got enough of an industrial base. We feel we have to wait a few years and see. If you get more of an industrial base then. Because we do not just look at the governments' own figures, we look at the whole economy of the

province when we are deciding what your rating should be."

Well now that is one reason why I am in favor of the step that we have taken, because we are going to have no industrial base if we do not get power from the Lower Churchill and if that power should not turn out to be the kind of price that is in the report that was tabled in the House. We have got to have power here, twelve or fourteen or fifteen mil power, like that report shows, or something close to it. If we do not do that or we cannot do that we are not going to have an industrial base.

If the people of Newfoundland, who now think they pay high light bills in their homes, if the people of Newfoundland realize that if we do not get Lower Churchill power, that in about six years time they are going to be paying five times as much at least for power as they are paying now; that they will pay more even if we get the Lower Churchill but it will not be nearly as much more if we get the Lower Churchill power here. If we are stuck with oil - coal is not sensible for Newfoundland - or nuclear, because we cannot have nuclear for a number of years anyway, we would have to expand the oil ones first - if we are stuck with oil at the price oil is now and will be in the next five or six years, there is no industry going to establish here. We will be a joke. We will have no industrial base. We will have no credit rating.

So when the House Leader opposite asked that question which is a serious question, my belief is that if this hang together, if the Lower Churchill studies pass the scrutiny of the Government of Canada and they are finally satisfied that is a project in the national interest and will hang together and if it will pass the scrutiny of the bankers - we have syndicates of bankers who are willing to do the inter-financing and they have appointed their own engineers who are studying this and they have asked questions - if it pass their tests and if it then pass the tests of the people who buy the bonds and there will be a number of them and other people who we have spoken to whom we think will put money up or lend it to us, if it pass all those tests, that means it will hang together economically. If it will hang together economically, even if we have to guarantee the

bonds, they shall not be a drag on our credit because it shall be a project that is self-sustaining and economically feasible and it shall not affect the rest of our borrowing. It shall not go ahead unless it pass these other tests.

Now, if the Government of Canada do not assist -- an unlikely event, I cannot see how that could happen. If they do not, could the project still go ahead? We do not know. We would try it. We will have a shot at it unless the reason they do not do it is that they have proved to us we are all wrong and our economists have been wrong and Montreal Engineering and Shawinigan Engineering, two of the biggest engineering companies in Canada, have been wrong. If they show all of that, well that would be one set of circumstances. If they just said, "No, we have more important projects. We have the Mackenzie Valley pipe-line, \$6 billion, and we cannot fit your financing in until that is done." If that were their kind of reason, well then this government I am sure would have a crack at trying to do the transmission line on its own. I do not say it is impossible but it is practically impossible.

The impossible we do not guarantee doing but the practically impossible we will do. We would certainly have a stab at it. We do not see how the federal government could take that attitude. They financed the transmission line from the Kettle Rapids to Winnipeg at a time when Manitoba did not have customers for all the power.

Now there is another question the Leader of the Opposition asked, about customers. Of course customers are important. They agreed to finance that line. I think it cost something like \$260 million or \$280 million, that transmission line, five hundred miles through Manitoba, when there were no take or pay contracts for the power nor anything like it. They agreed to finance it because they saw that this would be successful in the future. Bring the power and the customers are going to come. They did that for Manitoba and they arranged it so for the first five years they had a very low pay-back from the user charges.

We see no reason why the Government of Canada should not agree on the same kind of deal with us. It is a question of the



chicken and the egg, Mr. Chairman. If the Government of Canada say to us, "We cannot go ahead in this project until you show us that 1,450 megawatts are going to be used in Newfoundland in 1980," if they said that to us, they would be putting us in a desperate position because we would have to go out and do what the Leader of the Opposition does not want us to do, go out and start to find customers, and the customers knowing we had to find them will not agree then to any price but the rock-bottom price. They would force us to give them a bargain if that were what the federal government did. It is a question of which comes first, the chicken or the egg.

AN HONOURABLE MEMBER: Manitoba had over fifty per cent of its power sold.

MR. CROSBIE: Well, perhaps it had fifty. Before this project is finished in 1980, my guess is we will have all that power sold but none of it will have to go to Quebec on a recall basis. That is my feeling. They are going to be hungry and starving for power.

It is a question of the chicken and the egg. Now if the federal government do that, they are going to force us into the hands of some aluminum company who will try to squeeze us down to give them power at nine or ten mills, and we should not do it, or eight mills. The federal government will say, "If you do not have the customers, we will not do it." If they say that, they may force us into making an uneconomical deal with someone or the whole project may founder. That would be stupid.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: No, no! I said that all their power was not sold on a take or pay base. Sure they had certain customers the same as we have. The federal government should tell us yes or no and not say to us, "You must have all your customers lined up first." That is all I am saying. The report shows that at least a third of this will be in use in 1979. Anyway if it should be here, the rest of it shall come.

I do not want to see the Premier and the Minister of Industrial Development and the government put in the position where we have to go

make a deal we should not make with someone, just to get a customer.

CAPT. WINSOR: Would the minister permit me a question?

MR. CROSBIE: Yes.

CAPT. WINSOR: Has any study been done or any feasibility study? It is a known fact that there is uranium up in Monkey Hill, north of Goose Bay. Has any study been done on developing the Lower Churchill and then smelting the uranium in the area, bringing the uranium to Newfoundland and set up a uranium power plant? It would be much cheaper I think. Has any study been done to that effect?

MR. CROSBIE: The Minister of Mines and Energy might know. I do not know if there is any study being done on that. Of course those uranium deposits are in BRINCO's area. They are still interested in them. I do not know what is being done on that.

Now, Mr. Chairman, I do not want to take too long but just on the point of customers: Once we have got approval in principle from the Government of Canada on this, do not worry about customers. My God, they will be lined up from here up to Signal Hill waiting to get in! There is no problem with customers as long as the federal government do not say to us, "Now first you lock up the power before we agree to come in on this. I think they see the point because as I understood it from our meeting with them when the Premier and the Minister of Industrial Development and the Minister of Mines and Energy and I were up there about a month ago, and everyone, as I understand it they appreciate that. They say that they do not want to force us into doing a deal with any aluminum company. In fact they are not all that keen on aluminum companies either. They are not absolutely necessary. So, as I understand it, that should not be a hang up. We will have the customers before the power comes here in 1979 or 1980. n

Now, the Leader of the Opposition asked what about the loan of \$160 million. The \$160 million loan is arranged through, as you know, the Bank of Nova Scotia. It is a five year loan. It is the equivalent of \$160 million, Canadian. It is being raised in Euro dollars. The interest rate will be three-quarters of one per cent over the London inter-bank rate. The London inter-bank rate,

as honourable gentlemen opposite know, changes every six months. We do not know for sure what the rate will be now on June 27 when the money is needed. Whatever the rate is then, it will be that plus three-quarters of one per cent. The rate will change again in six months time. At the present time the rate is eleven and three-eighths per cent. This is going to be expensive money; twelve and one-eighth per cent for six months. At the end of the six months time the rate will be whatever the loan of inter-bank rate is then. A few months ago it was seven or eight per cent and it may be down or it may be up.

This amount of money could not be arranged as a domestic loan. It is arranged in Euro-dollars. The loan is a five year loan. There is no repayment for the first two years and then we have to repay the loan over the next three years. So, for the first two years there is no repayment of principal. What we will have to do of course is start putting it on a long-term basis. At the end of the first year or the second year we will have to arrange to borrow and put this money on a long-term, fifteen or twenty year basis, because there will certainly be fifteen or twenty years needed to repay it. It will be a loan to the NIBC, guaranteed by the government.

There is some question about the construction on the Upper Churchill. How much of it has now been completed? Well, the figures I had were just the figures at the end of March. It was then 96.5 per cent completed. So, the Upper Churchill is 96.5 per cent completed in terms of project cost. Unit ten and eleven, the last turbines and generators, all that work will be finished by October, 1974. All power development work is forecast to be completed October, 1974. The work beyond 1974 is camp demobilization, service contracts and town site housing.

The member for Labrador West mentioned something that should not be forgotten also when we are talking about expertise. Acres, Canadian and Bechtel were the project managers on the Upper Churchill, for BRINCO. BRINCO had the right and did, of course. supervise it all, through their owners representatives. Acres, Canadian

and Bechtel were project managers. If the work goes ahead on the Gull Island site there will be a project manager. The Gull Island Corporation will have a project manager. It may be Acres, Canadian and Bechtel or it may be one of the other great firms that do that work. This is their job. They go all over the world carrying out projects like this for people.

