



**PROVINCE OF NEWFOUNDLAND**

**THIRTY-SIXTH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND**

---

---

Volume 4

4th. Session

Number 4

---

---

**VERBATIM REPORT**

MONDAY, MARCH 3, 1975

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

The House met at 11:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

STATEMENTS BY MINISTERS

MR. SPEAKER: The Hon. the Premier.

HON. F. D. MOORES (PREMIER): Mr. Speaker, as it was mentioned here on Friday past I have since telegraphed the Premier of Quebec, the Prime Minister, the Chairman of the Canadian Labour Congress, as well as the Chairman of the Royal Commission of Inquiry into union freedom in Quebec regarding the matter of the workers being laid off in Mount Wright.

The context, I will read the one to the Hon. Justice Robert Cliche who is the Chairman of the Inquiry in Quebec. The others are the same, with the same intonations, so I will not read them all. I will just read the one. In excess of fifty Canadians whose place of domicile was Newfoundland, were, within the past few days laid off their jobs at Quebec Cartier mining operation, Mount Wright in the Province of Quebec and forced to return home.

We understand this intolerable situation arose out of the demands and actions of Montreal Local 144, United Association of Journeymen and Apprentices of the Pipefitting and Plumbing Trades, who refused to allow these men to work on the site because they are Newfoundlanders.

The Government of Newfoundland and Labrador strongly protests this totally unCanadian action which constitutes discrimination of the worst kind and severely restricts the principles of Confederation within our nation, as well as an unpardonable restriction of the freedom of Canadian employees.

I urgently ask that your commission inquire into this regrettable matter. The Hon. Edward Maynard, Minister of Manpower and Industrial Relations for Newfoundland will be pleased to furnish any additional information you or your commission may require.



When I receive any replies to that, Mr. Speaker, I will be advising the House.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

ORAL QUESTIONS

MR. SPEAKER: The Hon. Member for Bell Island.

MR. S.A. NEARY: Mr. Speaker, for starters I would like to ask the Premier if he can confirm or deny a statement made in Clarendville over the weekend by the Member for Trinity North, that there will be a provincial general election in this province before school closes?

AN HON. MEMBER: We all hope so anyway.

MR. P. S. THOMS: We certainly hope so.

MR. MOORES: That statement I am sure is true but I do not know which year the member said, Mr. Speaker.

MR. NEARY: Well, the Premier better consult with his special assistant, Sir.

I wonder if the Premier would tell us, Sir, whether or not the government are now quibbling over carrying out their promise to build a fish plant in Burgeo until the trawlermen strike is over, as reported over the weekend?

MR. SPEAKER: Order, please! This question is out of order. It is very argumentative.

MR. MOORES: It is very argumentative.

MR. NEARY: Mr. Speaker, you know, what question is not argumentative?

Sir, I wonder if the Hon. the Premier would care to comment, I could not get a statement out of his Minister of Health - comment of reports - very alarming reports of silicosis amongst the residents of Buchans, and the miners in Buchans, and reported deaths, five deaths at St. Lawrence since September - one reported of a heart condition and the other four of lung cancer. Would the Premier care to comment on this situation?

MR. SPEAKER: The honourable Minister of Health.

HON. DR. A.T. ROWE: I was asked a question on Friday, two days ago, regarding the silicosis and research is being done, a statement has been prepared. As I said on Friday, I would have a statement for the House and as soon as the research is done and we have the details, I will present them to the House in answers to the questions.

MR. NEARY: Mr. Speaker, I wonder if the honourable the Premier or the Minister of Industrial Development could inform the House if the government has undertaken any special work projects such as the construction of a fish plant at Burgeo to take care of the record unemployment we have in this Province at the present time?

AN HONOURABLE MEMBER: No.

MR. NEARY: No. No answer.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Well, I will repeat the question, Sir. I asked the honourable the Premier if he would inform the House if his government are going to implement any special make work programmes, intensive labour projects, such as building a fish plant at Burgeo? The Government promised a couple of years ago to take care of the record unemployment we have in this Province at the present time.

PREMIER MOORES: Mr. Speaker, we are doing everything possible, as will be done to correct the unemployment situation which not just pertains to this Province, but all over North America. As a matter of fact, some of the programmes and projects going ahead this year will help very much, but under no circumstances would I like that to be misconstrued, that a fish plant for Burgeo would be a make work project. It would be something that would be beneficial for the community. It would be something that, hopefully will be only built if needed.

AN HONOURABLE MEMBER: Only built if needed.

PREMIER MOORES: That is right.

MR. NEARY: Mr. Speaker, in view of the Premier's answer, a supplementary question, Sir. Would the Premier now inform the House if the government thinks that the new fish plant at Burgeo is needed at the moment or is not needed?

MR. SPEAKER: The honourable Minister of Industrial Development.

HON. C.W. DOODY: Mr. Speaker, this government is on record as committing ourselves to establishing a fish plant in Burgeo with the co-operation of the Department of Regional Economic Expansion. Some time ago we had preliminary estimates drawn up and plans were prepared. The cost escalated alarmingly. We had to go back to the drawing board and came up with a second set of plans. The Department of Regional Economic Expansion at that time agreed in principle to increase its share of the total cost. The Province of Newfoundland agreed to do the same thing. However, there has been nothing done on that since. Ottawa is very reluctant to get involved in building new fish plants while the fishing industry is in the position it is in today, namely, the trawlermen's strike.

It would look rather ridiculous to start building a fish plant while there are no trawlers fishing. The principle of the thing remains the same. A fish plant will be built in Burgeo if it is at all economically feasible to do so and as the situation changes radically during the next few months, I see no reason why a fish plant should not be built at Burgeo.

MR. NEARY: Mr. Speaker, a supplementary question: Can I assume from the minister's answer then that the government have taken a decision to postpone building of the plant until the trawlermen strike has ended?

MR. DOODY: I will try it again, Sir. The government of Newfoundland's commitment to the people of Burgeo was that a fish plant would be built there with the co-operation of the Department of Regional and Economic Expansion. To date, no formal offer from that department has been received by the proposed builders, managers and operators of the plant. When that proposal or that offer comes in from DREE, then we will proceed with the next step which is the commitment to get on with the construction.

MR. NEARY: Well, Mr. Speaker, just to clarify that point, it is fair then to assume that this is not a method of applying economic pressure on the trawlermen. This is just a genuine attempt on the government to try to get some financing from DREE.

MR. DOODY: If we could get a commitment from DREE, a formal offer, a cash on the barrelhead basis, we would go there today despite the fact that it is freezing rain down there, to try to get the thing started.

MR. NEARY: Mr. Speaker, a question for the Minister of Public Works and Services, Sir: Would the minister care to confirm or deny, Sir, public reports that the minister is bringing pressure to bear on his officials to cut off advertising for Newfoundland's only owned Newfoundland major newspaper, "The Daily News"?

MR. SPEAKER: That question

certainly is not one that requires an urgent answer. It could be well placed on the Order Paper.

DR. FARRELL: Your Honour, if it is all right.

MR. SPEAKER: If the honourable minister wishes to answer the question, he may.

DR. FARRELL: I certainly do, Your Honour. It is the way it was couched I do not like.

MR. NEARY: Inaudible.

DR. FARRELL: Oh yes, sure, the Member for Bell Island - I certainly did, Sir. I had discussions with Mr. Callahan who rang me up on this matter. I will give you the reasons afterwards but during the course of the conversation I had quite a personal discussion on my own opinion, Sir, of what I thought of the people he was running.

The quotes, I have not had a chance to read the "News" this morning in detail, I believe are essentially correct. I certainly did state these facts that I felt that he was running a partisan political organ and in the process of that, as the Minister of Public Works, I have the responsibility of spending the funds of that department where I feel like it. During the course of that conversation or as remarks passed, as I say I do not deny one of them, they were my own. They represented my -

AN HON. MEMBER: Inaudible.

DR. FARRELL: What did you say, Sir?

AN HON. MEMBER: Inaudible.

DR. FARRELL: I will go ahead, Sir, on that. I will ignore that one. In my personal opinion that was my feeling I expressed them openly to Mr. Callahan. In the process of that he mentioned matters which were not reported, as the fact that he was not running for any political seat, not this time but probably the next time and so on and so forth. We can go into all kinds of details on that. But I have no intention of personally, and this was not the reason, but my feeling was and we were not completely unsympathetic, backing a paper which in my opinion was worse than "The Newfoundland Bulletin."

The main reason, Sir, as far as I am concerned and I have some figures which we are backing up that the amount of advertising in "The Daily News" had been reduced and it was not because of any political policy on this government's side. The previous conversation, as I repeat, was personal. Because of some economic facts, because the government is attempting to reduce expenditures in certain areas and one of them is in the advertising area and I will quote figures, if you like, that the cost per column in "The Daily News" is \$2.24 and the cost in "The Evening Telegram" is \$3.64. The circulation of "The Daily News" approximately, I am not quite certain of this, Sir, Canadian Advertising Rates and Data gave it at seventy-four (hundred). It might be eight (thousand) or much more right now. I do not think it is too much more. Whereas "The Evening Telegram" is approximately 30,500. We get four times the coverage in it and this gives less than double the cost.

I would say "The Daily News" in my opinion again, and I am expressing a personal opinion, gives a rehash of "The Evening Telegram" news the next day and that is my statement on it, Sir. Are there any questions?

MR. NEARY: Mr. Speaker, a supplementary question to the minister, Sir, would the minister care to indicate to the House whether or not the government are looking at other publications and newspapers and broadcast media or has "The Daily News" been singled out for special treatment in this matter?

MR. ROBERTS: - "The Newfoundland Express" which has a wider circulation.

DR. FARRELL: "The Newfoundland Express"? At the moment, Sir, we are looking at all areas. We advertise right through the province in weeklies which we initiated and we are looking at these areas as well, Sir.

MR. NEARY: Supplementary to the minister; would the minister care to indicate to the House whether or not it is proper and ethical for a minister to express a personal opinion? Or when he speaks is he speaking on behalf of the administration?

MR. SPEAKER: Order, please! This question is out of order.

MR. MURPHY: His tongue was cut off when he joined the government, like yours.

MR. NEARY: Mr. Speaker, seeing that the Minister of Social Services is so lippy, can he tell us, Sir, whether the fuss that he has caused in the department, amongst the social workers and welfare officers, has been straightened out, or are they still completely demoralized?

MR. CROSBIE: To a point of order. This question is out of order. It is argumentive, and it expresses opinion, and it is out of order for a dozen different reasons.

MR. SPEAKER: The Chair was about to rule the question out of order when the Hon. House Leader rose there.

MR. NEARY: Would the Minister of Social Services care to inform the House, Sir, whether or not he held any meetings over the weekend with his social workers? If so, could he tell us the results of these meetings?

HON. A. J. MURPHY (Minister of Social Services): Mr. Speaker, I can go to some great length on the Department of Social Services, the background, the demoralizing effect the member for Bell Island had on it, the state of chaos that existed when we took it over. It is not my wish to do that. I will just simply say, Sir, that over the past year and one-half, we have been looking at many facets of the Department of Welfare, as it was called, now Social Services. We have been trying to emphasize, Sir, the social aspect of the department. Towards that end, we have approached various areas of government to have the name changed to a social worker, instead of a welfare officer. We have submitted many more figures to the departments of government that deal with this type of thing.

On Thursday, we released a statement to all social workers right across the province of Newfoundland, submitting recommendations that we had received so far, as far as our department was concerned. Someone, who apparently does not realize he is a civil servant, who had taken certain obligations on, went to the trouble, Sir, on Sunday of communicating, as far as we can understand, with every office in the

province by telephone. I am sure, Sir, that a release that left my office on Thursday afternoon did not get into the Bonne Bay area by nine o'clock on Friday morning. I think we can pretty well say that. I know we have done a lot of things, Sir, but we have not speeded up communications as much as that. This individual, very mischievously, projected to all the welfare officers that we had arrived at certain conclusions with reference to our department. These are suggestions, Sir, that had been submitted and received back. We do not negotiate wages nor anything else with Treasury Board. There is someone else who does that, Sir.

As far as we are concerned, all this fuss was created by one individual. I do not know if he is a friend of the member for Bell Island or not, but at least he is doing almost as good a job as the member is trying to do. Basically, Sir, that is the story. I did not meet with anybody at any time. We submitted these things, and the idea was that senior officials in my department would meet in all areas of the province with our social workers to answer any questions that they might want to put forward.

As it happened, there was a meeting at Harvey Road, I believe, on Friday afternoon, after the closing of business, and I think this is where all the trouble started. But, basically, Sir, there is no problem as far as I am concerned. We have the department just about on an even keel now after three years of hard work. Some people feel that they have to come out in public, and make statements, which is entirely a breach of confidence of their work. Because, as I said earlier, this was a confidential release to all social workers. If the Hon. Member for Bell Island wants to continue on, it is quite fair. That is the position, Sir, as far as I am concerned and that is that no salaries have been entered into. We have upgraded, I would say, over fifty per cent, three or four grades. Nobody, but nobody will lose anything. Everyone has gotten upgraded, at least, one grade in our department.

As I say, it is someone, who very mischievously, took it upon himself to get on the phone and phone every office in the province about



this and who he is, we have an idea, but it is not proven yet.

When it is, he will not be a social worker, he will be an exsocial worker, as far as I am concerned.

MR. NEARY: (Inaudible).

MR. MURPHY: No, I will not even get that.

MR. NEARY: Mr. Speaker, I wonder if the Minister of Rehabilitation and Recreation - I think that it is under his jurisdiction that Mr. Nutbeem comes - would the minister care to indicate -

AN HON. MEMBER: (Inaudible).

MR. NEARY: No? Well, who?

AN HON. MEMBER: Minister of Tourism.

MR. NEARY: The Minister of Tourism, my old sparring partner.

Would the minister care to indicate to the House whether Mr. Nutbeem has clued up his work yet?

HON. T. V. HICKEY (Minister of Tourism): Yes, Mr. Speaker, I can indicate that Mr. Nutbeem has concluded his work, at least, from the point of view of the payroll being concerned. He has not concluded his work. I suppose if you want to look at it from another point of view, there are certain things to be done which he will do. I understand Mr. Nutbeem is out of the province at the moment. So far as the payroll is concerned, he has concluded, and has done a fantastic job, I might say, at that. We are very grateful to him.

SOME HON. MEMBERS: Hear! Hear!

MR. NEARY: Mr. Speaker, a supplementary question: has Mr. Nutbeem then been placed on the government's redundancy list? Is this what has happened to him or is he retired on full salary or what?

MR. HICKEY: Mr. Speaker, I could ignore that kind of a question, but I relish the opportunity to get a few barbs into my honourable friend from across the way. If the honourable gentleman wants to phrase questions that way, we can be here until next December. We sure have lots of ammunition to come up with to answer that kind of a question.

Mr. Nutbeem is not on the redundancy list. Mr. Nutbeem was hired to do a specific job as I have said, and it is public record, Mr. Speaker, and it will be public record for all time the kind of job he has done. He was not a full-time civil servant as such. He was hired to do a specific job which he has done and which he has done very, very well.

MR. NEARY: Has he been removed from the payroll, from the monkey on the taxpayers' back?

MR. SPEAKER: Order, please!

MR. HICKEY: I will try it again, Mr. Speaker. Some people have some kind of a mental block. I do not know, maybe they have nothing between the ears. I have already stated, Mr. Nutbeem insofar as payroll purposes is concerned, is not on the government payroll. I have said that there is certain winding up to be done. There are certain things to be done to finish that project, and it will be done, and I have every assurance from Mr. Nutbeem that it will be done and done on time. He has decided that so far as the work which he should be paid for, that that is finished. He has been very, very honourable about the whole thing and very conscientious about the whole thing. The gentleman could, for the benefit of the honourable member for Bell Island, still be on the payroll.

I wish everybody else - I hope that everyone who does anything for the government gives as much of themselves as Mr. Nutbeem has, and we will be in pretty good shape.

MR. NEARY: Mr. Speaker, would the minister care to indicate to the

House when Mr. Nutbeem's services were terminated as far as the payroll is concerned?

MR. HICKEY: Mr. Speaker, I can take that under advisement and get the details. Mr. Nutbeem's services were not dispensed with. He, himself, decided when he was leaving. No, as I said before, the gentleman could be still receiving pay from the government, but he, of his own volition, decided -

MR. NEARY: Yes, I know, but is he or is he not being paid?

MR. HICKEY: Mr. Speaker, for the third time - now, the only thing I can do is get a paint brush and draw some diagrams. I have said twice, Your Honour, that Mr. Nutbeem is not at this moment on the government payroll. I have said it twice. This is three times.

MR. NEARY: Yes, but then the minister contradicted himself.

MR. SPEAKER: Order, please!

MR. HICKEY: I did not contradict myself at all.

MR. SPEAKER: Order, please!

MR. NEARY: Mr. Speaker, a supplementary. Would the minister care to indicate whether Mr. Nutbeem still has his back up staff, these political appointments that were made, and an office?

MR. SPEAKER: Order, please!

MR. NEARY: - where the office is?

MR. SPEAKER: Order, please!

This whole matter has become a debate between the two honourable members, and the question by the honourable member for Bell Island is out of order.

MR. NEARY: Mr. Speaker, I wonder, Sir, if the Minister of Rehabilitation and Recreation could inform the House if his government, his department, has received a request from the Chairman of the Summer Games Committee in Newfoundland, in St. John's, for financial help to carry out the summer games project in this province?

MR. T. DOYLE (MINISTER OF REHABILITATION AND RECREATION): Mr. Speaker, there has been no specific request received from the Chairman of the Summer Games Committee as such. There was a request received in January of last year from the City of St. John's which

was answered at that time.

MR. NEARY: Well, a supplementary, Sir. Would the minister care to indicate to the House what was in that request? Was it for financial assistance? If so, has the request been granted?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, I want to know now, Mr. Speaker.

MR. CROSBIE: Inaudible.

MR. NEARY: The minister I am talking to, not the ignoramus from St. John's West.

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

MR. DOYLE: I will take notice of that question, Mr. Speaker.

MR. SIMMONS: I would like to direct a question to the Minister of Public Works on the issue that we were talking about earlier, Mr. Speaker, a couple of questions.

First of all, would the minister indicate the source of his figures, the circulation figures which he quoted there a moment ago as being circulation figures for the "News" and the "Telegram"? What is the source?

HON. DR. T.G. FARRELL: (MINISTER OF PUBLIC WORKS): I beg your pardon! Would you speak a little -

MR. EVANS: Speak up! Speak up!

MR. SIMMONS: Mr. Speaker, I understand now why he sits there as the Minister of Health.

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

MR. SIMMONS: Mr. Speaker, -

AN HONOURABLE MEMBER: Inaudible.

MR. SIMMONS: No, Sir, I have no doubts about your capacity at all.

MR. SPEAKER: Order, please! The honourable Member for Hermitage is out of order. He is continuing to make a speech. If he wishes to ask his question, he should get on with it.

MR. SIMMONS: Mr. Speaker, I am trying to, but I am having difficulty with the Minister of Social Services there. If you keep him in order, I could continue.