So, it is not that the Premier himself or the Minister without Portfolio or myself or somebody over here has to go up and start the Gull Island job and so on, and we know nothing about it. We are simply -

AN HONOURABLE MEMBER: North Star Power.

MR. CROSBIE: Forget North Star Power. The north star ascended into the sky and had a sudden and hasty demise because the honourable gentleman is never going to hear about North Star Power again. It is one of those - what do they call those things? A flash?

AN HONOURABLE MEMBER: A meteor.

MR. CROSBIE: A meteor. It is a comet. It was the comet "Stu".

AN HONOURABLE MEMBER: Peter's comet.

MR. CROSBIE: I do not know what he has against Dr. Peters. He is a very sound citizen.

MR. DOODY: They all did well with him once and not without cause. They loved him once and he saved their forests.

MR. CROSBIE: North Star Power has nothing to do with this.

Now, the loan itself, Mr. Chairman, as I say, has to be put on a long-term basis over the next five years, probably on a twenty year basis. The cash flow from the CFLCo itself we feel should be sufficient to meet, over a period, to substantially repay, if it do not repay in full this loan. We cannot be sure of what the exact cash flow is going to be of CFLCo at the present time because there are a number yet of imponderables. We do not know the exact price that CFLCo is sending power to Quebec Hydro for until the construction is completely finished and the capital costs are known. That is one point.

The company itself has a number of possibilities for increasing its revenue. The last two generators can produce a lot more power than they

are rated for. If that be so and if that necessary work should be done, there may be another 800,000 to one million horsepower that can be sold on the Upper Churchill, not subject to the terms of the present power. There are a number of other things that can be done there.

We have to study what the effect is going to be of it becoming a crown corporation because the cash flow from CFLCo will increase considerably if it become a crown corporation and therefore nontaxable. That can only be studied properly when we have taken the company over on June 27. We will then ask the auditors of the company, who are Peat and Marwick, to do a proper examination of the effect of it becoming nontaxable and what that will do to the cash flow.

Then there are a lot of complications in the trust deeds as to what money one can take out and money that must be left in there and what one can pay out in dividends. There are restrictions on the money that has to be kept in there to satisfy the bond holders. There are certain restrictions in what that can be invested in and certain possibilities there. All of this will have to be studied carefully in the next year or so to determine what the maximum cash flow is going to be.

So, one of the Leader of the Opposition's questions was his worry that the Lower Churchill would go ahead even if it were not feasible. Well, frankly I cannot see any danger of that. I hope nobody here would try to do it if it were not feasible.

What is the best use of the power in Labrador? Well I have already dealt with this. "Why I was not so emphatic?" I mean we should not get the money were it not feasible. There is nobody going to be crazy enough, Mr. Chairman, just because we agree to guarantee the money, there is nobody going to come along and lend us \$500 million to do Gull Island on

our guarantee, if they do not think it is feasible to develop Gull Island to get power, because how would they collect? You know, I mean our guarantee is very comforting to have but if the project were a bust from the start there is no one going to lend us \$500,000,000 or \$1 billion on a project that does not hang together. They will lend it to this province if the economics of it hang together. So I do not think that is a major worry.

The aluminum plant, I think the Minister of Mines and Energy has already dealt with that. We are not all hot to trot an aluminum plant. The aluminum plant, if we need one I could get the proper price. I mean there is nobody, the ERCO -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: I bet he would.

AN HON. MEMBER: He is darn right, I would.

MR. CROSBIE: He would not take an ERCO over there, I do not think.

AN HON. MEMBER: We would take anything over here.

MR. CROSBIE: He would? Okay.

There is the \$20 million gamble this year that the Hon. Leader of the Opposition mentioned. I do not think it is going to be anything like \$20 million, Mr. Chairman. I would say that any gamble taken this year is more likely to be something in the range of \$6 million or \$8 million, because the work that is going to be done will be in connection with the transmission line on the crossing. I do not think we are going to get as far ahead as the study was contemplating when it gave an estimate of \$14 million. But we will be gambling this year \$8 million or \$10 million so that everything possible can be done to make sure the project really gets rolling. As soon as we hear finally from the federal government, we can really press ahead.

I think I touched on our credit position and why it is not going to endanger our credit position.

The unemployed. Yes there was a little inconsistency actually between - the Leader of the Opposition who is warning us to be careful and not do it if it should be uneconomic. You know, do not be trapped into



making a public announcement and then having to do something foolish to carry it out. That was a little inconsistent with the position of the Member for Bell Island who said, "Do not delay one second in getting the Lower Churchill off the ground." A little inconsistency - but I will pass that by.

The honourable Member for Bell Island's remarks about patronage were typical of him. I suppose he figured the press were up there scribbling away when he mentioned George McLean. "Will the evil figure of George McLean loom up behind the BRINCO take over bid? Will it be discovered tomorrow that George McLean does the PR work for CFLco?" This is the kind of thing that the honourable gentleman is getting on with. "The shadow knows!" Is it a bird? Is it a plane? No, it is George McLean.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: I mean the honourable gentleman knew that that was good -

MR. NEARY: There is hot blood going to the brain.

MR. CROSBIE: It is all a boil-up here. Anyway do not worry about patronage. You know this is the kind of government, the government we have today, I mean you cannot mention patronage to the Premier, he gets all upset. He just will not have any talk of it. He will not have anything to do with patronage. I mean he is a marvelous man. He gets all upset.

Look, Ontario Hydro has been in the business for fifty or sixty years. They are respected all over the work. Quebec Hydro, only in the last ten years they took over the Shawinigan and the other power companies. Respected all over the world, one of the great, looked up to, one of the great hydro companies and businesslike and good reputation. You know, you would think that we want to set up a Newfoundland Hydro and have it riddled with patronage, and we are trusting them with \$1.5 billion job. You know, you might risk a little patronage if it were only a job, you know, of a few hundred thousand or \$1 million, but \$1.5 billion. Do you think we are going to put a bunch of

dodos and political has-beens in charge of BRINCO? Not a chance. This has got to be a shining jewel, a monument to the Premier himself. There is not a chance that he would let this baby be diddled with by political patronage. Not a chance. This is going to have top people direct it because the honourable Premier knows this is his monument. You know, he will be known for this. He will go down in the history books for this and if he should do anything wrong in connection with it, or if George McLean were involved -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: He knows it might only be a footnote. So do not worry about -

AN HON. MEMBER: ... Len Hughes.

MR. CROSBIE: Yes, that is right, we will ship Len Hughes up there.

Well I do not know why everybody - well it is not safe to say that, the "Telegram" might be hearing it. You are not allow to say a word about patronage if the "Telegram" is listening.

MR. NEARY: Inaudible.

AN HON. MEMBER: Who mentioned George McLean tonight, he or I?

HON. MEMBERS: Inaudible.

MR. CROSBIE: Anyway gentlemen let us not spoil this statesmanlike address. I am just trying to -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Oh, yes the Member for Labrador. I want to end on a high note, Mr. Chairman. The Member for Labrador South said something unusual tonight. He complained - he was right, it is getting too hot for me. The Member for Labrador South, Mr. Chairman, mentioned the fact that he thought it was unusual that we were debating a matter that was already decided. I hope the Orangeman noticed my colours. He complained that we were debating something that the government had decided to do, and he was put out by this. Well, Mr. Chairman, this is the Twentieth Century. Now back in the Seventeenth Century Parliament got together and the whole 200 of them decided what was going to be done or not done

before it was done but ever since the Sixteenth or Seventeenth Century we have had a different system. We had to come to this House of Assembly and ask them to vote us money each year, report to them and face the questions of the Opposition and enter into the debates and defend the policies but in the meantime we have to govern. We were elected by the people of Newfoundland to govern, wisely or unwisely, and we are attempting to govern, and we could not. How can you have a question; "Should you or should you not nationalize BRINCO?" "What should you pay BRINCO?" How could we debate that in this chamber and then go out and catch Sir Val Duncan by surprise? Not a chance. The stock would be bouncing up and down on the Montreal Stock Market. You know, after every speech there would be a different price.

When the Premier walked in on Sir Val and I walked in on Mr. Mulholland, on March 11, the stock was traded to something like \$5.70, I think it was \$5.70 or \$5.75. If we had had a big debate in this House before, about what we were going to pay BRINCO, it would be selling at \$7.00 or \$8.00 or \$10.00.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Well two or three, we should have had the debate. I mean we are elected to govern so the cabinet must make decisions and then hopefully the caucus. Sometimes you can consult the caucus before you make a decision, but the House of Assembly is always consulted after you have made a decision - nearly always. That is just the way it works today. Now if members do not agree with what we are doing, they vote against us. In some cases there is a very narrow majority and government can lose in the House. That is not the case at the present time, I think we got a majority of ten or twelve or something like that. At least I think we did, ten or twelve have not been around in the last day or two. I do not know where they have gone but as long as we have our whip here, the Member for Burgeo, he will keep us with a majority. So I think that the Member for Labrador South is a bit astray on his criticism there.

Now the water rights were given to BRINCO in 1953, by legislation passed by this House, and we have paid as part of the package we are

purchasing them back. The valuation that we are using is \$130 million for the shares of CFLco and the other \$30 million is for the rest of the assets, the studies and work that they did up there, and we get back the water rights. They had the right to use all the hydro power up there, to develop it until 1983. They felt that these rights had considerable value and they do have considerable value. It is about the value on their balance sheet. If they were allowed to develop these hydro sites they would make considerable amounts of money from them and so on. So it is an item of property with a value that they feel of course that they should be compensated for and which we are compensating them for. They have done a lot of work on these various hydro sources, a lot of studies and surveys and plotting them out and measuring the water flows and all the rest of it, so that we have had to pay them.

Now the Member for Labrador South says, "Take them and pay them nothing." Well this is a delightful, simple theory that we heard mentioned in connection with the Reid lots. People say, "Take Reid's property..."

MR. MARTIN: Will the honourable member permit a question?

MR. CROSBIE: Yes, sure, go ahead.

MR. MARTIN: In anticipation of what the Hon. Minister of Finance is going to say, let me say again that I think in all fairness we should pay the going price, a good price for those physical assets which BRINCO Corporation has constructed in Labrador but I do not for a minute think that we would have to pay for water rights which were given free of charge to BRINCO in the first place. I do not agree with that principle.

MR. CROSBIE: I sympathize with that but I am afraid that a government that is in power, you know, if it do not pay for the rights that it takes away from people - these people got these rights whether they got them through legislation. Actually they got them through legislation in the Newfoundland House and legally and passed by a majority. In fact probably, I think that bill was passed unanimously by the Newfoundland House. Now if rights given to them by the Newfoundland House of Assembly

can be taken away unilaterally without their consent and without compensation, then this word gets around, you know, in the world and in the world of commerce and so on and people start then becoming afraid to do anything in say this province, because they are afraid that their property may be taken without compensation. So there are practical arguments against it. I agree with the point that the honourable gentleman is making but there are very practical, pragmatic reasons why in those situations something has to be paid for these rights. But in any event, they did spend some \$4 million on studies and various things that are included in that \$30 million. They had water rights that they never got from the Province of Newfoundland. They had water rights at Muskrat Falls that they brought from the Grand River Lumber Company which had acquired rights there about sixty years ago and the Royal Bank had gotten them and they purchased those rights from the Royal Bank of Canada. They did not get those rights from the Government of Newfoundland. They paid money for those rights, just how much I do not know.

Now on the Upper Churchill, I think the honourable gentleman is a bit high on the amount of wood that might be flooded along that valley. A lot of that wood is also not accessible because of steep slopes, but there should be salvaged from that area all the wood that can be salvaged. The Upper Churchill is a lot cheaper job than the Lower. That is quite right. You know, the expense per horsepower produced on the Lower Churchill is much higher than the Upper Churchill, about three times higher but, of course, since then the price of energy and inflation and so on in the world has caused these tremendous changes.

So I would like to support the bill at this time. We are pleased actually that the opposition are. We know, as to what happens on the Lower Churchill, they are reserving their opinion to see what happens and what information we give and reserve their right to criticize, which is quite proper. I think that the Leader of the

Opposition and other speakers have made a lot of good points. These are the important things that we have to watch for.

I believe that I have given some of the information that I was asked for, Mr. Chairman, and I am delighted once again to have the chance to speak in favour of this bill.

This is not going to cause miracles in the Province of Newfoundland. This is just the first step. It is now up to the government, and the Opposition, where they can help, to give us a hand to get this accepted by the Government of Canada, and move this project forward. Primarily it is the responsibility of the government.

We are taking risks. I cannot say that it is not going to affect our credit at all. It shall certainly affect our credit favourably if it should all go properly and if this should develop and the power should come here in six years time, and it shall improve our credit tremendously and improve our position tremendously. If it should improve Newfoundland, then that is a chance worth taking. If we do not take the chance our credit is not going to be worth much in five or six years.

Another five or six years, if this province were dragging along, just receiving equalization from Ottawa, just collecting unemployment insurance, just getting the welfare, another five or six years of that and our credit is not going to be worth very much; we shall have borrowed what our credit is worth. We have got to do something to get an economic base here. Then our credit will be an expanding one; and I hope we will have a good future.

MR CHAIRMAN: Is the committee ready for the question on the Resolution?

On motion Resolution carried:

On motion that the Committee rise and report having passed the Resolution and ask leave to sit again, Mr. Speaker returned to the Chair:

MR STAGG: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed the resolution in relation to the guaranteeing of a loan by this province and recommend that a bill be introduced to give effect to the same.

On motion report received and adopted.

On motion Resolution read a first and second time.



On motion a bill, "An Act To Provide For The Raising Of Monies Required For The Purchase By The Province From BRINCO Limited Of All The Interests And Title Of That Company In And To Hydro Electric Facilities And Water Rights in Labrador, read a first time. On motion bill read a second time, ordered referred to a committee of the whole House now, by leave:

MR. MARSHALL: Pursuant to the agreement that we entered into prior to debate of this bill, we call Bill No.105, to have that read a second time so that we can refer both of them to Committee. Sir, that is Order 12; Bill No. 105 be read a second time.

Motion, second reading of a Bill, "An Act To Ratify, Confirm And Adopt A Principle Agreement Between The Government And BRINCO Limited To Authorize The Lieutenant Governor-in-Council To Enter Into Subsidiary Agreements With The Same Company And To Make Certain Statutory Provisions Relating To Such Agreements."

On motion bill, read a second time. ordered referred to a Committee of the Whole House now, by leave.

On motion that the House resolved itself into Committee of the Whole on the said bills, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN (STAGG): Bill No. 82,

MR. MARSHALL: Before we do that there is an amendment on the enacting clause, it is not in the bill so the bill has to be amended initially to put in the words " Be it enacted By the Lieutenant Governor and House of Assembly and Legislative Session convened as follows:"

On motion amendment carried.

On motion Clauses (1) to (8) carried.

MR. MARSHALL: Clause (9), Mr. Chairman, there is an amendment, Section (39) in the second last line should read "Section (51)" I move the amendment.

On motion Clause (9) as amended, carried.

On motion Clause (10) carried.

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MR. MARSHALL: Clause (11), Mr. Chairman, there is an amendment.

The word "financing" should be deleted from Clause (11) and replaced  
by the words "repayment of the

principal and payment of interest on." Insert in its stead, so the phrase and clause will read, "Which are not used in repayment of the principal and payment of interest on an interim loan raised under subsection (3) of Section (3)." I move the amendment.

On motion, amendment carried.

On motion Clause 11 as amended carried.

On motion Clause 12 carried.

A bill, "An Act To Provide For The Raising Of Monies Required For Purchase By The Province From BRINCO Limited Of All Of The Interest and Title Of That Company In And To Hydro Electric Facilities And Water Rights In Labrador."

Motion that the committee report the bill with some amendments, carried.

Motion, A bill, "An Act To Ratify, Confirm And Adopt A Principal Agreement Between The Government And Brinco Limited, To Authorize The Lieutenant-Governor In Council To Enter Into Subsidiary Agreements With The Same Company And To Make Certain Statutory Provisions Relating To Such Agreements."

On Motion Clause (1) through Clause (4) carried.

MR. CHAIRMAN (Stagg): Shall the schedule carry?

MR. MARSHALL: Mr. Chairman, in the schedule there is one error at the end, on page 14. It is just a minor thing. It should be inserted, "The Common Seal of Brinco Limited." In appendix (a) on page 16 the word, it is just typographical, acknowledges should be acknowledged, past tense. That is it in the schedule, the amendments in the schedule.

On motion, the amendments to the schedule carried.

On motion, the schedule as amended carried.

MR. MARSHALL: Mr. Chairman, there is an error in the title. The words "with the same company" should be replaced with "that and other companies." It is just a minor amendment.

On motion, amendment carried.

On motion, the title as amended carried.

Motion that the committee report having passed the bill with some amendments, carried.

On motion that the committee rise and report having passed bills Nos. 82 and 105 with amendments. Mr. Speaker returned to the Chair.

MR. STAGG: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed bills Nos. 82 and 105 with amendments and ask leave to sit again.

On motion, report received and adopted.

On motion amendments, read a first and second time.