MR. SPEAKER: Order, please!

MR. SIMMONS: I have a question for the Minister of Public Works. I am wondering what the source of his figures are, the circulation figures which he quoted a moment ago in answering a question, circulation figures for "The Daily News" and "The Telegram". They are not accurate, but I would like to know what the source is so we can direct him to the right source perhaps?

DR. FARRELL: Yes, Your Honour, the Canadian Advertising Rates and Data were the latest figures I had on it. They may have been updated since that, I do not know. Those are the ones I quoted.

MR. SIMMONS: Well, they are both out by close to one hundred per cent, Mr. Speaker.

A supplementary question for the minister: I gather from his announcement this morning, his answer to the question, is that a decision has been made with respect to "The Daily News". Would he indicate if other decisions have been made affecting other papers to cut back advertising? If so, would he name the papers involved?

DR. FARRELL: There are no further decisions at this time and the honourable member will know in due course, Sir.

MR. SIMMONS: Mr. Speaker, a supplementary: I gather that a decision to cut back advertising has been made in respect to one paper only, "The Daily News". Is that correct? Would the minister confirm it?

DR. FARRELL: I beg your pardon?

MR. SIMMONS: Would the minister confirm or deny that what he is saying in effect is that -

DR. FARRELL: Yes.

MR. SIMMONS: - a decision has been made in respect to one paper only?

DR. FARRELL: Generally, this decision was going to be made about others, Sir, but at the moment, yes, this is the one.

MR. SIMMONS: Mr. Speaker, a supplementary for the minister: I listened with care to his answers to my colleague's question, but I was not certain and I would like him to clarify for me whether the reason the decision was made with respect to "The Daily News" was because of its partisan, its alleged partisanship politically or for economic reasons because he did state both reasons -

MR. SPEAKER: Order, please! The honourable Member for Hermitage is proceeding to make a speech. In as such his question is out of order.

MR. SIMMONS: A supplementary for the minister. I would like to ask the minister, Mr. Speaker, whether the reason for the decision affecting advertising cutbacks in "The Daily News" was for reasons of partisanship on part of the paper or for economic reasons?

MR. SPEAKER: Order, please! That is essentially the same question with some of the words changed, and still out of order.

MR. NEARY: Mr. Speaker, I would like to put a question to the Minister of Manpower, Sir. Would the minister care to indicate to the House whether or not the trawlermen and the fish merchants, and the Canadian Labour Congress are back at the bargaining table today? I understand there was a recess of three days. Will they be negotiating today or when will negotiations resume again?

MR. SPEAKER: The honourable Minister of Manpower and Industrial Relations.

MR. MAYNARD: No, Mr. Speaker, the parties are not back at the bargaining table today. They have agreed to meet during this week. A specific time has not been set as yet. When they do meet, I am sure that everyone will be advised. However, there are no details to release on the terms of the meeting.

MR. SPEAKER: The honourable Member for Bell Island.

MR. NEARY: Mr. Speaker, another question for the Minister of Manpower: Sir, on Friday, I think it was, the House will remember, I put a question to the honourable the Premier about Bowaters shutdown in Corner Brook because of softening marketing conditions and the Premier said the minister would reply to my question when he came back to the House. Would the minister care to indicate if there have been any discussions with Bowaters? How many shutdowns do they anticipate this year? Will there be any layoffs as a result of these shutdowns? Will there be continuing discussions with the government?

MR. SPEAKER: The honourable Minister of Manpower and Industrial Relations.

MR. MAYNARD: I am sorry, Mr. Speaker, I have not had the opportunity since returning from the trawlermen's negotiations to assess the situation or get any more information on it other than that which has already been given. I will, however, try to get the information for the honourable gentleman.

MR. SPEAKER: The honourable Member for Bonavista North.

MR. THOMS: Mr. Speaker, I would like to direct a question to the Minister of Fisheries. In view of the fact that the minister stated in this House on Friday that he had some anonymous correspondence stating that some of the claims made by the fishermen on the Northeast Coast were inaccurate, could the minister table this correspondence?

MR. SPEAKER: The honourable Minister of Fisheries.

MR. CROSBIE: Mr. Speaker, I answered a question here on Friday and I thought it was quite clear as a reference. As Hansard would indicate the honourable gentleman, among others, has been twisting that statement ever since it was made. The position is, and I will repeat it, that we know from correspondence with the department, signed and unsigned, and from the

conclusions and opinions of our fisheries inspectors and from people who have had to do with the programme that there are a large number of claims being made under the special Fisheries Gear Replacement Programme due to the losses, due to ice last year, that are in fact false.

However, it is impossible for us to investigate every claim. We, therefore, have to proceed on the basis that if people make and sign affidavits, their claims are recognized. But we do know that there are quite a few false and fraudulent claims being made by people who apparently do not mind swearing a false oath. This is a minority, of course, of the people who are claiming.

As a result of that kind of thing, the amount of money being spent on that programme has gone from an estimate of \$3.5 million to \$4 million to \$6 million, to \$6.5 million. I do not intend to table in the House any correspondence on the matter. That is not necessary. If we get sufficient evidence against any particular person to prosecute him, then they will certainly be prosecuted. I have said further that the thousands and the majority of honest, hard working fishermen in the Province are disgusted with the fact that this programme is being abused and that by its very nature, it cannot be administered so as to cut out any possible abuses. It would, therefore, be very unlikely that a one hundred per cent gear replacement programme would be instituted again because that leads, or almost makes an invitation to the dishonest minority, however many there are, to abuse the programme.

Now, that is the position on the programme. There have been some 4,500 claims dealt with, accepted, and some 225 not accepted because they were out of time and they were not down to the Labrador fishing or had no other ironclad reason for their claim to be accepted. So, I can only repeat what I said last Friday. I do not intend to table any correspondence. If the honourable gentleman goes around his district -

AN HONOURABLE MEMBER: Inaudible.

MR. SPEAKER: Order, please!



MR. CROSBIE: - He will have many fishermen who will report to him the same thing.

MR. NEARY: Inaudible.

MR. SPEAKER: Order, please! I recognize the honourable Member for Bonavista North.

MR. NEARY: - deceiving the House.

MR. SPEAKER: Order, please!

MR. CROSBIE: Mr. Speaker, -

MR. SPEAKER: Order, please!

MR. CROSBIE: Mr. Speaker, the honourable gentleman just said I was deceiving the House. Now is that to be allowed to stand on the record or not. It is unparliamentary, quite obvious.

MR. NEARY: I withdraw, Sir.

MR. SPEAKER: I recognize the honourable Member for Bonavista North. This will be the last question for the question period today.

MR. THOMS: Mr. Speaker, a supplementary question to the honourable minister. If some of these reports were false, and apparently the minister has stated he has proof of that, is there any possibility that some of these fishermen will be charged with false reporting or is the minister's office taking action in this regard right now?

MR. CROSBIE: Yes, Mr. Speaker, when we get any evidence or proof against some individual fisherman that -

MR. THOMS: Yes, but you have got it now, you say, you have got it.

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

MR. CROSBIE: Am I to be allowed to answer the question the honourable gentleman asked? As we get evidence against any particular claimant who appears to have made a false claim, that is being referred to the Department of Justice. There are cases where we have checked and the people involved have withdrawn their claims once they were questioned about them. So wherever we get any evidence that can be used, that is being checked. I will say this, Mr. Speaker, the true fishermen of this Province, who fish and who makes that his livelihood, is well aware of the abuses this programme

March 3, 1975.

Tape 86

RH - 6

has lead to and he is disgusted with it and he sees too many people who are not real fishermen getting benefits from it unjustifiably and they are disgusted that this is the case. I agree with them that this should not be the case. In any other programmes that we have, hopefully, the registration programme will be in full effect and we will know what gear every fisherman has got, the registered fisherman has got, and we will have a way of checking in these matters in the future.

ORDERS OF THE DAY:

MR. SPEAKER: Order 3, I think, the Hydro Bill, The debate was adjourned on the last day by the Hon. Leader of the Opposition.

HON. E. M. ROBERTS (LEADER OF THE OPPOSITION): Thank you, Mr. Speaker. I spoke in this debate on Friday, opening my few remarks on, let us call it the Hydro Bill, the bill now before the House.

I made a few points, perhaps for the benefit of - for greater certainty I might go back over them briefly to refresh memories of honourable gentlemen who perhaps have indulged too freely and maybe not too wisely over the weekend. I had referred to several of the principles embodied in this bill. Principles which I find offensive, the principles which my colleagues find offensive and principles which, I think, any fair-minded and objective person would find offensive.

I said, and I repeat now that the Minister of Mines and Energy will hear these suggestions in the constructive spirit in which I am advancing them, and that he will either withdraw the bill, possibly that is unlikely, but he will not withdraw it for redrafting, and indeed no case has been made for the urgency of this bill. But if it is not to be withdrawn then at least it be amended substantially in committee. I think amendments along the lines that I suggest are in order at committee stage, and that would remove some of the offensive features.

Now I had referred to three points, Mr. Speaker, one was growing out of Section (6) of the bill. That is the section which governs the directors or governs the appointment of the directors of the bill. It gives the powers of appointment. It sets down their tenure of office and so forth. This section is offensive in principle in a number of ways.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: I may well have voted for it last year, Mr. Speaker, and to err is human, and to forgive is divine. The Hon. Minister of Mines and Energy seems to think, if a person makes a mistake once that should commit him for life. He will find out, Mr. Speaker, that his constituents feel that they were tricked by the Minister of

Mines and Energy into voting for him once, but they will not a second time.

MR. BARRY: Inaudible.

MR. SPEAKER: Order, please!

MR. ROBERTS: Now, Mr. Speaker, the point I am making is based on the fact that this section is offensive in principle. The minister can either defend it, or withdraw it and amend it. He can do one or the other. If he wishes to defend it, Mr. Speaker, that is his right, and he will have ample opportunity in closing this debate and all of his colleagues are willing to, I am sure, come to his defence and to stand for the principle embodied in this section, which is simply that any number of members of the House of Assembly up to ten can be appointed to this commission. They can be paid any amount of money, out of public funds, that the corporation recommends. In other words, Sir, we could have ten M.H.A.'s appointed each of whom, with the approval of the Lieutenant-Governor-in-Council, i.e., the Cabinet, each of whom can be paid the sum of \$100,000 a year, which of course comes out of the corporation. Then they hold office as men of principle and standing. They are given the right to hold office as long as the cabinet wishes. We have seen exactly what sort of thing that can happen here. The Minister without Portfolio, as he then was, ran into a conflict with the Premier and found himself unemployed, in a ministerial sense. The former Minister of Education, the gentleman for St. John's North, the gentleman for Grand Falls, the former Minister of Community and Social Development, we have seen exactly, and I am only talking about this administration. I can go back. I can refer to the case of the former gentleman for Labrador West, Mr. Burgess, the revolutionary. Mr. Burgess served on the old Power Commission under somewhat similar terms, had a difference of opinion with the then Premier, Mr. Smallwood. The result of it was that Mr. Burgess ceased to serve on the Power Commission. He got the same sort of flick that the Minister without Portfolio, the gentleman

for St. John's East got, for lesser reasons.

Mr. Speaker, the fact that we have had these incidents in the past only reinforces the need to prevent them recurring again. This section will not only enable the incidents to happen again, unfortunate and lamentable as they may be, if anything it will encourage, by giving the government a far wider power.

Now, Mr. Speaker, the minister may in his pious way tell us if - oh well it will not be used or no reasonable man would use it. Mr. Speaker, if they do not intend to use the power, if they do not see any need for it, then why put it in the bill? Why have it in the law? Why not remove it? Why not amend that section in committee, to say that "No members of the House of Assembly shall serve?"

MR. BARRY: It will be.

MR. ROBERTS: The minister tells us, "It will be." If it is like the other commitments the minister makes, I would rather see it in writing. The minister says, "It will not be used." Well then, amend it at committee stage. Say that, "No members of the House of Assembly shall serve on the Board of Directors or if any are to serve, let it be one or two." Say that, "No members of the House of Assembly shall be paid for this." We are paid as members of the House of Assembly. We are paid as ministers of the Crown. The Legislative Disabilities Act in this province historically has been a bad joke. It is becoming a worse joke now.

If I were to count up, Your Honour, the number of members of this House who are paid out of public funds other than as members of the House, it is well over a majority. It is a very serious matter. We used to hear a lot about it from a so-called gentleman of principle before they came into office.

Let us too hear about tenure of office. The Minister of Justice, the Member for Burin, used to be very eloquent on this. His master, the Minister of Fisheries, the House Leader, used to be even more eloquent about the need for security of tenure. I can recall as Minister of Welfare sponsoring quite a minor piece of legislation to

change one of the acts administered by that minister, by the holder of that portfolio, and it had something to do with an appeal board. There was in it a provision that honourable gentlemen found offensive. They were quite eloquent in their denunciation of that. We changed it. The section said "That several members of the appeal board, (the Social Assistance Appeal Board, I think it was called) will hold office during pleasure and not at tenure." Not during their behaviour, but at cabinet pleasure, at ministerial pleasure, at government pleasure, at political pleasure. The gentleman for Burin and the gentleman for St. John's West, who used in those days to be white knights mounted on their charger, denounced it. Now here we have a corporation coming in which will have power to spend a couple of billions of dollars of our money, Newfoundland's citizens' money - and what is going to happen here? Ah, the men or women who will hold office in this corporation, are they going to have security of tenure? No, Sir. They should. I say to the minister that I hope he will have one of his colleague's amend this bill in committee. I hope that when he speaks to close this second reading in debate, he will assure us that this section will be amended. It is offensive. I am surprised at the minister who parades before us his principles and his purity. I am surprised at him sponsoring a piece of legislation like this.

Let him add another principle to it, Sir. One that, I think, is important. Let him require that the directors of this corporation which is going to be a very important body in Newfoundland. Let him require that they be Canadian citizens resident in Newfoundland. It is not a new principle.

I had a look on the weekend at the James Bay legislation, the Quebec Government's legislation under which they have launched their power project in James Bay. There is a requirement in that. "No person may act as a director", Section (12) of the James Bay Act. "No person may act as a director of their corporation. If he is not a Canadian citizen domiciled in the Province of Quebec." I am not a narrow

chauvinistic nationalist. But more and more in Canada, people are today becoming concerned, and they should be concerned about the fact that control much of our economic life. It is moving out of Canadian hands. The Government of Canada, the Government of Ontario, the Tory Government up there had sponsored legislation to require all companies incorporated in Ontario to have a majority of their directors Canadian. Here we are setting up a great, huge corporation with public money - this is not some outfit, Mr. Speaker, coming in to Newfoundland to sell socks or to buy and sell cheeses. This is a corporation being set up as an instrument of public policy in a very major area.

So I would suggest to the minister that a section along those lines might be entirely appropriate. It will certainly add to it. I cannot think of any reason why there would be any need to appoint as a director any person other than a Canadian citizen domiciled in this Province of Newfoundland and Labrador. I cannot think of any reason at all.

MR. BARRY: One.

MR. ROBERTS: What?

MR. BARRY: Inaudible.

MR. ROBERTS: Mr. Speaker, they did not require one on the Board of the Power Commission. If that were to be the case, then I would suggest the government would then come before the House with an amendment, and say that the bondholders have asked for this assurance. I am not even sure that I vote for it then, because the next step now, since after all the government are going to guarantee this, is maybe the bondholders will put a man in the cabinet, maybe that is the next step. I would think, Mr. Speaker, that bondholders are adequately protected. This is not a commercial operation. CELCO when that request was made, and I assume it was made, although I do not know that, was a commercial corporation, so-called private industry. This is the government, this is the crown, this is the public. I do not think we would be justified in having a corporation guaranteed by the Government of Newfoundland, backed every penny of it, backed by our taxes and our revenues, having on it some gentleman from Wall Street, or some gentleman from Bay Street in Toronto, or St. James Street in Montreal, simply because they put a little money into it. Their security is the normal mortgage, the assignment of the power sales contracts and, of course, the guarantee of the Minister of Finance of this province.

Even if, Mr. Speaker, they were to ask that, maybe we should not grant it. In any event, they have not asked to my knowledge unless the minister is prepared to indicate that they have, and I do not think he could. Let us amend this section, or else we could end up with this important corporation, Mr. Speaker, if this section is not amended, we could have ten men appointed, not one of them living in Newfoundland, not one of them a citizen of Canada, There is no requirement, and the minister may say, "Oh! ridiculous.

Mr. Speaker, the courts or the lawyers looking at this look only at the words of the law. They do not look at what the minister says in the House. We are not under the American legal system where legislative testimony is considered admissible and relevant



to the question of determining the constitutionality of statutes. The minister used to practice law and, presumably, in due course, he again will seek his living at the bar of this province. He would have to agree with me that the courts will look only at the words of this statute. The words of this statute, Sir, would allow the government to appoint, at their pleasure, holding office during their pleasure, the Premier's pleasure - we have seen what happened. "The Daily News" dared to cross the Premier, and what happened? Their advertising has been cut off. Now how many more are we going to have? Maybe next, "The Green Bay News," who will write an editorial critical -

MR. SPEAKER: Order, please!

The Hon. Leader of the Opposition is not being relevant to the principle of this bill.

MR. ROBERTS: Mr. Speaker, I accept Your Honour's ruling, of course, but I am being relevant to the principle embodied in this section, holding office at pleasure. They can appoint - I have nothing against Swaziland, I have never been there, in fact, or Bechuanaland. The Minister of Social Services once went to Bechuanaland. He made the mistake of coming back. It was good for Bechuanaland, but not good for us. We could have the citizens of Bechuanaland, Mr. Speaker, on this corporation, the citizens of Bechuanaland, fine gentlemen, I have no doubt.

MR. MURPHY: Gentlemen, all.

MR. ROBERTS: Yes, gentlemen, all. The minister should have learned that from them. It would have improved him, Mr. Speaker.

MR. SPEAKER: Order, please!

MR. MURPHY: Inaudible - with all his education.

MR. ROBERTS: Mr. Speaker, would Your Honour try to enforce order against the honourable gentleman?

MR. MURPHY: (Inaudible).

MR. SPEAKER: Order, please!

The honourable member who is speaking does have the right to be heard in silence, and I remind him again that he should be more relevant to the bill that we are discussing at the present time.

MR. ROBERTS: Mr. Speaker, I am speaking about Bechuanaland, which I suggest is relevant, because a citizen of Bechuanaland could be appointed under this section, and I submit, if it is not relevant to make an example with respect to an important power contained in the bill - this is a bill to set up a corporation, that is the purpose of it. I am talking about the corporation that is proposed to be set up. I have nothing against Bechuanaland. I suppose I could say that some of my best friends are Bechuanalanders. That is more than I can say for the Minister of Social Services.

I do not think we should have in the government the power to appoint the citizens of Bechuanaland, or Swaziland, or anywhere except Canada, to be on the board of directors. If they need some technical help, and there are some gentlemen in Bechuanaland who is an expert in probably the problems of ice control in Labrador, then the corporation would have the power to hire him, to get his expertise, to put him to work, but not a director, Mr. Speaker. I hope on that section, the minister will listen and heed and pay some attention and respond to some positive and constructive criticism. That was one of the ones I mentioned, Sir.

Then I came to section 17 which embodies another important principle the government have chosen to put in this bill, and that important principle is that this corporation does not have to call tenders for its purchases. There was some reference made to the Golden Eagle Act, which is an act passed in this House about fifteen years ago, I guess, that gave certain, in effective, right of first refusal to Golden Eagle when it came to selling oil to the government. Now it may well be that the government do not want to have Golden Eagle with that right any more. Well, I can understand that. But section 17 (1) (d) does not refer to the Golden Eagle Act. If that is what they are after, let them put in those words. I do not know the name of the act. It was the Golden Eagle Agreement With Government Act or something, but it can be found in the statutes as a legal way to describe that piece of

legislation. Let them put it in there. There is no requirement that they call tenders. There is no requirement at all. We have already seen what the so-called Public Tender Act is worth. Garbage trucks have been driven through it, large wedges put in it, so let the minister amend that section too.

Then, Mr. Speaker, I also referred to section 24, and there was some foofaraw from one or two of the learned gentlemen opposite, who unfortunately are not with us today. I guess they are downtown making money instead of attending the call of Your Honour to participate in the work of the House.

Mr. Speaker, section 24 of this bill is, and I repeat this, I was right before, and I have checked it, I repeat it again, can be designed only to cut off the rights of Indian and Eskimo people. Now, Mr. Speaker, let us look at this carefully. The section says that no action or proceeding by way of injunction, mandamus, prohibition or other restraining process or proceeding of any nature which has or may have the effect of terminating, suspending, curtailing, limiting or hindering the supply of power to any person, shall be brought or may be maintained against the corporation in any court. Now what that section says in nonlegal language, Your Honour, is that you cannot stop the corporation doing anything. You can sue them after it is done, but you cannot stop them doing it. Section 41 provides that you can sue the corporation, and it sets forth the procedure to be followed.

Mr. Speaker, it is like saying that you can try to get the horse back after it has been stolen, but you cannot lock the barn door first.

Now there may well be - I do not know much about the detailed day to day work of power law, the sorts of problems that power utilities run into. I have never been in the business of being downtown at the bar, and renting myself to the power utilities, as a number of other lawyers do in the normal course of their professional work. There may well be some justified reason, some justified cases, where we should prohibit action, there may well be. If there are, then

let the minister explain what they are, and draft a provision, or have one drafted that would do it, and we are well and good, but not so here, Mr. Speaker. This one, whatever, it may meet a need, but the words of that section, Mr. Speaker, go far beyond any need that I can see, or that any lawyer downtown has been able to tell me about. It may be a classic case of using a hammer to kill a fly. The section goes far beyond any conceivable, justifiable point of policy in banning actions of this kind. I find it very offensive, and I think that any honourable member, who is the least bit concerned with ensuring that justice and equity are served, and ensuring that the native people, indigenous people, particularly of Labrador, ensuring that their rights are protected, I think, will find it equally offensive. It is no good for the minister to say, oh, well, we have no intention of using it that way. The courts, Sir, will not look at intentions, the courts will look at the words of the statutes. The words of the statute bar any action; damages afterwards, but no action before.

Mr. Speaker, I earnestly draw this to the attention of the government. I repeat, they may very well have some reason why they should, in some instances, bar actions by way of restraining orders. We are talking of the orders here, Your Honour, which are generally restraining orders, the so-called prerogative writs of the courts. They are a different matter than seeking damages after some act has been performed or omitted. That can be done.

The effect of this, Your Honour, is that this corporation can go across your property, can go run their power lines through your property without bothering to expropriate it. They have expropriation powers. They are in the bill, but there is nothing in here.

Supposing Your Honour - I assume Your Honour has a home in Lewisporte, Your Honour's home to which Your Honour will be returning in due course when the electorate have spoken - Your Honour is sitting at home some night and the bulldozers come roaring through, and they have tattooed on their front, the Newfoundland and Labrador Hydro-Electric Corporation in big letters on the bulldozer blade, and Your Honour sees them just as they come towards him. Your Honour cannot rush out to the Supreme Court and get an injunction to stop them. No, you cannot. The most that you can do is get an injunction for damages afterwards, or not an injunction, an action for damages afterwards.

I would like the minister to tell us exactly why he is asking the House, daring to ask the House, to enact this offensive piece of interference with the rights of our people. Let us look at what happened in Quebec. Let us look at the James Bay Act to see how another government of a province with a large power development on their hands, went ahead. The James Bay Act has in it a positive statement which I would commend to our government. Here is a chance for them once again to prove whether they really give a hoot about native rights. They have talked a lot about it. We have had delegations come in. We have had pretty little speeches made about their dedication to native rights.

The James Bay Act has in it a positive assertion. It is section forty-three for those of you who wish to read along.

"This Act shall in no way affect rights of Indian communities living in the territory." Territory is defined in the act. Now, why cannot we have that here? These power lines are going to come across Labrador, Mr. Speaker. It is the intention. It is the plan. There may or may not be native rights. I have no idea, Sir. I do not think at this stage anybody knows for certain whether there are native rights or not.

Let us look elsewhere across Canada. The Government of Canada have set up a royal commission under the chairmanship of Mr. Justice Burger of the Supreme Court of British Columbia, a former leader of the NDP appointed to the Supreme Court by Mr. John Turner, the Liberal Minister of Justice at Ottawa. Mr. Burger's job is to have hearings, to determine the effect of a proposal to build a pipe line from the Arctic down across Alberta and Saskatchewan into Southern Canada, into the United States, to determine the effect of that proposal on the rights of the Indians and the other people living in the territories affected by it. That is what one government are doing.

The Government of Quebec were forced by action in the courts, by injunctions and by mandamus and by the sorts of actions prohibited here, that this government wants to end, were forced to make a settlement with their native peoples - \$150 million, as I recall it and some other concessions in territorial rights and territorial privileges. This government, Sir, are determined to prevent that. That is why that section is there. If the minister says it is not, Sir, I reject his statement. I say to him, the only way he can prove that this government are concerned at all about whatever rights our native peoples may possess, is if they do two things.

Number one, would they made positive declaration and affirmation, not create rights, but affirm whatever rights may exist? The legislature of Quebec did it, and the legislature of Quebec, Mr. Speaker, has no more and no less legislative jurisdiction than does this House or this legislature, this House and the Lieutenant-Governor together, the legislature of Newfoundland. If they can do it in Quebec - they are operating under exactly the same constitution as we are - we can do it here.

Secondly, let the minister, if he can make a case - maybe he can - that there is a need for this sort of prohibition, that Your Honour will not be allowed to seek an injunction to stop the bulldozer coming through Your Honour's home in Lewisporte when the Hydro Corporation decide to put the lines through it. If there

is a case in support of that power - I will grant the minister the benefit of the doubt. He has not made the case, but let us assume he can, then let him put in a further section saying quite clearly that nothing in this section shall affect the rights of the native peoples of Labrador. We are taking away their rights, Mr. Speaker. That is what this does. I do not know whether they have any legal claims or not. I know that the Government of Canada with the blessing, I understand, of the government of this province, have given them a sum of money to enable them to begin the work of determining just what the legal claims may be.

I am not aware of any treaties. I do not think any treaties were ever signed between the Indian and Eskimo people in Labrador and the crown. It is not like the tradition across large parts of Canada. I do not know the law, and I do not know whether anybody in Newfoundland today does know the law. Steps are being taken to find it out. That is fair. That is fine.

This section will remove one of the great weapons to enforce the law. The minister has made no case for it. At the very least he must stand indicted for contemptuousness, stand indicted for holding this House in contempt. He has asked for a grant of power. He has asked to have a right taken away, and he has made no case in support of it. I say again that it does not matter what the intention of the government might be, the courts acting under this power will not look to intentions. They will not look for one moment at whatever words any of us may say in the House, Sir. All the court looks to is the law, the words of the statute, the words enacted by this legislature. Those words, Mr. Speaker, are crystal clear.

AN HONOURABLE MEMBER: What about the Canadian Constitution?

MR. ROBERTS: Well, the Canadian Constitution supersedes it, but I would think this is probably constitutional - the legislature has the power. Even the Bill of Rights, the Diefenbaker Bill of Rights is generally regarded to be a - it is only another statute.

It can be overridden by any proper statute. I am afraid this is a constitutional thing. I would not challenge it on those grounds, Mr. Speaker. Maybe a challenge could be made, but I do not think it should come to that. I think the ministry, if they have a reason for putting this section in - there must be a reason - if they have a justifiable reason, should state it, stand by the judgement of the House. If that reason is not to end any efforts by the Indian and Eskimo people, - I would not call that a justifiable reason. It may be the reason, but if so, I reject it now. If that is not their reason, if there is some other reason, a justifiable one, an acceptable one, then let them put in a statement saying that nothing in this section affects the rights such as they may be, of our Indian and Eskimo peoples.

There is beginning to be a very militant movement coming in Labrador with all of the people there involved. This will add fuel to it. I do not have to tell any honourable gentlemen of the feelings of people of Labrador. They are making them quite clear. I think we are going to see a separatist party there in the next election, an avowedly separatist party. I regret that my friend from Labrador South is not in the House this morning. I think he has been fighting this. I think he has lost that fight now. This sort of thing will only add fuel to it, add fuel to the feeling in Labrador that their resources are being stripped from them, taken away from them. Now they are even denied the recourse to go to the courts to get an injunction. They can seek damages, but, Sir, that is like locking the barn door after the horse has gone out. They cannot seek the injunction before.

I say that the people in Quebec who got \$150 million might never have gotten it, might not have gotten one cent, if they did not have the power, the right. It is not a new right. It is the right that the citizen has at common law. It is a right that grew up out of the crown, out of the hundreds of years of the crown and the courts fighting, and the courts granting subjects the right to appeal to the courts, to apply for action. It is a right which exists



That is why they are taking it away. If there were no words, if the statute said nothing, the right would still be there. But, no, they are not creating a right, they are positively denying one. I think that is wrong, Mr. Speaker. I think it is as wrong as wrong can be. I think it is wrong in law. I think it is wrong in policy. I think it is as wrong as anything could be with relation to the Labrador portion of this province.

AN HONOURABLE MEMBER: Immoral and unethical.

MR. ROBERTS: Well, it is certainly immoral and I think it is unethical as well. I hope the government will take heed. If they need that section, if there is a need - maybe some learned gentleman who has made a few thousand dollars acting for the power companies and thus knows their point of view, maybe some learned gentleman will get up and say there is a need for it. Well, maybe there is. I do not know that. It has not been my lot to go around acting for the power companies, the utility companies. Maybe it will in due course, but it is not now and never has been. My concern is with the public policy of this province. This legislation is offensive in principle for that reason and I think it should be changed. Merely pouring scorn on me may help their spleen a little, Mr. Speaker, but it will not meet the needs.

I think there is a genuine case here. I think there is, on the debating point, a genuine point of policy and an important one. I would hope the Premier and his colleagues will consider it and not be too proud or too stubborn to do the right and proper thing.

Mr. Speaker, with a fourth point that I did not get the opportunity to - well, before I go on. Mr. Speaker, the holidaying Minister of Fisheries with his suntan gained at the arrogant expense of the fishermen of Newfoundland and Labrador interrupts me.

MR. SPEAKER: Order, please!

MR. ROBERTS: Mr. Speaker, Your Honour is quick to call me to order and I appreciate that. I wish Your Honour would be equally quick, Sir, to call the honourable gentlemen opposite to order when they interject and distract and take me away from a carefully reasoned line of argument.

MR. SPEAKER: Order, please! I remind the honourable Leader of the Opposition that the Chair was about to do that. When a member is speaking he does have the right to be heard in silence.

MR. NEARY: Hear! Hear!

MR. ROBERTS: I thank Your Honour. As I was saying, Mr. Speaker, another section which I think in principle should be in this act, again one which the Government of Quebec have done. It shows the absence of this section, and this is hardly a new statute, the copy which I have is 1971, fourteenth of July, Bastille Day actually, 1971, nearly four years ago. A positive injunction laid upon the corporation, exactly analogous, a power corporation designed, aimed and intended to develop a great power project in Northern Quebec, the James Bay Project, setting up a corporation called The Corporation.

Section 5 of that act, Mr. Speaker, "The Corporation must see to the protection of the natural environment and prevent pollution in the territory." Let us have that here. A positive requirement laid upon the corporation to take whatever steps are necessary. Something that you could go into Court and get enforced. Again the ministry here may say that they intend to do the right and proper thing. They have had a study made, a nice little study by Thurlow Associates. They have made it public but then restricted circulation so that very few people could see it.

AN HON. MEMBER: Has it been tabled.

MR. ROBERTS: It has not been tabled here. Anybody can step over to the Gosling Library and have your library card in hand and eventually - The Thurlow Study on the Environment has not been studied. Perhaps it could be tabled so we could have a copy for the records.

But in any event a study has been made. They have shown that degree of concern but I would like to see a positive burden laid upon the corporation to protect the environment and to prevent pollution. I think that is a reasonable request and I would like to see that right created in law so that any citizen or anybody standing before the courts in this matter could go before the courts and could take the appropriate steps to have it enforced.

Now, Mr. Speaker, a couple of the minor points. Another point, a very minor one, I am sorry a very major one, a very major one, is that this bill, sections 26 through about 40 makes a mockery, an absolute sham, a mockery, a farce, of any pretension which this government or any other administration had, to allow the House of Assembly to control the use of this province's credit. Now we used to hear a great deal about it. Indeed the government of which I was a supporter and later a member, in the period, I believe, when the present Minister of Finance was Minister of Finance and the Minister of Fisheries was in that Cabinet, the Minister of Justice was in that Cabinet, brought in legislation which allowed the government, the Cabinet of the province, without prior approval of the House, to borrow money. I must check that. The Minister of Finance I think was Minister of Finance at the time. Maybe he sponsored the legislation. He might not have understood it but maybe he sponsored it.

Now, Mr. Speaker, we heard a great deal about that. Honourable gentlemen opposite who were then on this side said it was wrong. They did not say it was wrong at that point. They voted for it, as far as I know. Again I have not checked the point. It is irrelevant. The fact is, the relevant fact, is that when they came into office eventually they purported to change that. We had a bill trotted through here a year or so ago by the pious gentleman for St. John's East who told us it would be the greatest thing next only to The Public Tenders Act. Well, I had some doubts about the efficacy of the bill and I had

even more doubts, Mr. Speaker, about the policy and the intention of the administration. My doubts have been confirmed and justified now when you look at this bill.

There are no controls here except the Lieutenant-Governor in Council which is the Cabinet. The House of Assembly, Mr. Speaker, if this bill is passed in this form, can kiss good-bye to any authority to control expenditures on this project.

True, we can always flick out the government, Your Honour. That can always be done. Although with up to ten M.H.A.'s being on the board of the corporation it is another \$10,000 or \$20,000 a year, and with fifteen or twenty or twenty-five in the Cabinet, another half dozen drawing down one thing or another, possibly Your Honour might concede it is unlikely that there might be a revolt in the House.

Mr. Speaker, even that is only after the horse is gone out the barn door. I invite Your Honour to look at section after section. The same theme runs throughout it, subject to the prior approval of the Lieutenant-Governor-in-Council. Again, Your Honour, that has nothing to do with His Honour the Lieutenant-Governor. That has everything to do with the Cabinet. That is the Cabinet. His Honour signs his name but under our system of government in Canada His Honour has no choice except to sign his name. "Subject only to Cabinet approval the corporation may borrow money, issue bonds, execute and deliver mortgages, assignments, conveyances, charges or any other encumbrances entered into, execute and deliver any trust deed. The Minister of Finance may unconditionally guarantee both as to principle interest, including interest on overdue interest, premium if any, and sinking fund payments if any, authorized under section 26." That is the one I just read.

So we have subject only to Cabinet approval, a corporation who can go out and borrow \$1 billion or \$1.5 billion or \$10 billion if some Arab sheik succumbs to the Premier's wiles and lends us \$10 billion Euro-dollars, subject only to the prior approval of the Lieutenant-

Governor-in-Cabinet and we have seen what happens when the Premier's colleagues do not agree with him. They get the flick. They get the royal order of the boot. So, subject only to the prior approval of that independent Cabinet, not only can the corporation borrow it and can issue bonds and execute and deliver mortgages and anything else they want, but the Minister of Finance can guarantee it. I sleep easier, Sir, knowing the present Minister of Finance is our Minister of Finance because he has shown himself to be a man of principle and righteous wrath and indignation and strong in his job.

But supposing, Sir, he was not the Minister of Finance, supposing for example the Minister of Mines and Energy got it and had a different view of the problem, in good faith. We could end up guaranteeing \$1.5 billion and we are not talking here of some proposal to build a house downtown, Your Honour, we are talking of \$1.5 billion, \$1,600,000,000, doubling the debt of this province with one stroke of the pen and the first this House of Assembly would know of it was when Newfoundland Information Services grind it out on their bologna spreader.

Mr. Speaker, you know a very, very serious - It is enough you know in itself, it is enough to make us vote against that bill and this from the government that used to talk -

AN HON. MEMBER: Shocking! Shocking!

MR. ROBERTS: Used to talk about their dedication to the control of the House, letting the House control affairs. Mr. Speaker, it runs throughout this section. It is a needless power. There can be no conceivable case in which the corporation is going to need to borrow any large amount of money. Give them the authority to borrow \$1 million or \$2 million or \$3 million on the approval of the Cabinet if that is what they need, a little pocket money, a little travelling money, a little walking around money. That is fine. A lot of money, but I could see a case for \$1 million or \$2 million or \$3 million or \$4 million.

The Minister of Fisheries left the Cabinet over a proposal to give Mr. John Shaheen \$5 million and here now he is a member of the government that comes before the House asking for authority to borrow money without limit. There is no limit on it, authority for the Cabinet to borrow. The House is never mentioned. We might never hear of it. Give them a couple of million if that is what they need, authority to do it. But there can be no other circumstances, Mr. Speaker, in which this House cannot be called together and asked to consider a bill.

Let us suppose the Premier goes off to Bahrein and he and the Sheik or Bahrein or Abu Dhabi or Qatar or some other place that has got all the money and we are allegedly going now, and the Sheik has a vision and the vision involves giving us a couple of hundred million dollars on a loan, well and good. Apparently we are going to need that sort of money and that is where we are going to have to get it.

Why cannot the Premier hop on his private jet airplane owned by the corporation and flick back to Newfoundland, drop in for a few days, have the House of Assembly meet. Tell the Sheik, "Look I have this House of Assembly back there, I am not an independent monarch as Your Eminence is or Your Majesty or whatever you call Sheik's these days."

AN HON. MEMBER: It may be a bit of a nuisance.