On motion a bill, "An Act To Provide For The Raising Of Monies Required For The Purchase By The Province From BRINCO Limited Of All The Interest And Title Of That Company In And To Hydro Electric Facilities And Water Rights In Labrador," read a first time; read a second time, ordered read a third time presently by leave.

On motion, bill read a third time, ordered passed and its title to be as on the Order Paper.

On motion a bill, "An Act To Ratify, Confirm And Adopt A Principal Agreement Between The Government And Brinco Limited. To Authorize The Lieutenant-Governor In Council To Enter Into Subsidiary Agreements With That And Other Companies And To Make Certain Statutory Provision Relating To Such Agreements," read a first time; read a second time; ordered read a third time presently, by leave.

On motion, bill read a third time, ordered that the bill do pass and its title be as on the Order Paper.

On motion, a bill, "An Act Further To Amend The Education (Teachers' Pensions) Act," read a first time, ordered read a second time.

MR. MARSHALL: Mr. Speaker, in the absence of the honourable the Minister of Education who is attending the Commonwealth Conference on Education as a member of the Canadian delegation, in Jamaica, I am going to attempt to introduce this bill. Actually it is a very simple but necessary bill that should cause no problem to this honourable House. It merely allows

the District Superintendent employed by a school board to count as pensionable salary that portion of his salary which is paid by the school board. It furthermore provides that the Teachers' Pensions Plan may be registered pursuant to the provisions of the Federal Act, that is to register for retirement purposes. It will also allow a student undertaking training to count for pensionable purposes some of the salary that has been paid to him, recommended I believe by, well I do not like to make statements, Mr. Speaker that I cannot say for sure, but I am pretty sure that it is recommended by the N.T.A.

On motion a bill, "An Act Further To Amend The Education (Teachers' Pensions) Act," read a second time, ordered referred to a Committee of the Whole House presently, by leave.

On motion a bill, "An Act To Amend The Financial Administration Act," read a first time, ordered read a second time now, by leave.

MR. J. CROSBIE: Mr. Speaker, the main amendment here, well there are several minor amendments but one towards the principle. The legislation before this bill is passed, now requires that the Comptroller of the Treasury, the Deputy Minister of Finance, and the Auditor General are paid, but if their salary be increased or any change in their salary, there has to be an amendment passed to the Financial Administration Act. This is a very clumsy procedure because it means that there is an amendment every year. There is a general salary increase that might have taken effect, say in January, but they do not get it until April or May or whenever the amending act is passed by the House.

So we propose to change this, provide in this bill, "to be paid an annual salary to be fixed by the Lieutenant-Governor in Council by regulations made under subsection (1) of Section 83," which would have to be published. It also provides that their salaries cannot be reduced without the consent of the House. So there is no way that their salaries can be reduced without the House's consent. They can get the normal salary increments by Order-in-Council and the regulations will have to be tabled here. We have consulted them both and as one knows, the Auditor General is quite an independent character and he has agreed that this would be satisfactory.

The other amendments, that a fiscal agent may be appointed to receive service of process, issued by a court outside the country," well, we have some bond issues for example in Germany. Well, our fiscal agents there might be appointed as persons who could receive service of process for us if anything happened to that bond issue. You find the other section is merely to provide a time. If there were a loan in the currency other than Canadian it fixes the value of that loan in Canadian currency by stating that it is the rate of exchange on the business day preceding the day on which the securities are issued.

I think these are all of the amendments that are contained in this. I move second reading.

On motion a bill, "An Act To Amend The Financial Administration Act," read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Motion, second reading of bill, "An Act Further To Amend The Memorial University Act."

MR. MARSHALL: Mr. Speaker, this bill is divided in all clauses into three parts. It changes the composition of the Board of Regions to provide that six members will be elected by the Alumni. Previously two members were elected by convocation. Previously nineteen members were appointed by the Lieutenant-Governor in Council. In this bill seventeen members are going to be elected by the Lieutenant Governor in Council. So it increases by two the number on the Board of Regions, provides that four extra ones will be elected by an association of the university and reduces by two the numbers appointed by the Cabinet.

The other thing is it has been requested by the Board of Regions that certain powers be, disciplinary powers be given to the Board of Regions over university students. It is surprising that we have to spell these things out this day and age because it would seem to be very simple. They have the right now to use the words "Admonish, suspend, expel or fine students" which is something that any regulatory body in any organization would have anyway but in accordance with our



modern day practices they want it spelled out in the bill itself.

It also provides for law enforcement. It gives the right for the board, subject to the approval of the Minister of Justice, this is an important one, to appoint special constables who will have all the powers possessed or given to a member of the Newfoundland Constabulary. This will result in five extra constables who will be given this power. They will not be members of the constabulary but will have these powers. We understand that the reason for it is that the problem has been with the ex-students not with the students themselves and not with ex-students necessarily but with persons coming in and causing damage to the university property who are not members of the university community.

It is most necessary for the purpose of protection of property of the university for this to occur. It has been requested, as I say, by the Board of Regents.

The other thing is that it provides that the Landlord and Tenants (Residential Tenancies) Act will not apply to occupation of the residences themselves. This is a reasonable request, primarily because of the fact that the Residential Tenancies Act requires three months notice, and the occupancy of students of these residences is purely in concert and coincidental to their attendance at the university. So that when the university ceases, it is only logical that the university should have power to require them to get out as quickly as possible, for the purpose of the use of the premises for other students.

As I said, the amendments requested here to the Memorial University Act are amendments that have been requested by the board of regents of the university itself. It is not something that emanates from government but it has been presented by the board of regents to the government as being necessary for the purpose of looking after the physical plant up at the university and conducting university affairs in a proper manner.

MR SPEAKER: The Honourable Member For Bell Island:

MR NEARY: Mr. Speaker, the only objection that I have to this particular bill is the fact that the university is now setting up its

own police force. I suppose, Sir, it is the only university in the world that is now being given the authority by a legislature to establish their own police force, to appoint special constables.

Section (3) says, "Notwithstanding subsection (2) but subject to subsection (7), the Board may, subject to the approval of the Minister of Justice of the province, appoint special constables who shall hold office during the pleasure of the Board, and every such special constable has and may exercise on University property all the powers possessed by or given to a member of The Constabulary Force of Newfoundland."

We are going to give the university, Sir, the authority to appoint policemen without any regard to training or anything else. It is unheard of, Sir. The next thing the university will come in and ask us if they can appoint their own army over there and their own air force and their own navy. They will have it all over there next.

Sir, this is too ridiculous to talk about. I am opposed to it. I am sure when the students over there hear tell of this they will go right off their heads altogether. Why not give the College of Trades their own policemen and the vocational schools and the hospitals? Why not the College of Fisheries? Are they any different? I would like to know what is behind this, Mr. Speaker. Was it the sit-in they had over there a year and a half or a couple of years ago? Is that what is behind it? Are they going to call out the riot squad every time they have a little bit of trouble over there? They are turning the university into a police state. I thought there were mature persons attending that university, mature students.

Well, Sir, the flimsy excuse that the minister gave, that it is the outsiders that are going in there causing the trouble. Why we have two police forces in this Province already. . We have the RCMP and the Newfoundland Constabulary and they have their own security branch over at the university already. They are making their rounds and they are punching their clock. If they see anybody there that is damaging

the property or causing any trouble on the university campus, it is only a matter of picking up the phone and calling the police station, "Come over, take that man away." They do it in every other institution in Newfoundland and in Canada. Here we are going to give the university the right to set up their own police force. It is crazy, Sir, it does not make sense. I am against it. I am not going to vote for it.

I do not know what other foolish nonsense is in this bill. I could talk about the Board of Regions over there for the rest of the night. I understand the Governor is waiting in the wings to come in, but I am certainly opposed to this, Sir. I ask the government to reconsider this. It does not make any sense at all, Sir, to have the Board of Regions set up their own police force. What next?

Mr. Chairman, if they cannot run the affairs over there with the security that they have and the two police forces we have in Newfoundland, kick the Board of Regions out and put somebody else in there. It is an added expense, as my colleague points out, to the taxpayers. Kick them out, the Board of Regions, and put in some responsible people over there with a little bit of common sense.

Just imagine how the students are going to feel about this when they read about it in the newspapers tomorrow and hear it on the radio. I do not blame them. It is an insult to the intelligence of the people of this Province, Sir, and the students who attend that university and I am deadily opposed to it.

MR. F. ALYWARD: Mr. Speaker, it was my intention to rise there before the honourable gentleman rose. I was going to ask the question really why they needed the law enforced but the honourable Minister without Portfolio in introducing the bill said that the power had been requested by the university. Is that correct?

Mr. Speaker, I will say I remember some years ago being present when some problem arose and the former Attorney General, Mr. Curtis, had been requested by the university to take some particular action. Apparently they said the authority was not there. I am at a loss to see

really why they could not enforce the laws on the campus of the university like anywhere else. I would say this, Mr. Speaker: I do feel that if the university and their legal adviser find that they cannot enforce the laws of the land on the campus of Memorial University, then I really feel that it is incumbent upon this Legislature to give them that authority. I do not know the legal niceties of it. I have not gone into it myself but surely with the investment that the people of the Province have on the campus of Memorial University, if they find it necessary to protect public property, if they find it necessary to create a force, it is most unfortunate, Mr. Speaker, to think that in this day and age that that is necessary, but surely there must be some logical and sane reason for this legislation being brought before us.

It is unfortunate I suppose that the Minister of Education is not here. He could probably tell us a little more about it. I will say this, that with the investment that we have on that campus I do not think we can afford to just sit down and let any particular group, whether inside or outside that university, damage the property or do anything else that apparently this bill feels it necessary to deal with it.

I think it has been the concern of

members of the faculty over there for some time that they do not have the type of control that is necessary to protect the property of the university. Insofar as that is necessary, if they do not have the power, then I certainly feel we are only doing the public of the province a great service by giving it to them.

MR. SPEAKER: The Hon. Member for Labrador South.

MR. MARTIN: Thank you, Mr. Speaker. I think the major point is being lost here. The explanation given by the honourable minister is merely plausible. It is not a matter of protecting private property. That can be done with special security policemen. I think it should be put on record what the real reason is for this bill and that is certain people in authority have become quite paranoid about the drug problem and instead of trying to get down and irradiate the reasons why we have a drug problem, they have instead chose to tackle it from the other end and to clamp down with tighter security and police measures. I am afraid, Sir, if this be the fact and if we get the special police force we are merely going to increase the incidents of violence.

AN HON. MEMBER: (Inaudible).

MR. W. N. ROWE: Trying to get things passed too quick, Mr. Speaker, important matters - important matters, Mr. Speaker, like this one. Now I for one, Sir, although I respect many of the members on the Board of Regents, I must say, Sir, that I am not overly impressed at the judgement which they have exercised in the past over problems which have confronted and beset the university. The way they handled that sit-in situation of a couple of years ago was disgraceful; led directly to the resignation of the President of the University. Mind you he did not starve to death in the process. I believe he is probably back in the province now. Under what? Is he visiting lecturer in medicine or something? He is back in the province, earning his keep.

But, Sir, merely because the Board of Regents asked this government to bring in a stupid piece of legislation is no reason why

this government should slavishly jump at the opportunity to bring the legislation in. Now I must say, Sir, that in this legislation there are two examples of I would say lack of judgement and paranoia and a tendency to over react by the authorities at that university, perhaps a bunch of old fuddy duddies over there who do not like to see certain things going on which are accepted by most of the up and coming generation in the province or across Canada for that matter.

This idea of having a special police force, now what is wrong with the Newfoundland Constabulary? Cannot they, as my colleague the Member for Bell Island said, cannot they enforce law and order at the university as everywhere else in this province? If indeed the Member for Labrador South have hit the nail on the head, do we now see special police forces set up in St. Bon's and at Prince of Wales Collegiate and Bishops College and other high schools throughout the province where there is, I understand, if not a full blown drug problem at least there are indications by some teachers that perhaps there is a little grass, pot, marijuana being smoked on occasion in these schools? So what do we do? Set up another police force there to look after each of these schools? Especially when the kind of police force you are talking about is likely to be not constables who are trained, such as the ones we saw being graduated from Memorial University, special course of studies, a trained police force, but people hired more or less on the spur of the moment and shoved into a job and told to crack down on this and crack down on that. In principle, Sir, this whole tendency by the government to set up a special police force in the university or any other institution is abhorrent and this House should not I believe subscribe to that principle. I think we should vote against it.

Let the Board of Regents give some reasons as to why they want a special police force. Is it a matter of destruction of property? Is that the reason? Well then perhaps some special security guards are needed up there. Probably we could go along with that. Is it a matter of drug taking, drug usage, hard drugs, soft drugs? I mean, what is the problem at the university, if there be a problem, if it be not the



fanciful paranoia of four or five fuddy duddies? But let us have some hard evidence as to what is going on out there before we consent to setting up, as my colleague said, a separate and independent police force to govern the students of the university, "Outsiders coming in." That is just a joke you know, just a laugh. I would rather have the police force, the R. C. M. P. or the Newfoundland Constabulary looking after problems or breaches of the law, not some S.S. force, especially recruited crowd to look after them. Why should they be treated any differently? Why should the university students be treated any differently, either given preferential treatment on the one hand and exempted from the ordinary police forces in the province or given worse treatment than the ordinary citizen on the other hand? Why? There is no good reason for that. Mr. Speaker, unless we are given more evidence than the Minister without Portfolio has condescended to give us tonight, I think the whole thing is stupid, ridiculous, and abhorrent in principle and we should not pass it.

The other principle of this bill is H(a) I believe, clause (3) of the bill, "H(a), to exercise disciplinary," (That is the Board of Regents.) "jurisdiction over the students at the university, with power..." It is a pretty wide-ranging statement of the powers of the Board of Regents. The Minister without Portfolio says this is inherent in every institution in the world. That is just a lie - not a lie, it is just misleading, a misstatement of fact, a false statement of fact, Mr. Speaker. Every institution in the world does not have these powers inherently. What this legislation does is give the Board of Regents the power, without limiting the generality of the foregoing, which is to exercise disciplinary jurisdiction over the students, to take any one or more of all the following actions. That is to say admonish, call some guy in and give him a bawling out; the Board of Regents now to suspend somebody. I mean now is there anything else? Is there any appeal provision concerning this? Expel: The Board of Regents has the power to expel a student. Why? Because he does something offensive to the Board of Regents.



This fellow who led the sit-in for example, whether he did it rightly or wrongly, can the Board of Regents now just simply expel him, kick him out, no reasons given, no appeal by the student concerned, or fine? Mr. Speaker, fine this person a certain amount of money, no limits on the fine, no reasons given for the fine; a breach of discipline. The Board of Regents can now impose fines for breaches of discipline. What is a breach of discipline? Going into the President to say, "We do not agree with what you are doing here. We think that certain changes should be made." That is a breach, is it?

MR. NEARY: Will they have their own lockup over there or what?

MR. W. N. ROWE: You know; fine, admonish, suspend, expel or fine them - that is the students. No grounds given for it. No statement of the breaches, for example, as you would see outlined in the criminal code, which are very narrowly construed by the courts, each crime or breach of law and order set out discreetly and distinctly; nothing like that here in this legislation. A breach of discipline, presumably the Board of Regents is the judge, the jury, the prosecutor, the defending lawyer, the everything.

AN HON. MEMBER: A kangaroo court.

MR. W. N. ROWE: A kangaroo court, as somebody has just mentioned. In other words, Sir, all it is is giving power to the Board of Regents to hold the big stick over the heads of university students who may be doing something, rightly or wrongly, without enquiring into merits of their action, who may be doing something which is found offensive to the Board of Regents. This is what it is doing, giving power to them.

First of all we have an S.S. set up, a secret police force, a separate police force, you might even call it a political police force for the university. The Board of Regents has its own political police force for enforcing its regulations, with all the powers of the Newfoundland Constabulary, an S.S. situation, in other words, a political police force, a Gestapo type of police force. Then what do they do? They presumably seek out breaches of discipline. What are breaches of discipline? Not listed anywhere. This is presumably decided upon by the Board of Regents in a secret session convened. Who breaches the discipline? Who breaches the

rules which have been set out by the Board of Regents? They are not set out here. Who breaches those? That is decided by the Board of Regents. Then what does the Board of Regents do? When it decides what the breaches of discipline are, who the breachers of the discipline are, what does the Board of Regents do then? Well then it can send out its storm troopers to haul somebody in, its Gestapo, its political police force on the campus, drag the student or students in and then the Board of Regents can say, "We find you guilty of a breach of discipline, therefore we can either suspend you or admonish you or expel you or fine you." There is no limit on the fine.

MR. NEARY: Do they have their own magistrate over there?

MR. W. N. ROWE: Or they can levy assessments upon them for damage of property. Well that is the only sensible one there. At least there is some proportion, some relationship as to what the Board of Regents could do in relation to the student. They can levy assessments for damage to property. But they can expel them, suspend them or admonish them.