MR. ROBERTS: It may be a bit of a nuisance. Sure the whole democratic process could equally be regarded in that light, as a bit of a nuisance. But there can be no conceivable reason for this provision in here. I say the words "Governor-in-Council" should be struck and replaced with the words "House of Assembly". Give them authority. Let the Governor-in-Council take authority and I will vote for this, to borrow a couple of million dollars at any given time. So if the corporation needs something quickly, they can get a little pocket money. The way they are going to be spending money a couple of millions is pocket money. There can be no possible reason except a deliberate - twenty-six, twenty-seven, twenty-eight says that "Notwithstanding the Financial Administration Act or any other Act or law when a guarantee is given pursuant to Section 27", which is the one that gives the Minister of Finance the power to say "Newfoundland guarantees anything the Governor-in-Council approves." Let us suppose it goes up to \$6 billions. Well, we will guarantee it.

It goes on and on. For the minister I would invite his attention to (26) through (35). Thirty-four, Your Honour, gives the government power to make loans, not even the corporation now. Not only can the corporation borrow anything they want, with the only check on them, the cabinet. They could literally go and borrow \$1 billion tomorrow, with only the cabinet approval. I must say it makes the Wedgewood Park Development look like peanut stuff. That is one thing.

The second thing is the Minister of Finance can guarantee that. He just signs his name, in beautiful copperplate writing. We are on the hook then. We are on the hook.

Thirdly, according to Section (34), the government can then lend them the money in the bargain. All without any reference to the House of Assembly. True, we will be told about it at some point, about a year and a-half after that the financial report will be laid before the House. We will then see that on one wild weekend in Abu-Kuwait or somewhere in the Middle East the Premier accompanied by his cronies, the junior Member for Harbour Main, the Minister of Industrial Development, and the Minister of Public Works and Services, the trio, the Trinity, and I suppose they would bring the Minister of Finance along for purposes of signing things - that on one wild and wooly weekend -

AN HON. MEMBER: Do not forget fatso.....

MR. ROBERTS: sort of the Arabian knights, the Arabian knight to end all the Arabian knights, we would end up \$1 billion have being borrowed. We have guaranteed it, and we are going to pay it off. It sounds like a fantasy, does it not, Mr. Speaker? But under this Act, Sir, it is fantasy that could happen. All that is necessary is for the government to amend the Act, say the House of Assembly. So at least if they are going off on a wild Arabian night or a wild Arabian week, they will go with the prior blessing of the peoples' House. It is not unreasonable. The government are not going to lose a vote of confidence in the House of Assembly over this sort of thing. They come in and say, "We are going to borrow - our programme for this year for the Chruchill project is a couple hundred million dollars or \$400 million or \$500 million whatever it is, and we will put through a bill, "An Act To Authorize The Hydro Corporation To Borrow \$500 million." If they can make a case for that I am sure the House will do it, will go along with it, will approve it, will vote for it. But these gentlemen, Sir, in this piece of hypocritical legislation, of all the great - you know, they used to talk about Mr. Smallwood as if he allegedly were stealing money, as if he were participating in unwise projects.

This, Mr. Speaker, this takes all the cakes. We can double the budget of the province in one fell swoop. Your Honour thinks I am being a little extreme. I had some figures run up here on the



debt that this lovely little bill could allow us to get into, that these gentlemen could see the province stuck with. They can double the province's debt overnight, Mr. Speaker, double it without any reference to the House of Assembly or without any reference to anybody except themselves. The last two or three years have shown us exactly what that is worth. Even the poor man's friend, the protector of the right, the Minister without Portfolio as he then was, is gone. Who have we left to protect us, Mr. Speaker? Who have the public left to protect them now?

MR. DAWE: We have Ank.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Yes, yes, we do have the Minister of Social Services to stand up for us. I shall sleep easier knowing that, Sir, but I suggest the House of Assembly should be allowed to stand up for it too.

The minister in introducing the bill made no reference to this, he likes it to sneak through. Maybe he hopes that since it was a technical bill nobody would bother reading it. It is such a minor piece of legislation that nobody would read it carefully. Let them come in and say, this is a great principle. A very great principle. Let them come before this House and say that the House of Assembly - if the Premier and the Minister of Fisheries are going to discuss cabinet secrets, I do not want to hear them, but they do speak in low whispers, Sir, maybe they could be either more quiet or leave the Chamber for a little bit, whichever they wish. Maybe they are getting ready for an Arabian night. The Minister of Fisheries would not be involved in that sort of venture. They would not take him along. They would not have him.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: But, Mr. Speaker - I am being deadly serious. These sections, this principle vitiates this entire bill. It shows clearly that this government have no intention at all of allowing the House of Assembly any right to participate. Every man over there who votes

for this bill will do so in that knowledge. There can be no explanation. There can be no reasonable reason given in support of this. There may be a million precedents, but Adolph Hitler had precedents for the way he acted too, Sir, and I suppose President Richard Nixon had precedents for the way he acted too, and Mussolini had precedents but that does not justify this sort of legislation. There may be precedents. But if those precedents are there then they are wrong and let us not perpetuate that wrong.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: There we hear it now. He will now stand up and say that "Mussolini made the trains run on time, therefore Mussolini was a good man".

AN HON. MEMBER: Inaudible.

MR. ROBERTS: There may have been precedents.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Mr. Speaker, there may have been precedents.

MR. SPEAKER: Order, please!

MR. ROBERTS: But I say, I say that this is a great wrong. The bill went through last year, the minister refers to it. It went through in the dying moments of the session, without any real debate. It was jammed through, rushed through.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: I may, Mr. Speaker, I may have been voted out of the House then. The minister voted me out of the House, too. Mr. Speaker, whether or not there are 40,000 Acts with that sort of principle in it, whether that be so or not does not take away from the principle. I say to the Minister of Fisheries and the Minister of Energy and any other honourable gentlemen over there who has the wit to get into this debate to address themselves to that principle - why should the Governor-in-Council, the cabinet, have the power without any reference to the House of Assembly to borrow any amount of money? We are talking about \$1,600,000,000, that is, the working estimate. It will be \$2 billion or \$2.5 billion before they are done. The government have that power to borrow it, to guarantee it and then to

pay it out of the consolidated revenue fund of this province. Thirty-four gives that power. The government can just pay it out themselves, if nobody else will pay it to them, if they have to. Why should the government have that power? Why should not the House of Assembly have it? There can be no conceivable reason. I can see a section saying, as much as \$5 million. That is a lot of money. The Minister of Fisheries used to be tender over that. He left the cabinet over that principle. I was not in that cabinet. I supported that administration. But he left the cabinet over giving \$5 million to Mr. John Shaheen's company, the so-called bridge financing.

Here now the Minister of Fisheries is supporting a principle of borrowing any amount of money on the credit of this province, guaranteed by the Minister of Finance to this province without any reference to the House of Assembly. None at all. Now there is no way that can be justified, Mr. Speaker. Let them come before the House and amend it quite simply by saying, I do not know the legal words. They have got draftsmen who do these things, and they are better than I will ever be at drafting. Let them say something like "The House of Assembly, nothing shall be borrowed or the credit of this province shall not be pledged in any way unless the House of Assembly first approves". And then, Sir, "Notwithstanding that section as much as \$5 millions can be borrowed and guaranteed by the province if it is necessary in an emergency situation."

But the principle is clear. This bill, Mr. Speaker, says that "The only check is with the Governor-in-Council," and that is the cabinet. That is not enough, Sir. I find it very enlightening that this administration which just a year ago or two used to talk of, "We will have the House of Assembly control it". There was an Act, it was passed on the advice of the then financial adviser to the Premier, but that does not matter whose advice it was. The then government, the then Premier took that advice, brought the bill before the House, had it enacted - I am not sure whether it was with the advice or not of, or whether it was the support of the then Opposition.

The bill became law and was acted upon. Honourable gentlemen opposite either then or subsequently denounced it. How eloquent they used to be denouncing why the government could go out and borrow \$1 million or \$2 million or \$5 million or \$20 million and the House never got to approve it until afterwards. They were not going to permit that, no siree, not them. They were above that. Now they come in to cheat a project that is going to be a minimum of \$2 billion before this power comes on stream. It has grown in one year from \$1.1 billion to \$1.6 billion and it is going up day by day, a minimum of \$2 billion, \$2,000 million, infinitely more than all of our debt now, Sir, can become the direct debt of this Province with the approval of nobody except the Lieutenant-Governor-in-Council which is the Cabinet, which boils down to the Premier and his cronies. We saw that again. We saw that again, Mr. Speaker, just a week ago when the gentleman from St. John's East dared to cross the Premier and his cronies, who had made a little deal. The deal was made. It has been called off now, but the deal was made. It was made and confirmed.

Now, Mr. Speaker, -

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: The honourable Minister of Fisheries says it is not relevant. I say it is relevant. I say it is relevant to know what sort of government we are dealing with, what sort of government asked this grant of power, \$2 billion. If the Minister of Fisheries had not abandoned what principles he had he would be standing saying these things too.

MR. NEARY: He has nowhere to go now or he would be over here.

AN HONOURABLE MEMBER: God forbid!

MR. ROBERTS: Now, Mr. Speaker, one other point in the bill that I would suggest should be looked at, section (46) gives the corporation, mind you, subject to the approval of the Lieutenant-Governor-in-Council, the giants of the Cabinet, the senior Member from Harbour Main, the Minister of Social Services, the Minister of Forestry and the other giants of the Cabinet, they would be our check, they would be our protection. A very interesting

regulation power, I am not sure I know what it means. I am not sure that the words say what it means, but section (46) is worth a gander by Your Honour. The corporation may make regulations, a fairly usual power to put in an act. I suppose if there are 1,000 pieces of legislation in this Province today, 920 of them have a regulation's power in the back of it. It enables them to prescribe the design, construction, installation protection, use, maintenance, repair, extension, alteration, connection and disconnection of all works or matters used or to be used in the development, generation, transformation, transmission, distribution, delivery or use of power in the Province.

I asked a couple of gentlemen who work elsewhere to have a look at this and they asked me why the government wanted power to prescribe the size of toasters in Newfoundland and whether light bulbs could be sixty or one hundred watts. That is not what that section is intended to do, but again that is the sort of power that could be done. Regulations could be drawn saying that nobody shall use a General Electric toaster in this Province. I think that is a ridiculous - I am being - It is a -  
AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: It does not say anything here about safety. It could well be that among the ten independent fellows to be appointed will be some people who say, "Let us ban General Electric." If it is for safety, say for safety. Restrict the power. My point is simply - of course I am using a ridiculous example. It is the only way to get through to the minister. The grant of power is too wide. Restrict it, restrict it to what is truly necessary.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Yes, perfectly good reason. Right, perfectly good reason. From now on the people in Hermitage can only use twenty watt light bulbs instead of forty. We will have a regulation to do it.

Now, Mr. Speaker, if we are going to - it is perfectly in order that the government of this Province should take responsibility for insuring that utilities and so forth act properly and that we are not allowed to wire

houses with substandard wires. That is straightforward, but I do not think it should be the job of the Hydro Corporation. It should be the job of a proper body set up for that purpose. It has been done de facto by the present Newfoundland and Labrador Power Corporation to some extent, but if I build a house in St. John's today, it is not a gentleman from the Power Corporation who comes to inspect whether or not I have used proper and adequate wiring.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Ah! Fair enough, but one fifth of our people live in St. John's and what about in Corner Brook? The Power Corporation, Mr. Reid and his people, do not inspect any of the areas where they do not provide the retail distribution of power. Now, if we

are going to have a safety board. If we are going to have a safety board, then let us have one. I would be all for it.

AN HONOURABLE MEMBER: They do have the inspectors, for example, around Conception Bay.

MR. ROBERTS: Well, I have seen some of the work too. The fact remains - I give way to the minister on his detailed knowledge. I do not pretend to know the details of the current activities of the corporation. Why should I? I am not the Minister of Mines and Energy. I am not full-time at mines and energy matters. He is. So, I bow to him on that matter. The fact remains, if we are going to have a safety board, let us have a safety board or a safety agency. A corporation whose job it is to develop power and supply power and distribute power should not be in this business.

All I am saying, but I say it again, is that the grant of power is too wide. These are only examples of the power that this corporation would have if this bill is accepted without amendment. Mr. Speaker, I have talked about the bill and I repeat that I find the bill offensive. I am quite in agreement with the idea of having an agency to develop power. I think it is the public's function to develop that power. Indeed, as I said on Friday, I think that the public should take over responsibility, not only for generating all the power in the province, but for distributing it. I would feel far happier if that were the principle of this bill, but I guess the Tory Government will not do that.

The bill, itself, Sir, is offensive. It gives infinitely more power to the government and to the corporation than it should ever have. It is wrong. It is as wrong as wrong can be. It gives them too much power. It extinguishes any rights that our Indian citizens may have by way of injunction. It means they can only sue after the power lines have come across Labrador and destroyed their hunting grounds, if that is what they do. They can sue then, but not before. After the bulldozer has roamed through Your Honour's house in Lewisporte, then Your Honour can have the satisfaction of serving out a writ and having an action heard against the corporation, but

Your Honour's house is gone. The bulldozer has come through and the power lines go through it or Your Honour's cottage is flooded by a dam. No, Sir, that is too much power for the government to have.

It is also wrong, Mr. Speaker, in that it makes a mockery of any control of the House of Assembly over expenditures. There is no reason that can be advanced with any justification, to justify and to support the principle requested or the power requested in sections twenty-six through thirty-five, whatever they are, of this bill. There is no reason in this world why this corporation's programme cannot be laid before the House each year, perhaps, as part of the supply bill. There could be a section put in that could be debated. That the Hydro Corporation will be borrowing \$300 million dollars this year, that could be then debated.

Mr. Speaker, not according to this bill. If this bill is passed unchanged, that will be the last thing this House by law has to do with \$1.6 billion or, I say, \$2 billion in expenditures. I will say this, the present administration have one year left in office at most. If they do not change this bill, it may become law unaltered. I mean, they have that power Your Honour. They can force it through. If they do not change this bill, if it becomes law unaltered, then the next government of this province will change it in that respect. We will put back to the House of Assembly the power of prior approval, of prior debate.

Let the ministry come before this House - I do not know if we can make it retroactive, but we could say that any money that is borrowed now -

AN HONOURABLE MEMBER: We could have an investigation.

MR. ROBERTS: Well, Fabian O'Dea is available, I understand, for royal commissions. He has done one hatchet job. Maybe he will be willing to do another. I know a few people who will serve on the royal commission. I would advise the Minister of Industrial Development to move his files now according to precedence.

Mr. Speaker, there is no conceivable justification for these clauses in that bill. I hope the minister, when he speaks to close the debate, will tell us that the government are going to bring in



amendments. I do not think it would be a massive job of drafting, amendments to the sections I have pointed out, making sure that public tenders are called. If the government want to get away from the Golden Eagle bill, more power to them. I did not pass it. I was eighteen or seventeen years old when it started, and I really

had nothing to do with it. No, I was not at law school.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: I see now, there is another Arabian knight.

Mr. Speaker, let them amend that section 6 and make it clear

that members cannot serve, if that is their principle, or if we want one or two, fine, but they serve without remuneration.

Let us not have another six or eight or ten members on the government payroll getting their \$10,000 or \$15,000 or \$20,000 a year by pleasure of the Premier and the Cabinet.

MR. NEARY: Inaudible.

MR. ROBERTS: Let them amend - Oh he is going to be financial controller. Let them amend that section 24 to make it clear that whatever rights the Indian and Eskimo peoples or other peoples have, those rights stay there. They are not taken away and that they can enforce them by any means of law now open to them, including mandamus writs and the writs of injunction and prohibition, prerogative writs. Let it make it clear that all public tenders are going to be called for all of the work involved. Let us not have the great sweetheart deal of all time. Wedgewood Park was only peanuts. That was only a mere \$9 million. This one is \$1.6 billion at present and going up every day and just think of the lovely little deals we could get going. We would need a dozen Royal Commissions just to look into that, and if necessary we will have them.

AN HON. MEMBER: We are going to have two extra judges.

MR. ROBERTS: Yes, we are going to have - There will be a lawyer unemployed who will not be Chief Justice. He will be available as council to a royal commission. Mr. Speaker, let them narrow down the - The Premier thinks I am referring to one of his colleagues. I did not mention that but I find it interesting that the Premier does.

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. ROBERTS: Let them put in, Mr. Speaker, let them put in some sections laying upon the corporation the duty to protect our

environment. I think these are all reasonable points, Sir, and if I am a little perhaps strong in my language it is because I think they are important. I hope the minister will respond positively and respond with some constructive responses. His action today seems to be, "Oh well, you voted for it." Maybe I did. I am quite prepared to say in this House now, as I have said before, Mr. Speaker, I have in my life done many things wrong. I have done nothing illegal that I know of, nothing unlawful but I -

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Yes, sit across the House from the gentleman from Burgeo, that justifies my public career.

MR. SPEAKER: Order, please!

MR. ROBERTS: Mr. Speaker, I am quite prepared to say as any honourable gentleman opposite may have said and could say and you know of all the childish, schoolboy debating tricks to say, "Oh well, you voted for it once." Sure, and I will comb the honourable gentleman's public career, short and unillustrious as it may be and I can find any number of things he advocated in his time that he may not wish quite so to have trotted out.

I am not ashamed of anything I have done. I am quite willing to say that I may have made many mistakes but that is no excuse for making another one.

MR. NEARY: What was the other bill he is talking about?

MR. ROBERTS: Which other bill?

MR. NEARY: The bill he is saying here that you voted for.

MR. SPEAKER: Order, please!

MR. ROBERTS: Oh it was one of the 120 major acts last year. They have changed the name from commission to corporation. It was a great reform, a great reform. They had a meeting in Northeast Crouse, a public meeting, and unanimously subscribed a petition to the Minister of Mines and Energy to thank him for that. They said it made everything fine. Now they are wondering about their centennial phones and their centennial lights and their

centennial road.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Yes, he had a hot time in Goose Bay. Now that I have spoken a little bit about the bill I would like to go on, if I might, to talk for a few minutes about the Gull Island Project. I do so realizing I am, I suppose, somewhat out of order. I can attempt to relate it to the bill. I mean the bill deals with a Labrador Hydro Corporation but I would like, if I could, to have an understanding that it is in order to do so. If it is not then you know, that is fine, The rules are the rules.

AN HON. MEMBER: We already had that understanding.

MR. ROBERTS: The minister does not run the House. His Honour does.

MR. SPEAKER: Order, please! The honourable Leader of the Opposition is correct. I think the reference to the Gull Island Project is out of order with regard to the principle of this bill. However, if by consent of the House I am willing to hear him if he wants to consent to continue. Does the honourable member have consent to -

MR. ROBERTS: Well the Minister of Mines and Energy disagrees with Your Honour's ruling but I mean Your Honour has been quite - I would like to talk about it at least for a few minutes but I apparently need leave to do it.

AN HON. MEMBER: Okay.

MR. ROBERTS: Okay. Thank you.

MR. SPEAKER: Does the honourable member have leave? Agreed.

MR. ROBERTS: Thank you. I would hope equally, of course, that all my colleagues and all honourable gentlemen opposite have exactly the same. You know the bill is important. There are some offensive things in it that should be talked about, and, like any bill before this House, when it is here it is important. But I think the real importance of this measure is that it opens up the question to have a look at the Churchill Project.

Now, Mr. Speaker,

it is difficult, really, to debate the Churchill project because, of course, the government have made so little information available. I was very disappointed in the minister's opening speech. I had hoped that he would make a major statement of exactly where the project stands, and what is happening, and what is about to happen, and what is involved, and so forth. It may be that the Premier, or the Junior Member for Harbour Main, or the Minister of Finance, or his assistant, or the Minister of Justice, or some other honourable gentleman will make some major statement on it. I hope so. I regret that it was not done first, because it means that I have no opportunity to reply to it. A number of my colleagues have some thoughts and, you know, will be able to answer any points that need answering, or to discuss any matters that need discussion. I think some things are obvious.

Now this is the first time, Your Honour, that we have had the opportunity in any sense to talk about the Churchill project in this House of Assembly. There may have been some technical legislation enacted last year with very little, very little debate. Most of the debate took the form of long-winded statements by the Premier during the period when the administration were attempting to purchase, first of all, the shares of BRINCO and then latterly the Labrador assets of BRINCO. Of course, like many of the Premier's statements, we take them with several grains of salt.

I remember, I will never forget that day the Premier announced the second refinery and, of course, he said then, it would begin in June, 1973, and, of course, that was two years ago, and we are no closer now than we were then. The Premier, I know, will forgive me when I say that we do take some of his statements with a grain or two of salt. As a matter of fact, we take about as much salt as comes out of Siberia in a year, and that is a lot.

Mr. Speaker, I think some things are obvious though. There are some things which do not need much discussion, because everybody in Newfoundland and Labrador will agree on them. The first is quite simply that this island, and Labrador as well, need more power. There is no doubt that we are going to run out of power very shortly.

The administration have reacted to this. It took them two or three years to find it out. They have reacted to it by quite an expensive programme of about \$80 million in round figures, \$75 million, or \$80 million, a lot of money. The present Power Commission are going to put the final units into the Bay D'Espoir area. They are going to develop some more capacity, and there is going to be another thermo plant or two, a gasoline, or oil driven generating plants. That is fine. That is a positive response to a situation. Presumably that power is bridging power.

I think it is equally obvious that we have in Labrador a great power potential. I do not think most people in this island yet, and in this province, have realized just how much power there is, even on the Lower Churchill. I understand it is twice as much as we are using in the whole province today, the whole of the province, and I am not counting Labrador West. I am not counting the consumption, particularly in that pelletizing plant in Labrador City. But leaving aside that -

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: - there is not very much there. The 1,800 megawatts are roughly twice the power we are using today. Well, I am going only on the figures that are public. Perhaps the minister could tell me how much power we are using today in Newfoundland and Labrador?

MR. BARRY: Well, you are not that far out. There are 750 megawatts installed capacity by the Power Corporation. Then we have Bowaters - inaudible.

MR. ROBERTS: Right. So the fact remains - I thank the minister - the fact remains that we are talking of a staggering amount of power, a very large amount. The figures I had here are from the Teshmont Study which shows that the peak demand in megawatts in 1973, which I agree is a year and a half ago now, was 767 at peak. The latest information from the Power Commission is 1973 again. There are a very few statistics available publicly.

MR. BARRY: (Inaudible).

MR. ROBERTS: Well, I would be grateful if the minister would - I will give him an eight cents stamp each month, if he would add me on to his mailing list, because we do not get them. One of the frustrating things about not being in the ministry is that you do not get a lot of the information which properly and naturally comes to the minister. Some of it can only go to a minister. A great deal of it could usefully be made public.

In any event, it is a staggering amount of power. I think that that is something we must bear in mind, Sir. We must bear that in mind because I think that that is one of the essential facts. Equally, let me say without any reservation, as I have all along, that - I had a difference of opinion with one of my opponents, who does not sit in the House of Assembly, a gentleman with whom I had a tussel last fall in another arena - let me say without any hesitation that the Liberal Party, this party, is quite in agreement with the principle, we support it, we like it, that power should be developed publicly. Indeed, it was a Liberal principle. The only exception was made with respect to Labrador. The reason for that was that the power being developed in Labrador West and the Churchill Falls and initially the Twin, could not have been used at that time in this province. I will deal with that a little later.

But I think it is worth noting and worth remembering that it was the Liberal Administration with Mr. Smallwood as Premier which first enunciated and established the principle that power would be public. I said on Friday, and I repeat again, that I would like to see that extended to its logical limit. This administration have gone part way, by purchasing some of the power rights in Labrador or all of the power rights in Labrador. I would like to see them go the step further now and let us acquire for the public all generating capacity and all distribution systems and capacity in this province.

Let us do what Nova Scotia has done, what Quebec has done, what Ontario did seventy years ago when Sir Adam Beck formed Ontario Hydro. I think we should. Rules and general principles, Sir - let me add to that, that based on what Mr. MacDonald, the Minister of Energy at Ottawa and Mr. Jamieson, the Minister of DREE said publicly, and on what I have heard privately, it is obvious that the best source of power for this island at this time and for Labrador at this time is the Lower Churchill project. The best way to develop that power is to bring it to this island by a submarine tunnel. All of that, Mr. Speaker, I think we can all agree on in this House. Indeed I do not know anybody in this province who really disagrees with any of those points or principles or facts or statements.

Ottawa have told us they are willing to put up on a loan basis - long term, low interest but still a loan - \$343 million which they estimate to be half the cost of bringing the power from Gull Island to the island and to developing the inter-tie link between Gull Island and the Upper Churchill project. They are willing to put up their cash. I have said that I do not think it is enough, nor do I.

Now, Sir, from those facts, certain questions arise and certain decisions must follow. Despite all that has been said publicly by the Premier and by his colleagues in the Cabinet they have not dealt with any of these facts. We are witnessing one of the great snow jobs of recent years in Canada. They are not telling us the full story. They are not giving us their plans



or their proposals at all. Instead we see before us a bill that merely would give them the power to borrow any amount of money. They are not telling us. I hope in this debate that either the Premier, or the junior member for Harbour Main in his capacity as Minister of Industrial Development, or the Minister of Mines and Energy or some other spokesman for the ministry, or all of them, will get into the debate and will give us this information. By us I do not just mean we, Her Majesty's Humble and Loyal Opposition. I mean the people of Newfoundland and Labrador because I have gone through every utterance recorded of the Premier - he may have made some that I did not have recorded - and I have gone through the statements by other honourable gentlemen and they have not given the people of Newfoundland any information. There has been a lot of flimflamery, the sort of thing Mr. McLean concocts with the public relations staff. Fine. Well and good. Let us have an election on it tomorrow if the Premier would like. I would like one. Since we are not going to have one tomorrow, despite the gentleman from Trinity North, let us debate it here and let us get this information.

We do not know very much, Sir. As a matter of fact, we the people know next to nothing. Looking at the public record, looking at what has been said, let me just list one or two of the things we do not know. For example, Sir, the government have not told us how we are going to pay for the \$160 million we laid out to buy the Upper Churchill project. They just have not told us, nowhere. If they have, not only has it escaped me but everybody I have talked to. I have cast my net widely. We know it cost \$160 million to buy it. I said I thought it was too much and I do. I think the government were had. Leave that aside, we have paid \$160 million to buy certain assets of BRINCO. Those assets broadly fell into two headings.

Two-thirds of the share interest in the Upper Churchill -  
I think it was fifty-six

per cent, was it? We had nine before. So we now have sixty-five or sixty-five point something per cent of the share capital of the CFLCo Limited, Churchill Falls Labrador Corporation Limited, the Upper Churchill project. The Government of Quebec have the remaining one third which they got through the rather backdoor way of expropriating Shawinigan power back in the early sixties.

Also, the 160 covers the purchase price of whatever rights BRINCO has to the Lower Churchill. I do not know what rights they had. I have seen lawyers argue that they had very large rights and I have seen other lawyers argue that they had very small rights, but they had some rights under legislation past by this House twenty years ago. The principle act, I think, was 1953. I was twelve or thirteen at the time and really was not deeply involved in drafting that legislation or in considering it, but BRINCO did have some rights. I do not know what they are. I mean I never checked it out in detail. I have talked to lawyers, who go all over the ball park on it, but they had some rights and so the government, whether they want to say they purchased their rights or whether they want to say BRINCO agreed to give up such claims they had. The fact remains BRINCO have now signed pieces of paper which say they have no rights left to hydro power anywhere in this Province. They have some mineral rights elsewhere.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Oh, yes! I mean the act has conditions and everything. It was not -

AN HONOURABLE MEMBER: They had to do some work -

MR. ROBERTS: They did not have the right to develop the power and just leave it at that. They had the right to develop the power under certain conditions. I understand in fact the best opinion I can get is that they probably had a right of first refusal and that if anybody wanted to develop - and the government recognized that because the Minister of Finance, as he then was, told it before he was dejected and taken out of finance, as he told us in one of his budgets, they were negotiating with Churchill. All right, they have bought them out, and well and good, but they have not told us how much we are going to get each year from our two-third share

interest.

Now, that is not only interesting, but it is important because we went and borrowed that money, Mr. Speaker. The Minister of Finance got in touch with the Bank of Nova Scotia or the Premier or somebody did and the Bank of Nova Scotia said, "All right, we will give you what amounts to a consumer credit account. We will give you \$160 million. We will lend it to you. You pay us interest. You pay us back, well and good." Now, we have to pay that back. We can pay it back in two ways, either by putting on the debt of the Province, either directly or through building it into the cost of the Lower Churchill, or we can pay it back by taking such income as we may get from the Upper Churchill project, CFLCO and using it to pay off the debt at the bank and the interest.

The government have indicated that it is going to be the latter case, that they are going to take our income and pay it off, well and good. I am all for that. We have spent money to purchase an asset and out of that \$160 millions, I understand between \$150 and \$155 millions can properly be attributed to the Upper Churchill project, the equity interest in that and the remaining \$5 or \$10 million is the value as agreed of the rights, whatever they are to the Lower Churchill and the studies that have been made and the engineering data and what have you. That is what I am told by people who were involved in the transaction. If I am wrong, perhaps the minister could correct me. I was not privy to the transaction.

What I want to know is how much we are going to get from the Upper Churchill, Mr. Speaker, how much each year. We now own two-thirds of the cost. I was going to say two-thirds of the shares. The project has a large debt but the debt will be serviced. I am not the least bit worried about that. The project, indeed, as I understand it, is a profitable one. It was financed on the basis that the debt would be serviced. I have no doubt, as well, there is a handsome equity return. BRINCO were not down there for their health. BRINCO planned to make a very significant equity return.

I am all for it. That is the law. That is the way things work, but now that we have bought it and I am all for - let me finish this sentence, Your Honour, and we will call it one o'clock. We were five minutes late starting because the government were not here on time, Sir.

Let BRINCO, now that we own it and I am quite happy of that, quite pleased with that, let us be told how much we are going to get, how much are we going to get each year on our dividend? If it is in order, Your Honour, let us call it one and I will - Are we going to do this, the master is gone - the assistant is here. Are we going to be back on this bill at three o'clock?

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Oh! I know that. I know that, but take a guess. We will not hold you to it.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: All right. Well, then let us hope that the minister is not overruled as he so often is. We will carry on with the bill at three o'clock. I think Your Honour just leaves the Chair. We do not need a Beauchesne.

MR. SPEAKER: It now being one o'clock, I do now leave the Chair until three o'clock this afternoon.

The House resumed at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: The honourable Leader of the Opposition adjourned the debate at one.

MR. ROBERTS: Mr. Speaker, there was a lottery to my right, Sir, I do not know what bill of sale the Minister of Energy is trying to sell my colleagues but I would warn them to be careful and I would warn him not to take any cheques.

MR. NEARY: This is it now. This is perfectly legitimate.

MR. SPEAKER: It may be legitimate but it is not relevant.

MR. ROBERTS: Mr. Speaker, I would suggest that anything that my colleague, the gentleman from Bell Island, and the Minister of Energy are together in has to be both legitimate and relevant.

Mr. Speaker, before we rose for lunchers I had made a few preliminary remarks on the question of the financing of the Upper Churchill which is a term that most of us use to describe the government's purchase of the share interest in the Churchill Falls - Labrador Corporation. The Upper Churchill itself is financed. When the project was completed it was completed well ahead of schedule. I understand it was completed within cost estimates which makes it significantly different from the Health Sciences Centre that my friend, the Minister of Health, is building that has royally escalated in cost since he became minister.

But the significant thing and the thing I want to get at is the way in which the government's investment, the people's investment, is to be recovered. What I am saying essentially is that I do not know, and the gentlemen on this side do not know and the gentlemen on the other side, for all I know, may not know, the people of Newfoundland and Labrador certainly do not know, anything about the financial arrangements, anything about our investment in this enterprise, in these shares.

The most recent annual report of BRINCO was for the year ended 1973 and it dealt with the purchase of the - it was dated

May 17, 1974 - it dealt with the purchase by the government of CFLCo shares and the water rights in the Lower Churchill River. But it, of course, did not answer the information and as far as I can find out BRINCO have never said publicly what they were going to make on the Upper Churchill Development and that is the real question. What are we going to make? What is the company going to make? What is going to be their rate of profit?

That is, I think, an infinitely predictable matter because, as we all know, the power from that project has been pre-sold for a period of forty years and the costs of the project are very largely fixed. I suppose there must be ninety-nine per cent fixed costs. The greater cost is simply the cost of servicing the money and repaying the debt. Well that is all in place now. The money has all been borrowed. I have no idea whether the interest rates are fixed for the term of the debt or not, but the money has been borrowed. It has all been invested. It has all been spent. The project has been built and the only variable costs now are the costs of the wages of the men who work in the plant and whatever supplies may be consumed. That is a very small part of the annual cost.

The government should be able to tell us now exactly how much CFLCo is going to get each year, what are its net earnings going to be. There are no taxes. It is a crown corporation. So, there will be no taxes payable. Therefore, how much are we going to get? The figure we get obviously is two-thirds of the net income of that company. It is not a new request I make, Sir.

When the bill to authorize the government to purchase those shares came before the House in our last session, in June or July, whenever the bill came in, we asked the then Minister of Finance - he has now been made Minister of Fisheries - we asked him for some answers and we got none. We got contemptuous arrogance or arrogant contempt but no information, no answers. Indeed, he did not even say what the interest rate is beyond saying it is one per cent over the London Interbank rate. If Your Honour is to reread the Hansard of that debate, you will find it amazing that a man could say so much and reveal so little.

So, I repeat again. All we ask at this stage - I do not care who says it. The Minister of Fisheries might have the information locked in his fertile mind. The Premier might have it written out for him. The Minister of Mines and Energy might know the answer. Anybody over there who has the information, I think the people of Newfoundland -

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: The junior member for Harbour Main, he dealt with Snow's too. I think the people of Newfoundland are entitled to know how much we are going to get, how much our income is going to be. We are entitled to know because it is our investment. The \$160 million which we gave to BRINCO as the purchase price of those shares, those water rights, did not come out of the pockets of the Minister of Finance or the minister of this or the minister of that. It came out of the pockets of all the people of Newfoundland and in fact is on our debt. Fair enough. I suspect we will get more than enough money to amortise it. I suspect it is a very good investment, but I would like

to know. So, I ask the minister or whoever is to speak for the ministry on this matter, if they would - the interest alone, I have no idea what the London Interbank rate is right now but I would imagine it is of the order of twelve or thirteen per cent. The interest rate of one per cent over that, if it is twelve per cent at prime and thirteen per cent, that is of the order of \$21 million a year on interest alone on that debt. If we are then going to service it, reduce the principle, say over ten years, that is an extra \$16 million a year on a straight line reducing balance. So, we would need at the start of the order of \$40 million dollars per year, probably declining to next to nothing at the end of ten years, if we are to retire that debt.

Maybe CFLCo will generate that sort of money. I have no idea, but all I am asking is to be told. At the same time the government might as well be honest with the people of Newfoundland for a change, and they have been noticeably dishonest when it comes to the financial questions involved in this transaction. They might as well point out that the income we get from CFLCo is not all a gain to the province. There is obviously some gain from our purchase of an additional fifty-six per cent of the shares. That will bring us dividends. We are entitled to those as the owners of those shares. Whatever we get for those fifty-six per cent in a sense is new money.

In doing their sums the government should tell us. They have neglected to point out, the Premier has, deliberately or not, neglected several times to point out that we would have gotten a certain amount of revenue, we, the government of Newfoundland, the people of Newfoundland, out of the Upper Churchill project no matter who owned the shares. We were entitled under the agreement passed by this House, be they good or bad is beside the point in this sense, we were entitled to it. The agreements require it. The fifty cents a horsepower, which is \$3 million or \$4 million a year depending on the horsepower of the Upper Churchill development produced in any given year, the capacity in any given year - we were entitled



to eight per cent of the gross profits of that operation as defined, which was essentially after depreciation, but before taxes and before interest payments again set forth in the bill at some length, the BRINCO Act, the principle agreement.

Then, of course, we were entitled to fifty per cent of the

taxes, of the taxes paid by CFLCo on their operations in the Province of Newfoundland and Labrador. Now all of that would have come to so many millions of dollars a year. I do not know how many, but I can find out and I shall. When the government tell us how much money they are going to get from their purchase of the shares, all I am saying, I want them to be honest enough to say that there are so many millions we would have got anyway. And if we are going to get, say \$40 million now, we were going to get \$20 millions anyway under the arrangements, that were in effect, then, our net gain is \$20 million a year, or whatever the figure may be.

I think the people of Newfoundland are entitled to that, Sir. We have waited patiently for a year in the hope that the government would do the honourable thing and let us in to their confidence to the extent of telling us what the income is to be. It may well have been that somebody did say so. All I can say is that if he said so, nobody that I know heard it. I have asked widely, in a wide variety of places. We asked here in the House six or eight months ago when the the bill was debated. We as yet have no information from this government at all as to what revenue we are going to get, what income we are going to get from the Upper Churchill. Under the old arrangements we would have got eight per cent of the gross profits, fifty cents a horsepower royalty and fifty per cent of the taxes paid. Since the taxes paid were fifty-one or fifty-two per cent, we would have got, in effect, twenty-five per cent of the net income of the company that way.

In fact, as Your Honour, I am sure he is aware, that Ottawa would have paid back to us, I think, it is ninety-six-point-two per cent of the corporate taxes paid by CFLCo but the Government of Newfoundland with authority of this House had agreed to rebate the difference between the fifty per cent and the ninety-six per cent - forty-six. And indeed the Minister of Justice, I think, was the Minister of Justice at the time the matter was drafted and brought before the House. I am not sure, I think the Minister of Finance was in the cabinet that did it and the Minister of Fisheries, so they

know all about it. But it was all quite public at the time. It was all done openly and above board. Indeed it was that decision by the Government of Canada and then by the Government of Newfoundland that made the Upper Churchill possible. If the Upper Churchill was a good thing then it is a matter for credit. If it is a bad thing, that is a matter for blame, but it made it possible.

AN HON. MEMBER: There would be no Lower Churchill if it was not for the Upper Churchill.

MR. ROBERTS: Right. Well that is a point I will come to. And it is a point well worth all of us repeating.