Now I would advise the Minister without Portfolio, who probably brought this piece of legislation in without really thinking about it, he just saw it there on the Order Paper. The minister is down, hove off on the sands of Jamaica. Now today, the minister brings in this and did not really think about it. I would ask him, for the sake of some peace and quiet if nothing else at the university, now and in the fall when the students come back, and the students who are now going to the summer semester, I would say that he would be very well advised to withdraw this legislation, give it some consideration. Then perhaps if he should want to bring in a littler later on, bring in some hard evidence by the Board of Regents or have the Board of Regents appear before the Cabinet or a committee of this House to let them make their case as to why they should have a political police force, answerable to nobody except them, apart and distinct from our other police forces which look after the affairs of ordinary citizens. As to why they should have all these powers to say when

breaches of discipline occur, who commits the breach of discipline and then to lay down the sentence of suspension or expulsion or a student being mulcted by way of fine. I would advise the Minister Without Portfolio not to get whatever he gets in the wringer on this because it is a very volatile piece of legislation and it is going to lead to more difficulties than the Minister Without Portfolio ever dreamed of when he hastily got to his feet and brought this legislation in.

MR. SPEAKER: If the honourable minister speaks now he closes the debate.

MR. MARSHALL: Mr. Speaker, I am floored by the persuasiveness of the statements by the honourable the member for White Bay South. The fact of the matter is I think it is very easy to get up on this legislation and distort the actual intent of this legislation. I mean you bring in something like this and it is depicted we are going to have S.S. storm troopers up at the university, that we are creating a separate police state up at the university and you know complete and absolute distortion.

Now the fact of the matter is this: It was requested by those people who are entrusted with the management of the university because of certain factors that have already been touched on in this House. They emphasize that the problem has occurred, problems have occurred not so much from students but from outsiders and not from students themselves. The alternative, as suggested by the gentlemen on the other side of the House, is that -

MR. NEARY: How do you expel an outsider or suspend an outsider?

MR. MARSHALL: I am talking about the police constables, I will get along to that in a moment.

MR. NEARY: Do not be so foolish.

MR. SPEAKER: Order please.

MR. MARSHALL: The alternative suggested by the honourable members on the other side or some of the honourable members on the other side is that you

encamp the Newfoundland Constabulary, the R.C.M.P. or the Army out there if you want to give them the powers. The fact of the matter is that it is much better to have in the university trained people who are up there. They are all under the aegis really of the Minister of Justice. If you read the bill very, very carefully you will see that it is the Minister of Justice who has the ultimate approval of these people and that they will be as I say, under really his direction and it is much better to have people who are thoroughly familiar, who are up at the university all the time, who are thoroughly familiar with the surroundings up there, familiar with the personnel, familiar with the students, familiar with those who are strangers in the university itself, to administer the rules and regulations up there in the university.

Then with respect to the other items brought up by the honourable the member for White Bay South, you know these are just ordinary regulatory things. I mean you can over emphasize the effect of everything in this world if you want to. You can paint everything black, you can paint it whatever colour you wish but the point of the matter is this, the management of the university has been placed with the Board of Regents, it has been there for a long period of time. It will continue with the Board of Regents, Mr. Speaker, and these are just purely and simply normal rules that are administered by any university administration.

MR. SPEAKER: Is it the pleasure of the House that the said Bill be now read a second time, those in favour aye, those against nay? It is the Chair's opinion that the ayes have it.

AN HON. MEMBER: On Division.

MR. SPEAKER: Those in favour of the motion please rise.

The honourable the Premier, the honourable Minister of Mines and Energy, the honourable the Minister of Industrial Development, the honourable the Minister of Forestry and Agriculture, the honourable the Minister of Public Works and Services.

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order please! I wonder would honourable members be quiet while the vote is being taken.

The honourable Mr. Marshall, the honourable Minister of Finance, the honourable Minister of Fisheries, the honourable Minister of Municipal Affairs and Housing, Mr. Stagg, Mr. Aylward, Mr. Peckford, Mr. Senior, Mr. Carter, Mr. Wilson, Mr. Young, Mr. Evans, Mr. Howard.

MR. SPEAKER: Those against the motion please rise:

Mr. Gillett, Mr. Woodward, Mr. Rowe, Captain Winsor, Mr. Neary, Mr. Simmons and Mr. Martin.

MR. SPEAKER: I declare the motion carried.

MR. MARSHALL: The Power Commission Bill has already been explained admirably by the honourable the Minister of Mines and Energy and then we have the Public Service Pensions Act which is very routine, but we can make up our minds. If they would like to sit tonight, we shall.

MR. SPEAKER: It is agreed that we continue after eleven?

On motion agreed.

MR. W. W. MARSHALL: The Hon. Minister of Finance is causing a great deal of concern so I think we will squeeze him on, Mr. Speaker.  
Order 15, bill No. 100.

Motion, second reading of a bill, "An Act Further To Amend The Public Services (Pensions) Act."

HON. J. C. CROSBIE (MINISTER OF FINANCE): I got 'me' application in the Hoyles Home. I feel that I am going to have to call on Mr. Haig Young here soon. It would be the first state funeral for a member in the Moores Cabinet.

Now this bill, Mr. Speaker, there are several amendments. They are really just technical. The first amendment is to change the definition of salary because we are now paying salaries (What is it we are now doing?) bimonthly I think it is a new method of paying salaries, just to change the definition.

In Section (4) we discovered that we did not have the legal power to pay interest to the person who paid a premium by mistake. After he reach retirement age or after he no longer should have contributed that, when we paid him back his over contribution we could not pay him interest. That is to permit his interest to be paid.

The other amendment is a technicality to fit us in with the Canada Pension Plan.

One other amendment that is of some interest is that a leave of absence without pay is not counted as pensionable service, unless one pays a contribution for that period. So these are just minor amendments, therefore I move second reading.

MR. S. NEARY: Mr. Speaker, the Minister of Finance rushes over and says that these are minor amendments. Well, Sir, there is one major amendment in here and that is the part dealing with the Canada Pension Plan.

AN HON. MEMBER: Inaudible.

MR. NEARY: Yes, Sir, it is. Now, Mr. Speaker, they are going to reduce pensions to civil servants by the amount that the pensioners will be entitled to from the Canada Pension Plan. My understanding Sir, in the private sector is that your Canada Pension Plan benefits are stacked on top of your pension. Now the government are going to reverse this. They are going to reduce your pension by that amount. This is something new, Mr. Speaker. Is this done with the -

AN HON. MEMBER: Inaudible.

MR. NEARY: Well that is what the minister said and that is what is in the bill. The bill would also amend Section (14) of the Public Service Pensions Act to provide that the Canada Pension Plan reduction factor will operate to be deducted from the pension to be awarded under Section (14) (1). The bill would preserve the existing pension rights of existing pensioners which means that those who are already getting their pension will not lose anything but those who retire in the future and get their pensions will have their pensions reduced by whatever amount they are entitled to under the Canada Pension Plan. This is morally wrong, Sir, I do not know but it is legally wrong. I do not think the government can do it. Is it being done -

MR. CROSBIE: This is absolute nonsense.

MR. NEARY: It is not nonsense. That is what is here. And that is what the minister said. Is this done with prior consultation with NAPE? Do they know about it? Or is this a bill that is being sneaked through like the other one, eleven o'clock at night when the Governor is waiting in the wing? We have had all kinds of time to discuss this. Why rush, rush, rush at the last minute?

AN HON. MEMBER: Inaudible.

MR. NEARY: Well there seems to be a rush, Sir, they asked for leave to shove these bills through practically at midnight.

AN HON. MEMBER: Inaudible.

MR. NEARY: No, I am satisfied to do it now but I want to point out the shortcomings of this bill. The minister says it is a minor amendment.



AN HON. MEMBER: Inaudible.

MR. NEARY: No, Sir, it is not carrying on what we already did because my understanding is, Sir, that the Canada Pension Plan benefits are stacked on top of your pension at the present time.

MR. CROSBIE: No, no.

MR. NEARY: It is not? Well this is the first -

AN HON. MEMBER: It should be.

MR. NEARY: It should be, Sir. The first knowledge I heard of it. It is done in the private sector.

MR. CROSBIE: Why does he not do it, old boy?

MR. NEARY: Well let us do it now.

AN HON. MEMBER: Inaudible.

MR. NEARY: It is the first indication that I had, Sir, that it was not being done. It should be done. I am going to vote against this particular amendment.

AN HON. MEMBER: Inaudible.

MR. NEARY: Yes, on division.

MR. SPEAKER: If the honourable minister speaks now he closes the debate.

MR. CROSBIE: Just as I understand the position, Mr. Speaker, and I will read my explanatory notes here. "Section (5) will amend Section (14) (2) to provide the Canada Pension Plan reduction factor will be deducted from the pension awarded rather than the pension calculated. This is just a technicality. A calculated pension after the Canada Pension Plan reduction factor, the amendment will provide that the calculated pension be reduced before application of the reduction factor.