Mr. Speaker, the first thing is a simple request. We own sixty-six per cent of the Upper Churchill now, of the company. We own sixty-six per cent. That will produce a certain amount of revenue. How much are we going to get each year? How much is it going to cost us to service the debt? How much would we have gotten without buying those shares? We would have gotten a number of millions of dollars anyway. We would have gotten fifty cents a horsepower, eight per cent of the gross income and fifty per cent of the taxes paid. Add that together and it is a number of millions of dollars a year.

In other words, Mr. Speaker, let the government let the people of Newfoundland know whether they have made a good investment or not. They have taken \$160 million and used it to buy some shares. Is it a good investment or not in dollar terms?

Now, Mr. Speaker, that brings me to another point in discussion of the government's statements. The Premier repeated them again on opening day. The Premier must think we are too green to burn. He must think the people of Newfoundland are either stupid or foolish. Because he again on opening day - somebody once did sums for him and he has memorized them. He talked again about the great giveaway on the Upper Churchill. It is a theme of his. When Mr. George McLean attempts to repeat his successes of Hermitage and the other campaigns

that he has run for the Tory Party, I have no doubt that we will hear a great deal about it.

Well let us look at this question of the Upper Churchill and the great giveaway of which the Premier is so fond. He is so wise now. The Royal Commission which he was a part of in 1968, the Pushie Royal Commission, made no reference to the great giveaway. The Premier has obviously seen the light since then. Nobody made any reference to it at the time.

AN HON. MEMBER: He thinks it is a good point for conning people now and then.

MR. ROBERTS: Yes.

AN HON. MEMBER: That he is good at. A conner!

MR. ROBERTS: But why, Mr. Speaker, did nobody make any reference to it at the time? Why has nobody except the Tory Government of this province tried to make anything of it now? I will tell you why. Because at the time the deal was made, which is ten years ago now or nine, it was a good deal. It may or may not be a good deal by today's economics. It obviously is not a good deal by today's economics. But how wise it is to be wise after the fact, Mr. Speaker?

Your Honour may or may not be a wealthy man, I have no knowledge. But if Your Honour knew then what Your Honour could know now by finding out about the stock market quotations today, Your Honour could be a wealthy man.

Let us suppose that Consolidated Widgets is selling today on the Montreal stock exchange for five dollars a share, and maybe five or six years ago it was selling at fifty cents a share. If Your Honour had taken Your Honour's fifty cent pieces and invested them in Consolidated Widgets, Your Honour today could have increased Your Honour's net worth by ten times on Consolidated Widgets. How easy it is to make fortunes after the fact, how very easy it is indeed. Now, hindsight, hindsight—how wise they are in hindsight.

Mr. Speaker, ten years ago, the government of this Province, after about ten years of effort, succeeded in getting the Upper Churchill development underway. At the time and according to all the best advice, and publicly or privately - and I say to the Premier, the royal commission of which he was a party signed a report. He was not one of the men who said he had signed it without having read it. So we presume he read it and participated in that Royal Commission on Economic Prospects. They made no reference to this. Why? Because it was a good deal and it is just dishonest of the Premier now. He is twisting and distorting for partisan purposes.

MR. SPEAKER: Order, please! Order, please! The Chair certainly takes a dim view of the word "dishonest" referring to an honourable member on either side of the House, not to the government as a whole, and would hope that the honourable Leader of the Opposition would withdraw that.

MR. ROBERTS: Well, I will withdraw it, Sir. I take a dim view of it too, but it seems like an accurate word. Shall we say it was less than candid. Is that an acceptable term? I mean I have a concept in mind and I am not trying to play with words. I shall not use words that are not parliamentary. At least, I shall not knowingly use them, but the fact remains that it is a dishonest statement. Is that better? I do not wish to impute personal dishonesty, Your Honour. It is a dishonest statement to say, as the House was told and the people of Newfoundland were told on opening, that it was a great giveaway and it has been repeated time and time again.

Let me bring to my defence a man who is perhaps the pre-eminent observer of public affairs in Newfoundland and Labrador, a man who has been at it longer than anybody else, a man whose views are respected, a man who has been very -

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: No, it is not the gentleman from Burgeo and LaPoile, I can assure you on either account.

AN HONOURABLE MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. ROBERTS: Mr. Speaker, it is a man who has commented knowingly and knowledgeably and intelligently and very literately on public affairs in this Province for about the last fifty years or more, a man who also listens to the present Minister of Fisheries, and a man who is not uninfluenced by the present Minister of Fisheries and I am referring to the gentleman who writes "Wayfarer" in "The Daily News", Mr. Albert Perlin, a fine citizen and a very great journalist.

On the 26th day of February, Mr. Perlin's column - well, it is not by-lined, but everybody in Newfoundland knows who "Wayfarer" is. The column has appeared for at least forty years in that newspaper. I guess maybe that is one of the reasons the advertising has been lifted from "The Daily News". The headline on it is "Power from Labrador" and it talks about the general power situation. Most of it is not relevant to the point I wish to make, but I am not quoting out of context, Sir, but I will read a paragraph, "Unlike other forms of energy production, it, i.e. hydro power, requires no feed stock." It is the 26th of February if the minister has not seen it already. "In the case of the Upper Churchill, for example, between 200 and 300 men are all that will be required to ensure that nearly 40 billion kilowatt hours will flow for the rest of time into the Quebec grid. And it will flow in that direction because we had no choice. Quebec Hydro was the only customer, since we could not, at the time, bring the energy to Newfoundland. Quebec drove a hard

bargain with BRINCO. To make the project feasible it was necessary to have the power sold in advance on a take or a pay basis. It was necessary to settle on a price that was well below what hydro-energy is worth today. That was about two and one-half mils, or one-quarter of a cent per kilowatt hour. Today that power would be cheap at ten mils, or one cent a kilowatt hour."

It goes on, another part, "That deal was made nearly nine years ago. It was a case at the time of accepting Quebec's terms and conditions or allowing the Churchill to flow unharnessed to the sea for a very long time. If we did not get enough out of it, the ability to develop power in a remote and harsh environment was demonstrated, and that paved the way for the future generation of all the energy of the rivers running into the Atlantic for our own use in the province."

Mr. Speaker, Wayfarer is hardly an apologist for the Liberal Party. He is not an apologist for any party, but if or was, it is not the Liberal Party. I think the point he makes is one that is well-worth considering. Honourable gentlemen opposite may say what they want for partisan purposes, but the people of Newfoundland, though, will believe the truth. The truth is that it is less than candid, less than frank, less than full, to talk about a great giveaway. I could talk about a great giveaway, the fact that years ago fish was sold at twenty cents a pound, or that the fishermen were paid two and three cents a pound. But that, Sir, would be equally dishonest of me, because what counts is what we know at the time an arrangement, a deal, is made. It may be that two or three years from now, Your Honour, to rent space from Mr. Craig Dobbin at \$900,000 a year, for 100,000 feet, would be a good deal. It is not today.

The point remains, Mr. Speaker, that the arrangement that was made in the mid 1960's, with Quebec Hydro, was the only arrangement that could have been made if the Upper Churchill was to be developed. Now it can be said, let it not have been developed. That is a point of view that can be maintained. It can be maintained with some intellectual honesty, although I, for one, do not accept it. I do not think the people of Newfoundland and Labrador would have accepted it either. The fact remains that if the Upper Churchill was to have been developed at all,

it had to be on the basis that that power was sold west. There was no other market for it. The Quebec Hydro, the Upper Churchill, is producing 5,800 megawatts of power, three-and-one-half times, nearly four times the 1,600 megawatts of power that will be produced by the Lower Churchill. It says 5,800 in the Power Commission, and I will take the Power Commission's Report over the Premier. The Power Commission knows infinitely more than the Premier does about this, and a number of other items - 5,800 megawatts.

Now, Mr. Speaker, it is a great quantity of power. The fact remains that if it was to have been developed at all, it had to be developed, and sold to the west. Now maybe it should not have been. Would the Junior Member for Harbour Main check it out please? Maybe I am wrong. I am not wrong in what I say, that if it was developed at all, it had to be developed, and the power sold west.

MR. MORGAN : (Inaudible).

MR. ROBERTS: The crackle from Bonavista South -

MR. SPEAKER: Order, please!

Again I ask honourable members to observe the rule of letting a member be heard in silence. If an honourable member, who is speaking, is provoked, it still does not give him the procedural right to reply to that.

MR. ROBERTS: I thank you, Your Honour.

As I was saying, Sir, the Upper Churchill, if it was to be developed at all, had to be developed, and the power sold west. Either that, or it was not developed. We still have not found a use for the Lower Churchill power. I will come back to that, and I will come back to some of the problems which are presented as a result of that. The fact remains that if the Upper Churchill was to have been developed at all, it had to be developed on the basis it was with the power going to Quebec. There was no way that the Province of Newfoundland and Labrador could have made use of that power. There is no way we can make use of it today, there is no way,



it cannot be done, 7 million horsepower, 5,800 megawatts - I am sorry - 5,225 megawatts, not 4,800, but 5,225.

MR. BARRY: Have you looked at what our needs will be?

MR. ROBERTS: Yes, Mr. Speaker, I have looked at what our needs will come back to and I say again, there is no way we could have used 5,225 megawatts of power in this province. Does the minister say that we could have?

MR. BARRY: No.

MR. ROBERTS: Okay, we are on common ground.

Now, Mr. Speaker, we agreed that if the deal was to have been made - now it could have been that the deal should not have been made. I will look to the gentleman from Labrador West, and other people from Labrador, and elsewhere on this island, to say that the Upper Churchill should not have been developed.

It could have been. We could have let it go on to the sea. It ran to the sea from the time that God made it, until the mid-sixties when man harnessed it. We could have said, "We will not develop it." It would still be going to the sea. We have no use, even now, for that power nor will we between 1890, 1990 or 2080. I wish we did but 5,225 megawatts of power - so both the Premier and I were a little out on our figures - 7 million horsepower, 5,225 megawatts of power, three and one-half times the size of the 1,600 megawatts that will come from the Lower Churchill. I am quoting from the Brinco Annual Report on the size of it, if the minister is wondering.

Mr. Speaker, we could not have used it. We still could not use it so we had a choice in Newfoundland. Did we develop that resource and get what we could out of it? Or did we let it go undeveloped? We could have made that choice. We could have made that choice.

Now let us talk about the great giveaway: the gentleman from Bonavista South, Sir, with his closed mind and his inability -

MR. SPEAKER: Order, please!

MR. ROBERTS: His closed mind and his inability to understand these things-

MR. SPEAKER: Order, please! For the second time in a very few minutes I have had to remind honourable members that when a member is speaking he should be heard in silence, and for the second time the exchange has taken place between the Member for Bonavista South and the Leader of the Opposition. I would ask them both to adhere to whatever rules they should adhere to.

MR. ROBERTS: Thank you, Your Honour. I shall try to adhere to whatever rules I should adhere to, but I have made no reference to the gentleman from Bonavista South other than what I understood was a perfectly parliamentary one. I called him the gentleman from Bonavista South and I do so because the rules say that I must refer to him as the gentleman from Bonavista South.

A great giveaway, Sir. "A great giveaway" it has been said.

Mr. Speaker, in the mid-sixties, and I challenge the gentleman from Bonavista South or the Minister of Justice, who was in the Cabinet that made the deal, or the Minister of Fisheries who was in the Cabinet that made the deal, or the Minister of Finance who was in the Cabinet that made the deal and indeed, the gentleman from Green Bay, who at that stage was supporting the party that made the deal - maybe he can say that he came to his senses - I challenge anybody, Mr. Speaker, to say that a better deal could have been made in the mid-sixties than was made today. Than was made. I challenge anybody to say it. Today, power is cheap at ten mils. Of course it is. Of course it is.

If the power was to have been developed, remember, if the power was to have been developed, a customer had to be found, a take or pay contract. There was only one possible customer, Quebec Hydro. There was no other possible customer. There was nobody else. Even if there was somebody who wanted that quantity of power, and there are very few industries or utilities in the world that can absorb that much power, Quebec happens to be contiguous to this province. You had to get it over the territory of Quebec. You could not put it in tin cans and fly it over, Mr. Speaker. The only way to move power, the only way to move power is by lines, be they in a tunnel or be they on land. So it had to go across the territory of Quebec. It had to go across that territory, and Quebec, if it was to go across their territory, it obviously went on their terms. If they wanted to buy it, and they did, they had to buy it.

We had a choice, Mr. Speaker. We, the people of Newfoundland and Labrador, had a choice; either that power was not developed at all, which is a tenable position, I mean, I can see a man saying, I think he would be wrong but you could say that it was intellectual honesty; or it was developed on the best terms you could get. And even such an impartial and knowledgeable observer as Mr. Albert Perlin, said that these are the best terms that could be gotten.

Mr. Perlin has no partisan axe to grind. I read in the House, Your Honour, what he said in his column just two or three weeks

ago on this particular point.

Today, of course, two-and-a-half mil power is cheap. Sure! I am told that oil today costs twelve dollars a barrel and three years ago they could not give it away at three dollars a barrel. Sure! How things have changed in the energy world. Maybe somebody can tell us what it is going to be four or five years from now. Nobody said so at the time, and all I say is that I reject the intellectual dishonesty of an approach that says that it was a great mistake giveaway. That is an intellectually dishonest approach, Mr. Speaker, it is not true. One can say that the deal should not have been made, and I find also most amusing and amazing that nobody raised his voice at the time; not the people who are so vocal now, not the Minister of Fisheries - I did not hear his voice raised; you will find, Your Honour, that he voted in this House - nor the Minister of Finance, nor the Minister of Justice. Indeed, if I am not mistaken, the Minister of Education was then, doing his first career as Leader of the Opposition. I did not hear his voice raised against the concept of the deal.

The Premier served on a Royal Commission along with some of the leading citizens of this province. I did not hear his voice raised. How wise they are now, and how hypocritical they are.

How hypocritical they are, Sir, to say now, now they can say that today we are going to make a deal that will be a better deal. Well we will see. We will see ten years from now if the deal that our Premier made or will make, we will see ten years from now how good a deal it was and then will we not be so wise. Sure.

Mr. Speaker, it is intellectually dishonest and I hope that the Premier will deal with what I say. Let him make his defence if he can. He is the man who says it is the great give away. How wise he is now. How wise he is, and how wise he was not then. How easy it is now to say, and to have gentlemen newly come to public affairs in this province, and gentlemen who will shortly leave public affairs in this province, suddenly become so all knowing, parroting party lines. Let them use their brains instead of their mouths, Mr. Speaker.

Now, Sir, I do not expect for a minute to change the government's mind on that point. You could only lead a horse to water, Sir, You cannot make him drink. But I think it should be on the record, the Upper Churchill deal was the best deal that Newfoundland could have got at that time. Of course it was. The deal by which Northeastern Fish was sold to Unilever was the best deal that could be got at that time. It may be a better deal today. It may be not. Who knows? Who is to say what it will be like ten years from now. The best advice that Joseph Smallwood and the Liberal Government could get at that time was that this was a good deal. Not a voice was heard to the contrary, not a voice, including in particular the gentlemen who are now so wise and so lately come to the judgement seat in repentance.

Mr. Speaker, let them stand by their works. To date this administration have not succeeded in getting anything going. They have not produced enough hydro power even to light up a bull's-eye shop on any terms. All they have done is spread \$160 million of our money, \$20 million or \$30 million a year on interest that we still do not know if it is going to be paid for or not. We assume it is. We do not know it.

Mr. Speaker, now we are faced with the Lower Churchill. We know there is a need for power on this island. The Minister of Energy reveals that fact as if it was somehow a great revelation, as if there was going to be a sixty-seventh book in the Bible. Right after Revelations there was going to be one called, "The Minister of Energy's Revelation." There is going to be a power shortage.

The ministry, having lately discovered there was to be a power shortage, the same ministry that scorned -

MR. BARRY: Nonsense.

MR. ROBERTS: What the minister say is nonsense, I agree. Mr. Speaker, as I was saying, the ministry having lately discovered there was to be a power shortage, have now put us into a \$70 million programme, or a \$75 million programme. The way this honourable group of men run it probably a \$100 million programme by the time the bills are in, to produce power. That is fine. They still have not told us how we are going to develop the Lower Churchill.

Now let us look again at some of the incapable facts as separated from the partisan half truths with which these gentlemen like to clothe themselves. It is going to cost more than \$1.6 billion to develop the Lower Churchill. A year ago the Premier announced that it would be approximately \$1.0 billion to \$1.1 billion. This was during his rather long winded statement on March 21, 1974. He told us that it would be between \$1.0 billion and \$1.1 billion. At the time we said he was wrong, and, oh no, he knew everything. But the government now admit that it is up to \$1.6 billion. It is still going. My guess is that it may easily be \$2 billion, \$2,000 million before they get it done.

But let us take the \$1.6 billion figure. We know we are going to get \$343 million, let us call it \$350 (million) in round terms for the purpose of the debate, from Ottawa. It will be a loan but we do not have to go into the market and raise it. That means that one of the first things we have to do is to find

one-and-one-quarter-billion dollars, \$1,250 million in capital which we are going to spend and raise and spend over a four or five year period.

That is pretty good for a province that only spends about \$750 (billion) or \$800 billion a year. It is an incredible sum of money to raise. It is not an overwhelming sum. There are large sums of money in the world, of course. The Government of the United States is going to have a \$50 billion deficit this year. Ours is only going to be \$300 (million) or \$400 million. But it is a lot of money for a small province to raise.

Let us look at what it will do to our debt. The public debt of the province, as of the end of March a year ago, was about \$1,260 million. In other words it was roughly the same as the amount they now have. So they are going to double our debt with the amount they have to raise, not counting Ottawa's \$350 million. That came out to \$2,316 per capita. That is what every Newfoundlander, from a one day old baby to the oldest person in this province on a per capita basis owed, \$2,316. It has gone up significantly since the Tories came into office but that is another story.

If one were to look at the Upper Churchill debt, now we do have an asset to service it, but if you were to take the \$160 million share purchase and look at the long term debt of CFLCo, how true it will be serviced but the debt is there. It is an indirect obligation in any event. It is a Crown Corporation which we own, we own two-thirds of it, Sir, and that is control. It is another \$847 million. Add that to the government debt and you have got as of mid-1974 a total debt of \$2,107 million, a little under \$4,000 per Newfoundlander. Add in the \$1.6 billion still to come and you have got \$6,800 per capita as the debt.

Now I am not saying we cannot raise it and I am not saying we cannot service it. To me all those figures show, they show that clearly, is that we are talking staggeringly large sums of money in the Newfoundland context. We are going to mortgage a large portion of our future on the Lower Churchill.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: My friend has come right to the point. That is the question, and that is the question this government have not dealt with and have not met. They have told the people of Newfoundland nothing. How are we going to pay off that debt? How? How are we going to pay it? It is easy to say we need power in the province and some figures can be put out and a lovely little Teshmont book has them out. They may or may not stand up under analysis and under long term. They are assumptions. The rate of consumption of power, the Power Commission tell us, is dropping. But even if we use all that power, how are we going to pay for it? We will pay for it, Your Honour says, out of user fees as each kilowatt hour that one uses in one's home gets paid for. But nobody is going to lend us one-and-one-quarter billion dollars on the strength of that debt. Nobody, not on the strength of anything less than take or pay contracts and that is where we came into the conundrum on the Upper Churchill.