Now the public service plan of Newfoundland is not stacked on the Canada Pension Plan, one fits in with the other. I forget all the figures now but the six per cent or whatever the contribution is, one point six per cent I think it is, Canada Pension Plan and the rest of it is a contribution to the - one point six is the Canada Pension Plan and the other is the provincial. This is not taking away anything from anyone.

This is the way it has been since the Canada Pension Plan came in and since the contributory plan of the Newfoundland Services was started, whenever it was, in 1968 or 1969. There is no difference here. This amendment is required because a change in the wording was needed. That is all. There is no new principle involved or anything like that. So if the honourable gentleman should want to vote against it, of course that is his right. Perhaps some time in the future these plans will not be, you know, instead of being amalgamated will be stacked, but at the moment they are amalgamated not one stacked on the other. So there is no difference in principle. I therefore move second reading of the bill.

On motion bill read a second time, ordered referred to a Committee of the Whole House presently, by leave.

A bill, " An Act Respecting The Newfoundland Power Corporation."

MR. SPEAKER: The Hon. Minister of Mines and Energy.

HON. L. R. BARRY (MINISTER OF MINES AND ENERGY): Mr. Speaker, this is a fairly significant piece of legislation, in my opinion anyhow. It is legislation to change the existing Power Commission into a Power Corporation. Now you could say a rose by any other name. There is no real magic in a name but we tried to get a bit better organizational set up. The past has seen really a nonfunctioning Board of Commissioners for all intents and purposes, commissioners who were called together only when they were formally required to do so by legislation, in order to approve a bond issue or some such sort of a thing. There was no real evaluation by the commissioners of the performance of the operating end of the commission. There was no real feedback coming from the commissioners to government. Really the way the communication operated I suppose was usually by the Chairman of the Commission making verbal contact with either the Premier or the minister, whatever the case.

So government were not in a position to keep on top of the doings of the commission. We were not in a position to evaluate the commission. Even if we had had the proper type of communication, a properly operating board of commissioners evaluating the performance of

the commission and passing this on to government, government were not really in a position to assess what they were being told. Now we have filled the gap at one end or started to fill it by creation of a department with responsibility for energy and by the supplying of staff, technical people, in that department who are in a position to analyze the input that comes to government from the commission or in the future, we hope, the corporation.

But we still have to fix up the other end. There is still a gap on the other end in that we have to get a properly operating board. Now we could continue to call them commissioners, I will go into why we have decided to recommend that it be changed to corporation in a moment. But there has to be, if we are going to have as much independence as possibly, and this is the objective, Mr. Speaker, to get as much independence as possible and to get it as efficiently operating an organization as possible, while at the same time ensuring that government is in a position to perform its responsibilities and duties, namely; to see how the peoples money that goes into the organization is being spent and to question is if it were being spent wisely, and to give policy, policy directed from government to the commission or corporation as to how the energy policy of government should be implemented.

Now in order to have the proper set up where you have government policy moving to the commission or to the corporation and in order to have feedback from the corporation to government, you need, as I say, two things: Technical people on the government side and a properly operated board of directors or commissioners.

AN HON. MEMBER: Hear! Hear!

MR. BARRY: Now the Task Force on Energy which was set up by the provincial government made certain recommendations. They referred to the following principles which should apply to relations between government and its power organization: That there should be a sharing of relative information between government and the corporation so that decisions will be based on complete knowledge of technical, economic, and social factors. There should be a searching for creative

solutions to problems in a manner which will enhance both government policy objectives and corporation efficiency. There should be an obtaining of full information so that the implication of decisions shall be better appreciated through the careful evaluation of reasonable alternatives.

We have also been fortunate enough to have had the benefit of the jewels of wisdom contained in a task force study done by the Ontario Government: and they are now in the process of doing the same thing as we are doing here tonight.

They are in the process of changing the Ontario Hydro into a corporation and setting up a board of directors. The reasons that they give, and these apply to Newfoundland as well, for changing to a crown corporation from a commission are as follows:

A crown corporation is set up to combine the principles of public accounts ability with the freedom which a quick moving and progressive business enterprise must have to provide a service and protect the public interest in areas requiring a degree of technical expertise and day-to-day operational autonomy not possible within the public service.

Now that is the principle which applies to any crown corporation whether it be the Liquor Corporation or the Housing Corporation or the Power Corporation. On the one hand they must account to the public and therefore to this House for the way they spend taxpayers dollars, for the way they implement government policy, but on the other hand they must have freedom of action, they must be able to do their technical thing with a certain amount of freedom and independence.

Secondly, a crown corporation as compared to a commission connotes greater autonomy for the organization, in the eyes of the public it is more distinct from government, it should be more independent.

Thirdly, the structure of a corporation would more closely resemble the organization formula of public business and it would set the proper emphasis on economic performance and on the idea of a quick-moving and progressive enterprise. It can be compared to a private corporation.

Fourthly: A corporation is expected to organize its accounts, highlighting output rather than input, in the same manner as do similar firms in the private sector; thereby facilitating comparison of performance with such firms.

Finally, and this is probably as important as any of the others, the adoption of a new corporate firm will signal a break with the past, Mr. Speaker, both to those within the commission and to the public of Newfoundland, a break with the past and an attempt to get a more efficiently operating commission and a better liaison and a better communication between government and the commission.

Now, Mr. Speaker, I will not delay the time of the House. I am prepared to answer any questions that might be raised, but if I could just quickly go through the explanatory notes:

The first one, the name of course, the Newfoundland and Labrador Power Corporation; secondly, the membership of the corporation has been changed to eleven, ten members and one chairman.

At present there is power to appoint up to seven commissioners. We say eleven because we feel this will give flexibility in getting representation from all across the Island and Labrador and also will let us get representations from different professions.

Thirdly; The section which outlined conflict of interest situations in the existing act has been deleted.

Now this was done partly because of the provision of the Conflict of Interest Act, which applies to the corporation, but there was also the case (I realize, Mr. Speaker, we have to be very careful when we start fiddling with conflict of interest sections in legislation.) that the existing section was so restrictively worded, I am told but in reading it myself I can see that in practice, the way it operated was that you were virtually excluded from nominating anybody with any kind of connections at all and anybody who had any knowledge at all about the electrical industry: because of the way the section was worded. It was worded to the effect that anybody who had anything to do with or was engaged in any way, had any business connection with the generation, the sale, the transmission of electrical energy was not

permitted to sit as a power commissioner.

Carried to extreme, a logical extreme you could have a chap who sold tissue paper for bathrooms, that was purchased and used during the construction of Bay D'Espoir, and that person, even though he did not sell to the commission but sold something that they might buy in the construction of Bay D'Espoir, would not be permitted to sit on the commission.

AN HONOURABLE MEMBER: Shame!

MR BARRY: "Anything connected with the generation; the transmission or sale of power."

Right now the Conflict of Interest Act will apply to the corporation; and that would be sufficient, I suggest, Mr. Speaker.

Fourth: The post of president has been created. He will be the chief executive officer of the corporation rather than the chairman as in the present case.

There will be a chairman of the board of directors.

The corporation has been given power to purchase power, under the new Section (18) (c). This is a significant item, Mr. Speaker. "...to purchase petroleum from any person," under the new Section (18) (b).

In effect this will take the Power Commission clearly out from under the provisions of the Golden Eagle Act.

There is some argument but I think the stronger legal opinion would have it that the Power Commission is bound by the provisions of the Golden Eagle Act, which requires it to purchase first, to give Golden Eagle the opportunity to sell petroleum to the commission, basically at its

price. We want to get in a position where we will be able to call for open tenders and this is the reason for this particular section. That is a significant deviation from the existing situation.

Quickly, Mr. Speaker, if I could, (6) and (7) are fairly routine. Section (8) and I think all the others are more or less routine and speak for themselves. I would ask that the bill be given second reading.

MR. NEARY: Mr. Speaker, I have no real objection to this bill apart from the fact that I think eleven members of the new Newfoundland and Labrador Power Corporation are too many.

MR. BARRY: I should say by the way that these will be paid as any other board in the province. There will not be any -

MR. NEARY: I was going to come to that, Sir.

MR. BARRY: (Inaudible).

MR. NEARY: Are they going to be paid a salary?

MR. BARRY: No.

MR. NEARY: Will the president be full time?

MR. BARRY: The president will be Wally Reid, who is now called the chairman. He will become the new president, full time. Whether or not the chairman need be full time, we do not really know.

MR. NEARY: How many of these eleven will be paid? Does the minister know right now?

MR. BARRY: None of them will be paid a salary except the people who are paid a salary as part of the operating side.

MR. NEARY: Sir, I do not care if they get paid per meeting, per diem allowance, salary or what it is, eleven are still too many. Why are eleven needed? How did the honourable gentleman arrive at that figure? Did the honourable gentleman just pluck it out of the air?

MR. BARRY: No, it was after much consideration.

MR. NEARY: Why could it not have been five or seven? Why eleven?



MR. BARRY: We want good regional representation.

MR. NEARY: They want good regional representation. They want another nest now for Tory hacks and flunkies. Can the minister assure this House tonight -

MR. BARRY: Three by the way, if I could explain, will be -

MR. NEARY: Why did not he explain when he was up on his feet? Get up again.

MR. SPEAKER: Order please!

MR. NEARY: Go ahead.

MR. BARRY: There will be a representative from Treasury Board on the Board of Directors. There will be a representative of the Department of Mines and Energy. The president of the corporation, ex officio, will be a member. The chief executive officer will be a member.

MR. NEARY: That is three.

MR. BARRY: There are really eight.

MR. NEARY: There will be eight appointments.

MR. BARRY: Yes.

MR. NEARY: Can the minister assure this House tonight that they will not be Tory Party workers?

MR. BARRY: There are one or two intelligent Tories around the province.

MR. NEARY: Well to appoint eight, Sir, the minister might have to cut across party lines.

I would like the assurance of the minister that this is not going to be another nest of Tories that is going to be created. Sir, they already did away with one group. Will Mr. William P. Saunders be reappointed to this corporation?

MR. DOODY: There are a lot of persons agitating that way.

MR. NEARY: I could probably point my finger at a few who would be -

MR. BARRY: Let me assure the honourable gentleman that it will be somewhat less political than the previous Board of Commissioners.

MR. NEARY: Somewhat less? The honourable gentleman cannot assure me that they will not be political appointments. They will not be appointed on their qualifications or on their experience or their merit.

MR. BARRY: Does the honourable gentleman remember the qualifications of the representatives of the consumer, representatives of various professions, representatives of the various regions -

AN HON. MEMBER: Political parties.

MR. EVANS: If one should wish to find a Liberal now, one would have to go -

MR. BARRY: There are thirty-two Progressive Conservative districts remember, so we are going to have a little difficulty trying to find -

MR. NEARY: There may be three after the next election. How long will they be appointed?

MR. DOODY: Bell Island and what other two?

MR. NEARY: Is there a period of time specified here? Will they be appointed for life?

MR. BARRY: At pleasure.

MR. NEARY: At pleasure. Well that is a good thing, Sir. That is a good thing. Let us say they if they should get appointed this fall, this time next year we will be able to give them all the heave ho.

AN HON. MEMBER: Right.

MR. NEARY: But not that fast, hey?

Can the honourable Premier guarantee that? That is a year from this month.

AN HON. MEMBER: (Inaudible).

MR. NEARY: No. No election within that year. Say a year from September, how would that hit the honourable gentleman?

MR. BARRY: The Premier is just trying to get the honourable gentleman off guard.

MR. NEARY: No election in September? Two years from now? Well it will take us two years before we get around to dealing with these people.

Anyway, we will be watching the appointments very carefully. I know Your Honour is anxious to get up, Sir. The poor, old Governor is waiting out there. He only has another couple of weeks to go, Sir. Take your time, Your Honour. This is a very important piece of legislation.

MR. DOODY: Does the honourable gentleman wish to submit a couple of names now while he is up?

MR. NEARY: This minister is getting awfully personal. In the dying days of the House, he is getting awfully personal.

MR. DOODY: Does the honourable gentleman have any nominees?

MR. NEARY: No, but I could tell the honourable gentleman a few.

MR. EVANS: (Inaudible).

MR. NEARY: Mrs. Williams will be looking for a job now after Mr. McGrath is defeated on July 8. She is no longer getting her salary from the centennial commission or whatever it is.

Sir, I still think that eleven are too many. She is top-heavy, Sir. Mr. Speaker, what is the use? It is getting too late, Sir. I really cannot get myself up, Sir. Call in the Governor.

On motion, a bill, "An Act Respecting The Newfoundland and Labrador Power Corporation," read a second time, ordered referred to a Committee of the Whole House now by leave.

On motion that the House go into Committee of the Whole, Mr. Speaker left the Chair.

A bill, "An Act To Amend The Financial Administration Act."

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

A bill, "An Act Further To Amend The Education (Teachers' Pensions) Act."

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

A bill, "An Act Respecting The Newfoundland And Labrador Power Corporation."

On motion Section (1) through to Section (46) inclusive, carried.

MR. MARSHALL: Mr. Chairman, there is a minor amendment in the part marked amendment, the words, "Newfoundland Power Corporation" should read, "Newfoundland and Labrador Power Corporation."

On motion amendment, carried.

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

A bill, "An Act Further To Amend The Memorial University Act."

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

A bill, "An Act Further To Amend The Public Service (Pensions) Act."

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

On motion that the committee rise and report having passed Bill No. 55, 100, 99 and 104 without amendment and Bill No. 103 with amendment and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. STAGG: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bill No. 55, 100, 99 and 104 without amendment.

On motion report received and adopted.

On motion bills ordered read a third time:

On motion, a bill, "An Act To Amend The Financial Administration Act," read a third time, ordered passed and title be as on the Order Paper.

On motion, a bill, "An Act Further To Amend The Public Service (Pensions) Act," read a third time, ordered passed and title be as on the Order Paper.

On motion, a bill, "An Act Further To Amend The Education (Teachers' Pensions) Act," read a third time, ordered passed and title be as on the Order Paper.

On motion, a bill, "An Act Further To Amend The Memorial University Act," read a third time, ordered passed and title be as on the Order Paper.

MR. STAGG: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bill No. 103 with an amendment and ask leave to sit again.

On motion report received and adopted.

On motion amendment read a first and second time.

On motion, a bill, "An Act Respecting The Newfoundland And Labrador Power Corporation," read a third time, ordered passed and title be as on the Order Paper.

SERGEANT-AT-ARMS: Mr. Speaker, His Honour the Lieutenant Governor has arrived.

MR. SPEAKER: Admit His Honour the Lieutenant Governor.

May it please Your Honour, the General Assembly of the Province has in its present session passed certain bills, to which, in the name and on behalf of the General Assembly, I respectfully request Your Honour's assent.

A bill, "An Act To Provide For The Raising Of Moneys Required For The Purchase By The Province From BRINCO Limited Of All Of The Interest And Title Of That Company In And To Hydro-Electric Facilities And Water Rights In Labrador."

A bill, "An Act To Ratify, Confirm And Adopt A Principal Agreement Between The Government And BRINCO Limited, To Authorize The Lieutenant Governor-in-Council To Enter Into Subsidiary Agreements With That And Other Companies And To Make Certain Statutory Provisions Relating To Such Agreements."

A bill, "An Act Further To Amend The Education (Teacher's Pensions) Act."

A bill, "An Act To Amend The Financial Administration Act."

A bill, "An Act Further To Amend The Memorial University Act."

A bill, "An Act Further To Amend The Public Service (Pensions) Act."

A bill, "An Act Respecting The Newfoundland and Labrador Power Corporation."

HONOURABLE E. JOHN A. HARNUM (Lieutenant Governor): In Her Majesty's name, I assent to these bills.

MR. MARSHALL: Mr. Speaker, before I make the motion for adjournment which will be to a day in November, let me emphasize that the motion is phrased in such terms that the government may recall the Legislature at any given time so it should not necessarily be interpreted that we will be waiting until November to call back the Legislature. There are certain items that may come up such as the one here, "An Act To Amend The Newfoundland Registered Nurses Act," if it should be necessary to bring in legislation. If the Hon. Minister of Health should feel that it is necessary to recall the House, we shall recall it without any hesitation as we have since we have been in power.

In the meantime, Mr. Speaker, I will now make the normal, formal motion:

"I move that this House when it adjourns today stand adjourned until Thursday, November 28, 1974 at three o'clock provided always that if it appear to the satisfaction of Mr. Speaker or, in the case of his absence from the province, the Chairman of Committees after consultation with Her Majesty's Government, that the public interest requires that the House should meet at an earlier time than the adjournment, Mr. Speaker, or in his absence the Chairman of Committees may give notice that he is so satisfied and thereupon the House shall meet at the time stated by such notice and shall transact its business as if it had been duly adjourned to that time.

MR. SPEAKER: This House stands adjourned until tomorrow Thursday, November 28, 1974 at three o'clock.