I think the Premier or some spokesman for the ministry should tell the people of Newfoundland how they propose to raise this money. It is not enough to say that the Sheik of Araby, that will be our new theme song. No longer will we have The Ode to Newfoundland as our theme song. It will be the Sheik of Araby.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Maybe it will be. Where are we going to find that money? Who is going to lend it to us and on what security? The bill allows the Minister of Finance to sign his name. It will be the most expensive signature since Napoleon sold the Louisiana purchase to Thomas Jefferson, 170 years ago.

Mr. Speaker, we are not going to be able to raise that money without take or pay contracts. The junior member for Harbour Main shakes his head. I can say that the sums of money involved are larger even than he normally deals in in his day to day financing.

MR. DOODY: I am moving my hand.



MR. ROBERTS: I am glad the minister is moving his hand and not his feet.

MR. DOODY: Why?

MR. ROBERTS: Because I would not want him on my side. I would rather have him where I could see him than have him at my back.

Now, Mr. Speaker, the situation, and all I ask is information.

All the people of Newfoundland want to know from this government is how do they propose to do it. Or are we witnessing one of the great con games of all time by a government desperate to get re-elected and getting increasingly desperate. I want

the Premier to tell this Province and this House, and if he does not want to oblige me, I will step out of the House and he can tell everybody else in Newfoundland and I will hear it sooner or later. I want the government to say how they are going to raise that money, what security - everything I know and everything I am told is that you have got to have take or pay contracts. Are the government of the Province going to give take or pay contracts? Are the Power Corporation going to? Whichever owns it. Financial markets will scorn that. Are they going to say, "All right, if the government of the Province guarantees it, we will give you \$1.25 billion?" If so, it is completely contrary to any financial advice I have ever heard or I have ever seen or ever heard of. That is the nub of the problem, Sir. They have got to have customers. Where are they going to get the customers? What bothers me is that in their anxiety to try to get anything done to justify being re-elected, and that, Your Honour, is the point of all of this - the point is that you have a group of men, Sir, who are running out their time, not quickly enough for me. They are running out their time and they have scabbled to try to get something done so they can justify at least asking to be re-elected. They are in the position of the well known situation, the man who killed his mother and his father and then asked the court for mercy on the grounds he was an orphan. They have got to have something going for them. Are they going to make some giveaway deal with some aluminum company or anybody else? Where are we going to get the customers for power?

MR. BARRY: Inaudible.

MR. ROBERTS: Now, the Minister of Energy says there are 540,000 homes. Well, I was just going to say that shows a lot about -

MR. BARRY: - (First part inaudible) say 540,000 homes.

MR. ROBERTS: Said 540,000 -

MR. BARRY: Customers.

MR. ROBERTS: Customers. No, there are about 110,000 customers. For example, in my home there are four consumers but only one customer. There are six in my friend's, the Member from Bell Island, only one customer. I

do not know how many the honourable gentleman is keeping in his home, but I suggest there is only one customer. They may be potential customers, but then there is a replacement factor because the honourable gentleman and the honourable gentleman's wife at some point will go to their eternal reward, which I hope is a very good one, at least in his case it is better than he deserves, and then others will come along to replace them.

The fact remains, Mr. Speaker, the fact remains that the nub of this question of the Lower Churchill is not what the government have talked about. It is not what the government have talked about time and time again, namely, bringing the power across. That can be done. The government of Canada have confirmed what the Government of Newfoundland were told by their consultants. There is no doubt about the technical feasibility of it. There is no doubt, I would venture to say, that it is the most desirable way to proceed, that it is still better than nuclear power, although I am told the gap is closing rapidly but it still makes sense to develop that Lower Churchill.

I want to know how they are going to finance it. If it is to be our 540,000 Newfoundlanders who pay for it, if the financing that the New York and the London financiers and those gentlemen that the Premier is going to have the Arabian nights with in Araby, in all those wonderful places, the shahs and the sheiks and the Emirs and the Abdullahs and everything, if they are going to lend the money, what security will they expect? They will want something, I venture to say, a little bit more than, "All right boys, we will pay it back if we have a good voyage at the fishery in the fall." I suggest that they will want take or pay contracts for at least part of the whole. That is how the Upper Churchill was put together. There was no other way it could have been done, no other way. That was only \$500 millions on the bond issue. The whole cost of the Upper Churchill was less, significantly less, than this one, the Lower Churchill, and produced three times the power. Again, it is an indication of the dishonesty of the Premier saying it was a great give away.

The Upper Churchill power, three times the power at less than the cost here, no wonder the economics are different. Of course they are different. Everything has gone up and so has the worth of power. So I say to the minister or to the Premier or to any other honourable gentleman who has the information, tell us. Tell us how it is going to be financed. If it is to be the 540,000 Newfoundlanders, is it to go directly on our provincial debt? If so, it is \$1.6 billion minimum. They admit that now. It will be more than that by the time they get finished, particularly if we hear that Mr. Greene is their lawyer or some such thing.

AN HONOURABLE MEMBER: Which one?

MR. ROBERTS: Either one. The whole -

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: No, I exempt Cyril Greene. When I say too green to burn I do not have Mr. Cyril Greene in mind. I have some other green gentlemen in mind who see greener pastures, greener fields, the green, green grass of home is one that somebody once said.

Now, Mr. Speaker, the cost is going up steadily. Where are we going to get the money? Where are they going to raise the money? It is a relevant question. It is a real question. They have not answered it. They have not told us how it is to be paid back. It is immaterial to say it will be paid out of our energy needs that come, But if Your Honour looks at the graph there will be a short fall. The power will all be available at any given point. Over a very short period of time the power will come on full stream, maybe six months or a year. It will come on one generating machine at a time just as it did in Upper Churchill. So that is the way the power comes on, like that, but our needs go up like that on a graph, on a sloping line. That is the bind that the Smallwood administration got themselves in with the Bay D'Espoir development. In the case - the minister I see is nodding agreement, he would agree. That is why the estimates this year will have in them an item of \$8 million

or \$10 million, in effect to pay the commission so they can pay off their bond holders for power that is as yet not being economically consumed. The minister shakes his head. Maybe we are using all the Bay D'Espoir but for the last three or four - we used to sit at Treasury Board gnashing our teeth at a little item, \$6 million or \$7 million .

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Right. Well, then end the Erco contract and I would vote for that too. That was done, by the way, on the advice of the power commission, if the minister is wondering how it was done. Thank heavens I was not in the Cabinet that did it. Ask the Minister of Justice or the Minister of Fisheries. They were in the Cabinet that did it. I was not.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Yes, the Minister of Finance was in it. But the fact remains there is going to be a great gap for a number of years, even if in 1991 or 1981, not 1981; 1991 or 1989 we are using all the power and even if we are using it at economical rates sufficient to pay off the annual costs, who is going to absorb the costs for eight or nine years, who is going to guarantee it? That is where the take or pay contracts are so crucial.

So, I ask the minister or some spokesman for the ministry, and a number of them are frantically scribbling, whether they are scribbling this or something else, I do not know, to deal with that point when they speak in the debate. I think it is a very important question. It is one that has not been answered.

Now, Mr. Speaker, the question was Gull Island. It is not one of the desirability of development of it. We all agree on that, not going to get argument on that. The question is what are the best terms to develop it on, and that involves where do we get the money, not what bank is going to lend it to us, could not care less what bank. A dollar bill has no nationality. What I care are the terms on which we get it and the question of the take or pay contracts. The government have been noticeably vague on it. We know where they have got \$343 millions, thanks to the Liberal Government at Ottawa. At least, that is \$328 million more than the Tory Government

at Ottawa ever gave to us. That only leaves us the question of finding the other \$1,250 million which, after all, is a large portion of our present provincial debt. Indeed, it was equivalent to the direct debt of the government as of the end of the last fiscal year. So, it is a large sum of money. It is a great amount of power. Let us not just say we are going to use it all easily. That power is sixty per cent more than we are using on the whole Island now for everything, including Erco, including the paper mills and including everything else. Where are we going to use that much power? Is our power need in the next ten years going to increase by one and a half times over what we now have? It is hard to believe, Sir. If you take Erco out, 160 megawatts of power at Erco, round terms, that is fifteen per cent of what we are using in this Island now. There is not going to be another Erco, I hope. It hardly would represent a wise decision in industrial policy.

If you take out the paper mills, the three paper mills, there is not going to be any more, there may be one more - there may be at Come By Chance or there may not be. The Premier, I am told, has taped the announcement of a fourth bill but it has been held up by technical problems, namely, their inability to finance it.

Buchans mine is on a short lease of life. We hope it will not close. There has been only one new mine opened under the Tory years, a small mine at Daniel's Harbour now coming into production. On a concession given, I hasten to say, by the Liberal Government in their unwisdom a number of years ago, we have had a number closed. The Green Bay mine closed - the minister's stunning policy of development of mines. Half of the Rambler mine (the Ming Zone, is it called?) has closed. Where are we going to use that power? We are now using, let us say, 1000 megawatts of power each year, that capacity as opposed to that production. Where are we going to use 1,600 megawatts? I hope some of it will go in Labrador with my colleague from Labrador North,

But my colleague for Labrador North is not here  
sooner or later they will have to let the airlines fly again and he  
will have a few words to say on that. I hope other honourable gentlemen  
will.

Where are we going to use it? The minister has not answered  
that. No minister has. How are we going to raise the money to pay  
for it? No minister has answered that. I say, Sir, that if we do  
not get answers in this debate, the inevitable and inescapable  
conclusion is going to be that the people of Newfoundland and Labrador  
are being conned, are being given one of the great snow jobs of all  
time, far greater than the snow job we got when three feet of snow  
fell in one week. If this administration do not give us answers in  
this debate -

AN HON. MEMBER: ... Teshmont Report.

MR. ROBERTS: I have the Teshmont Report. There is nothing in  
the Teshmont Report, Mr. Speaker, about financing. There is nothing  
at all. There is a great deal of chatter about load growth, which still  
does not show we are going to use all the load. Nowhere in that  
technical document, nor would you expect to find it there, is there  
any chatter at all, or anything at all, about financing, about how  
we are going to pay for the money.

All the Teshmont Report says is that "Power consumption is  
going up". If it goes up at that rate, you know, we will need a  
certain block of power by any given date.

But the Power Commission in their annual report tells us that  
the rate of increase in power consumption decreased during the year  
under report which was the calendar year 1973. (I am trying to find  
out the exact page).

AN HON. MEMBER: Inaudible.

MR. ROBERTS: I do not know if it was ERCO or not. I have often  
thought one of the great moves that could be made by a government is  
to end the ERCO contract and pay our damages like gentlemen. It might  
be cheaper in the long run than what is going on now, and that is  
not counting the environmental damage that is being done.

HON. MEMBERS: Inaudible.

MR. ROBERTS: Well on top of the 44,000 that the Tories have put out of work - 44,000 -

AN HON. MEMBER: Put out of work?

MR. ROBERTS: Yes, put out of work. Not one of them -

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Yes, yes, the Minister of Municipal Affairs is up night after night planning that. Mr. Speaker, if the minister has no more intelligent contribution to make, let him make none.

Now, Mr. Speaker,

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. ROBERTS: Mr. Speaker, I was waiting for the moment when -

AN HON. MEMBER: Order, please!

MR. ROBERTS: the people in the gallery laughed at something which one of us had said. I am all for hard debate. I am all for cracking back and forth, Mr. Speaker.

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. ROBERTS: But I wonder if Your Honour could ask people in the gallery, and I think there are some people behind me, you know, they have no right to participate. They laugh. Maybe they think it is funny, and maybe it is funny, but they laugh equally at what we say and what the other side says, they are impartial and nonpartisan. But really as I understand it, Your Honour, people in the galleries can look and marvel and be worrisome or sick at anything that we do here, and they have the right when the time comes to remove us or keep us here but they have no right, Sir, to -

AN HON. MEMBER: Inaudible.

MR. ROBERTS: No, I spy a weird fellow, the gentleman for Gander,

MR. SPEAKER: Order, please!

MR. ROBERTS: but I do not spy any strangers. No, Sir.

AN HON. MEMBER: Inaudible.



MR. SPEAKER: Order, please!

Several times this afternoon I have had to remind honourable members of the rule of hearing the members and that the member will be heard in silence. The comments made by the Hon. Leader of the Opposition with regards to the galleries is quite correct. People are certainly free to listen but to make no known response that can be heard by any honourable members in the Chamber. I would certainly ask them to adhere to that.

MR. ROBERTS: Thank you, Mr. Speaker.

There are only one or two other points that I wish to make. I think it is worth noting that as yet the government, this government that talked so much about openness, have given us no report on the financial affairs at all of the companies we bought last year. I do know that the government, I am sorry, the CFLCo jet was in Goose Bay one evening in June on a partisan mission. I would like to know whether the Tory Party paid for that or not? We have come to a new cropper now when the aircraft which we are paying for, \$1,000 an hour - the Minister of Fisheries as he then was went down there and spoke to a large meeting, Sir. They had fifteen people and that included his own executive assistant and four other people whom he brought with him. But they have given us no accounting at all of that corporation. We do not know whether it is doing well or badly.

The Premier glibly talks about negotiations with Quebec on a new price. I would like for him to be a little more specific. I am not asking him to give away our negotiating strategy, if Mr. McLean has worked one out yet. But I think the people of Newfoundland are entitled to know. If it is possible to increase that price, let us do it. I do not know whether it is or not. I do not have the trust deed and the contract in front of me, and I have not had it analyzed by legal and financial people. But if it is possible to do so then let us do it. But if it is not, if that is a fixed price contract, as the Premier has told us on occasion, then how could he pretend he is going to renegotiate it. You know that, Sir, if it is not dishonest, it is pretty close to it. Either we can or cannot do something. I think it is up to the Premier or some minister to tell

us so.

I find it odd that the bill before the House takes the corporation out of the public accountability. I am not saying they should be into the Public Utilities Board, but they should surely be accountable to somebody for what they do. They are accountable to nobody except the cabinet. I have been down that a number of times. I think, Mr. Speaker, that the Minister of Energy is being a little too facile and glib when he dismisses the question of a transportation tunnel. We are going to put a tunnel across the Straits to move the power. It will have to be a tunnel large enough for vehicles, in any event, so I am told, just to get at the surfacing, to enable them to surface the power lines. It will not be a crawl space. I think it will be quite a large tunnel, I understand. I would agree it will cost more to build a vehicle tunnel, and it would obviously not be fair to build that additional cost against the cost of the Lower Churchill project. But, I think, that is not the way we should look at it.

I believe this is an opportunity to link physically the two parts of this province. I think we should look at it to find out what it will cost to make the tunnel that much larger so that it can accommodate vehicles. Then when we have done that we will know how much extra it costs, then it can be decided as a matter of transportation policy whether or not the project is worth the cost of it.

Once the tunnel is built, Sir, it is a far more expensive matter to build a second tunnel. I do not pretend to have access to all the information on it. I am not sure whether any studies have been done or not. But I do think we should dismiss it lightly. I think we should look at it with a view to seeing if it is possible to do it. Not look at a view to trying to dismiss it, but look at it with a view to trying to do it, not as a charge against the Lower Churchill project. That would be unfair. It would be a charge against the normal transportation budget. Obviously, we would need Ottawa's help. That is what Ottawa is there for.

So let us see. Let us not pass up the opportunity. Construction will start, I assume, this summer on that transportation tunnel. The financing for that end of it has been at least half arranged, thanks to Ottawa. So let us now see what can be done. Now is the time to act. I do not know what it will cost. It obviously will cost a lot of money. But at some point there is going to be a tunnel linking this island to the Labrador part of the province. It is going to cost a lot of money whenever it is done. It is going to cost more in five years from now than it will today, when we are sitting around with our wisdom of hindsight. Let us not have to bring the wisdom of hindsight to bear on this one. It will be much cheaper to have one tunnel, and I am sure one could be designed that would be large enough to have vehicles, presumably on some sort of electric railways, so you would not have quite the exhaust problems, to have that on one part of the tunnel and on the other part the cables.

The tunnel is going to be large anyway. There are going to be seven or eight or nine or ten cables coming across. They are going to have to be able to get vehicles in and out to get at those cables, heavy vehicles to service them, replace them, repair them. How much more would be needed merely to have it big enough so that an electric rail line could be put in and cars and trucks could be put on, a shuttle service back and forth. I do not know but I think it should be looked at. I think it should be looked at in the hope and with the view that it can be done.

I would like for the minister also to lay to rest - I think that is what he will do and it is certainly what I hope he will do - the rumours that are going around about the fact that the Lower Churchill may not be built for some time. I am sure the minister is familiar with them. The Upper Churchill is producing more power than it was originally suppose to do. I am told it is as much as ten per cent more. It may be producing say 500 megawatts of power over and above its rated capacity.

That power is not sold to Quebec or anybody else. If that power goes to Quebec, it can obviously go, whatever it is today, at an economic rate, ten mils, twelve mils, I do not know. That power is available as is the 300,000 megawatts, or horsepower - Leo, is it megawatts or horsepower, the recall power? The recall power, is it horsepower or megawatts?

MR. BARRY: It is 300 megawatts.

MR. ROBERTS: It is 400,000 horsepower and 300,000 megawatts, which is available -

AN HON. MEMBER: It is 300 megawatts.

MR. ROBERTS: Yes, 300 megawatts, I am sorry, of course. It is 300,000 watts. I thank honourable gentlemen opposite. If I got into gigawatts, it would be even more confusing. It is a whole world to itself.

Mr. Speaker, we have 300 megawatts of power which is available to us on recall rights. If we can use it, we can. The story I get from, shall I say, usually reliable sources, is that there is about an extra 500 megawatts of power being produced at the Upper Churchill now over and above the 5,225 megawatt rated power.

MR. MORGAN: (Inaudible).

MR. ROBERTS: I do not know when the gentleman from Bonavista South suddenly became an expert on legal agreements, and on hydro power. It is ours. According to the agreement, as I understand it, Mr. Speaker, we are committed to sell not all the production of the Upper Churchill, but a given number of kilowatt hours. A kilowatt hour for the honourable gentleman's benefit, he obviously does not understand it, is a measure of quantity, whereas a megawatt, is a measure of capacity. Is the honourable gentleman with us? I rather doubt it.

The fact remains that if they are producing - how can I put it in a way the honourable gentleman can understand it, Mr. Speaker? It is like him saying that he will have a lumber industry, get a free loan under the RDA, and he will sell 10,000 board feet of lumber, and he produces 15,000 board feet of lumber -

AN HON. MEMBER: Motels.

MR. ROBERTS: Well, no, he is out of the motel business for the time being. They shot him down in Glovertown on that one.

But the 10,000 - if he had contracted to produce 10,000, and sell 10,000, and discovers he is producing 15,000, he has 5,000 left which he can sell where he wishes. Surely, even the honourable gentleman from Bonavista South understands that.

MR. MORGAN: (Inaudible).

MR. ROBERTS: I do not have the agreements in front of me, and the honourable gentleman, unbeknownst to me, Your Honour, has come to the bar. The honourable gentleman from Bonavista South has made quite a study of this quite complicated matter, and he knows more now than BRINCO knows, and a number of lawyers in St. John's know. I mean, I marvel at him. I am just grateful that Albert Einstein, who up until now had the largest I.Q. ever measured, is dead because it would be a terrible humiliation to him to have to stand aside for the gentleman from Bonavista South.

The point I am making is that I am told - I could be wrong, I have been wrong many times, Your Honour, even the gentleman from Bonavista South was wrong once, when he joined the Tory Party - I am told that more power is being produced at the Upper Churchill than it is rated to, than has been sold. Well, all right. That either is or is not so, and the minister, when he speaks, can tell me. If I am wrong, I am wrong. I do not pretend to have all the knowledge in the world. Only the gentleman from Bonavista South has that, aided by the gentleman from Burgeo. Between them, they have captured the quantum of knowledge in this world, Sir.

MR. DOODY: One thing for sure is that there is 400 horsepower.

MR. ROBERTS: And there is 300 megawatts that is available to come back. All I say is that I want the minister to lay at rest the rumour -

MR. MORGAN: (Inaudible).

MR. ROBERTS: The Minister of Industrial Development knows more about it than does the gentleman from Bonavista South.

MR. MORGAN: (Inaudible).

MR. ROBERTS: The gentleman is answering the question, that is good.

MR. MORGAN: (Inaudible).

MR. EVANS: (Inaudible).

MR. ROBERTS: You know, there is no way you can deal with Al Evans, is there?

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

MR. EVANS: (Inaudible).

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

Would the honourable member continue?

MR. ROBERTS: Well, I am trying to, but certain honourable gentlemen opposite seem to have an obstacle course, strewn in mines.

What I am deciding, Your Honour, is whether it is possible to engage in a battle of wits with the gentleman from Burgeo, and I do not think it is, because he comes, not unarmed, but disarmed to that battle.

Now, Sir, I would like the minister to lay at rest the rumour that is widespread, and the rumour is that we are not going to see the Lower Churchill for the time being - we are going to see a transmission line built between the Upper Churchill, and the site of the Lower Churchill. We are going to see that line run across Labrador to Forteau, or somewhere in that part of the southern coast of Labrador, by tunnel underneath the Straits, coming up in Savage Cove on the island, and then come down, and it will either connect with the island grid at - Grand Falls is suggested by the Teshmont study, but, you know, somewhere with the island grid. That line will be used to move the

300 megawatts that we have the right to now, that we are not now using. Part of it may have been debted against the Iron Ore Company's expansion. There was considerable talk over that a couple of years ago, which was not resolved when we left office. It was being resolved, but it had not been resolved.

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: Are they still at it?

AN HON. MEMBER:(Inaudible).

MR. ROBERTS: Also, if there is surplus power available from the Upper Churchill, it, too, will be moved.

Now, Sir, the rumour is credible, whether or not it is true. I bring it up because if it is not true, and I hope it is not, let us dash it now. It is credible because 800 megawatts of power, Sir, is a lot of power. Eight hundred megawatts is just about, in round terms, it is a little less, than we are using now on this island. That is why I raise it here. It is the first opportunity we have had, and one of the ministers opposite will speak.

Now, Mr. Speaker, I think I have touched on most of the points I wanted to make at a first go-around. I would hope that honourable gentlemen opposite will get into this debate. I see that the learned gentlemen have torn themselves away from the bar. I welcome my friend, the Minister of Purity from St. John's East, I welcome the gentleman from Placentia East, The gentleman from St. John's South, I understand, is in the House, and a number of other learned gentleman will doubtless entertain us, and enlighten us. I hope they will. I am sorry that they were not here this morning, but I guess the business of the bar is more pressing than business of Her Majesty. I would hope that the gentleman from Bonavista South will tell us a great deal about his knowledge of hydro. I do hope the Minister of Industrial Development will -

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: Yes, I do think he does know something about this, and he will tell us a little of what secrets lurk behind his pleasant facade.

The Minister of Finance I doubt will have anything to contribute, and I hope the Premier will get into it, and the Minister of Fisheries, and the Minister of Mines and Energy, you know, generally the heavyweights.

I think it is an important -

MR. DOODY: (Inaudible).

MR. ROBERTS: No, Sir, it is like death by strangulation or death by hanging. It is essentially the same thing.

MR. EVANS: (Inaudible).

MR. ROBERTS: The honourable gentleman, Mr. Speaker, to hear him speak, reminds me of the well-known fact, you know, what is the difference between a catastrophe and a disaster.

MR. SPEAKER (Mr. Wells): I do not know the difference, but I feel the honourable member is straying on relevancy.

MR. ROBERTS: Well, I do not think I am being irrelevant, Sir, because I suggest, according to this bill, the provisions of this bill, as Your Honour has one before you, if the Hon. Minister of Industrial Development were to fall into the harbour, it would be a disaster. If somebody were to pull him out, it would be a catastrophe.

Mr. Speaker, I do hope that a number of honourable gentlemen will get into this debate. I think it is important, and I think it is worth it. I have tried to raise, or I have raised, some very serious questions, both about the bill itself - I am sorry Your Honour was not here this morning when we had another disquisition on section 24, but I hope Your Honour will entertain us with some thoughts about it. That is the section that denies the remedy in the case of, you know, mandamus, and so forth. It says, in effect, you can act only after the damage has been done. Your Honour had some thoughts, words the other day about it. I hope Your Honour will, when Your Honour is no longer Your Honour, but is just the member for St. John's South, will entertain us with that. I shall listen carefully.

I would like the minister to come to grips with the real issues of this. The real issues are not whether we should have the power, or not, or whether we should own the Churchill, or not. We all agree



on that. I have not heard but one voice raised in this province against the government's take over of Churchill. I have not heard any other voices raised. That is not the issue. If the government want to take credit for what they have done, fine. I am willing to give them credit for what they have done. I am equally willing to give them the blame for what they have not done, or what they have done wrong. That is not the issue, nor is the issue the alleged giveaway of the Upper Churchill. I have shown quite convincingly that it was not more a giveaway than it was to sell pork and beans at twenty cents a tin ten years ago, and they are fifty-five cents a tin now. It is easy to say that those are giveaways, looking back, but they are not. The Upper Churchill, Wayfarer agrees, was the best deal that could be made at the time in question. If we had not made it, there would have been no Upper Churchill development, maybe not even now. It is quite honest, intellectually honest, to say that there be no development, fine. If that is what the government are saying, let them say it, but let them not say that it could have gone ahead on any other terms. It could not, Mr. Speaker, and if it had not gone ahead on those terms, it would not have gone ahead at all. If they want to say it should not have gone ahead at all, let them. That I can understand, even though I do not accept it.

The issue on the Lower Churchill development, Sir, is how is it going to be developed? Where are we going to get the money? Are we going to have take or pay contracts? Are we going to have to make a fire sale with aluminum mills, which are undesirable socially, I suggest, and which would require back up power, and the back up power would be Bay D'Espoir so we would all be sitting at home some night watching the television, or whatever one chooses to do with the lights on, and the lights would go out, Why? Because something had happened to the line across Labrador, and the aluminum mill would have priority over we, the people, because that is

what an aluminum mill would require. It would require first call on 300 megawatts, 600 megawatts, whatever block of power it uses. They are only producing it at Bay D'Espoir now at 450 megawatts. It will be 600 megawatts when the expansion gets finished, or maybe they will just have to build a thermal plant as a back up. But an aluminum plant, everybody talks about it as if it were the nirvana because it uses 18,000 kilowatt hours for a ton of aluminum, a very high power consumption.

That is not the answer to our industrial development problems in Newfoundland, nor should it be part of our strategy of industrial development. This government, Sir, have done little if anything in this province. Churchill is one of the things where they have made some action, but they have not told the people of Newfoundland what they are doing. They have tried to con us. They have given us half information, less than half information. I have asked them here today for the facts. I have asked a number of questions. None of them is new. None of them is particularly an insight of brilliance. They are ordinary, common sense questions. The people of Newfoundland expect to have them answered, and I expect to have them answered, too. So, Mr. Speaker, I will look forward with real pleasure to hearing the other honourable gentlemen speak, hearing what they have to say.

There are a number of my colleagues here who will participate in the debate, and I assure Your Honour, will make themselves heard and make their presence felt. The only thing I would say in closing, Mr. Speaker -

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: I can go for another hour or so if the gentleman from Gander would like me to.

AN HONOURABLE MEMBER: Oh, no, no, please.

MR. ROBERTS: Well, I am with the honourable gentleman from Bonavista South.

The only point I would make, Sir, in closing has to do with the bill itself. As I have said at some length, I find the bill

offensive. I have nothing against the idea of another hydro commission if we want one, if the government decide the way to go is to set up yet another corporation and have shares vested in that. I mean, that is fine. That is a technique and does not get me very excited one way or the other. It is certainly not a major step forward or anything. In fact, they could have gone and incorporated a company into the Companies Act if they just wanted a company. There are some powers here they have to take by legislation, extinguishing rights and that sort of thing. That has to be done by legislation.

The bill is offensive. It creates a monster, a monster that is not under the control of this House, a monster that can borrow \$1 billion, \$2 billion, \$21 billion without any control of this House until after the deed is done, and then it is too late. I cannot accept that, Mr. Speaker, nor can the people of Newfoundland. So, I ask the minister to give consideration to a very simple amendment. It would not hamper it. It would not in any way hurt the ability of the corporation to do the job it is set up to do, to develop that power project, no. What it would do is give the House of Assembly control over that expenditure. As it now stands, Sir, there is not control. Your Honour was not here this morning, but Your Honour has doubtless memorized the bill.

There are some sections in there that say, "Any borrowing can be done by approval of the Lieutenant-Governor-in-Council, not this House." So, I ask the minister to reconsider these points, to amend the bill, to make it acceptable so that it can go through this House unanimously. I will look forward to his answer, Sir, with very real interest. Thank you.

HON. W. DOODY (MINISTER OF INDUSTRIAL DEVELOPMENT): Mr. Speaker, I have no intention of trying to compete with the honourable Leader of the Opposition in terms of volume or staying power. He has spoken now for a considerable length of time, and he has asked, in my opinion, some very worth-while questions. He has raised some subjects which should be debated and which should be answered. I certainly will not deal with all of them in my few comments here today. Other members

of the ministry, as they rise in turn, will, I hope, deal with each as they arise.

It seems to me, Sir, that this bill itself, although it has been dismissed rather lightly by the Leader of the Opposition as a sheep in sheep's clothing—and he did not even give Mr. Atlee credit for that — this particular bill is really the basis and the cornerstone of the whole industrial development strategy for the Province of Newfoundland. Perhaps what is equally important, and perhaps even more important, that it is really the hope for the future of the Province of Newfoundland. When I say Newfoundland, I mean the island part of our province as well as the mainland part, that part of Newfoundland known as Labrador.

Perhaps before I go any further with this I should deal with allegations and statements made by honourable members and by the media from time to time, that the mainland part of the province, Labrador, has been left out of our hydro plans, has not been looked at in terms of our industrial development strategy, has not been given the benefit of the attention that the rest of the province has had in terms of trying to attract industry to Labrador. Certainly in terms of the Gull Island Development, one of the first criteria that were laid down, one of the basic ground rules was that a hook-up would come from the Gull down to Goose Bay, Happy Valley.

It was stated at the time, and it has been stated over and over again, that the first phase of that operation would be an industrial line into the Happy Valley—Goose Bay operations. Certainly that is necessary. There has not been an industry that has come to this province at our invitation, Your Honour — whether it be an aluminum smelting company, a zinc smelter, any heavy industry that we have brought over here or invited over to look at potential sites, industrial sites — there has not been one of them who have not been brought to the Goose Bay—Happy Valley area.

This government taken pains to secure an industrial

site at Goose Bay—Happy Valley in the north west area, a site that was previously the property of the Department of Transport of Canada. It has now become the property of the Government of Newfoundland. It is our hope and our intention to establish on terms and conditions favourable to the people of Labrador and to the people of the rest of the province, an industry there that would be a permanent source of employment for that area.

Mr. Speaker, nobody is more aware than the people on this side of the House of the trauma of living in a community like Happy Valley—Goose Bay which has been dependent on a military base for its existence. We all know, and we have all seen what happens in these cases. They are forever at the whim of another policy change, whether it be in Washington or in Ottawa, as to the employment factor in that particular community.

With this in mind, we have made a point of bringing at all times the potential customers to the Happy Valley—Goose Bay area. We have shown them the site. We have shown them the power situation. We have shown them the people and we have told them the opportunities. What we have not been able to cope with, in that area, is the shipping season. The economics of hauling raw material into Goose Bay—Happy Valley and of bringing finished product out for the five or six months of the year that the port is open makes the inventory financing situation on the cost of money such as to lay a great burden on the operation before it even begins. There is absolutely no point in establishing an industry anywhere in this province, or any other province, that is going to eventually be a burden on the people of the province.

No matter how desirable it might be politically at the time to make a great announcement about a great industry that is going to go into a great area and make a lot of people, on the surface, very happy and very proud of us and very pleased with us, it would be most unfair in the long run to play that sort of game. We have no intention of participating in it. As soon as we can attract an industry to the Happy Valley—Goose Bay area that would be a benefit to these people and to that part of our province, this government will

do everything that it can to ensure that it is an industry that will be of benefit to the community and to the province as a whole, and we will be very proud at that time to make such an announcement. Until then, there is little that can be done.

Now, Sir, I am sure that that does not allay the suspicions of honourable members across the House in this regard. It is a regular whipping boy with them. I simply tell the House through you, Sir, the truth of the matter. I hope that the province accepts it as such.

I mentioned a minute ago that the industrial development strategy of the province was based on the Lower Churchill. That is only because, Sir, the Upper Churchill power is not available to us. We have at our disposal there of its total capacity some 300 megawatts. There is an additional capacity which the honourable Leader of the Opposition mentioned a little while ago of another 500 megs which are being produced there over and above the original rate of capacity. We hope that these will be available to the province too.

It is a negotiating point. There may be legions of lawyers make fortunes in determining the various clauses of that agreement, Your Honour. Certainly I would not comment on it one way or the other except to say that I feel that that 500 megawatts, indeed many other hundreds of megawatts of that power, should be in the possession of this province and it should be available to us when we need it, and despite what the honourable Leader of the Opposition said about that being the only deal that was possible at the time, I say that if the thing had been done properly we would not need to spend all this money that we are talking about today to develop the Lower Churchill, because that power would have been available for the people and for the industry of this province today.

The honourable Leader of the Opposition says that we had to give away this power, two-and-a-half mills because we could not get another deal at the time. He says people who sold fish at that time got the price they could get for it. The honourable Leader of the Opposition says the price of fish was two cents a pound at that time and so they had to sell fish for it, that pork and beans he mentioned were twenty cents a can, they are now fifty-nine cents a can.

MR. NEARY: What about spare ribs?

MR. DOODY: I do not know anything about spare ribs. I do not have the income of the honourable member. I have absolutely no idea. Maybe John Doyle can subsidize me and I can afford that kind of food.

MR. NEARY: Inaudible.

MR. DOODY: But the point I am trying to make, Sir, is this, that the people who sold fish in the 1960's and sold whatever in the 1960's, did not lock themselves into a forty year contract which made it impossible for them to sell their product at an economical rate today or tomorrow or ten years time. It may be possible. It may be necessary for us to sell some product today at a price to make an operation viable, Sir. That does not mean that we should sell it forever and ever and ever under contract at that price.

I can accept the honourable member's statement when he says we could not get any better price at that time. I know they could not. The amount of talent they had on that side of the House, Sir, it is an amazing thing that we got two-and-a-half mils for it. The point I am trying to make, Your Honour, is this, they should have had reopener clauses in there, Sir. They should have said, "We will give it to you for forty years. We guarantee you the power. You will have a guaranteed supply of power." The bond holders can be absolutely assured that we will not cut that power off for forty years or fifty years or sixty years or whatever, but what we will demand is that in five years time we will reopen that contract and look and see if two-and-a-half mils is a reasonable rate in terms of the competitive situation at the time. If it is not, Sir, we will ask for another two mils. If it is competitive we will leave it where it is, whether it is five years, ten years, fifteen years, whatever.

These are reasonable business arrangements Your Honour. These are not great economic dreams and theories. You do not need the Valdmanises and the Vardys and the Smallwoods and the Robertses to do these things. They are normal business arrangements.

MR. MURPHY: Tom Mullins would have done that.

MR. DOODY: I quake and quiver to hear a learned gentleman like the Leader of the Opposition stand up and tell the public of Newfoundland that because this was the only arrangement that could be made in the 1960's, the poor people of this province have got to pay for it today.



Let me tell you a few examples, Your Honour, of what the poor people of this province are paying for today. If we were getting five mils for that power that is going into the Province of Quebec today we would be getting an extra \$150 million in revenue. I mean, that is not business, Sir, that is idiocy. I have got before me here a clipping from "The Toronto Globe and Mail". "The Province of Quebec is planning to open a new aluminum factory, a new aluminum smelter." We have got to compete with these people.

It has been estimated that through such an arrangement Hydro Quebec will lose close to \$160 million over the next ten years. What they mean is that Hydro Quebec will be selling power at \$160 million less than they would get if they sold it at the domestic rates in Quebec. But they are still making a profit on it in terms of what they are getting it for from the Province of Newfoundland. We have got to compete with this and try to attract industry to this province, and these people across the House, Your Honour, stand up and say that we have done nothing. What we have done is tried to keep this place afloat, considering what we had to deal with when we got in here.

AN HON. MEMBER: Inaudible.

MR. DOODY: Now we come to the point, Honourable gentlemen across the way say, "Why can we not take back that power, that contract that we have given to Hydro Quebec?" Why do we not go over there, Sir, and say "The Government of Newfoundland entered in good faith with you, the Government of Quebec, in an arrangement which was a stupid arrangement we grant you. But now we are going to go to you, Sir, and we are going to revoke the contract."

MR. NEARY: No. No, the surplus power. Why can we not take back the surplus power?

MR. DOODY: What surplus?

MR. NEARY: The 400 horsepower, why can we not get it back?

MR. DOODY: The 400 megawatts.

MR. NEARY: 300 megawatts.

MR. DOODY: There is 300 megawatts of recall power which is coming back anyway. That is coming back. There was somebody in the organization of the honourable member's party slipped up and left the province 300 megawatts. We are getting that. That is guaranteed. The negotiating team fouled up somewhere. But there is an additional 500 megawatts along the line which hopefully we will get. We have no legal right, in my knowledge, to any other power. If it is there, please God it is, we will get it.

But in the meantime, in order to arrange a power supply, an energy supply for the rest of this province and for the people in Labrador, for the people on the island, we have got to go forward and spend all the money that the honourable Leader of the Opposition was talking about a little while ago. Now that energy that is going to come down here is going to be expensive in terms of the Upper Churchill.

The honourable Leader of the Opposition,- Can I have some water please? Something not quite as expensive as the Gull Island but just a little water.

MR. NEARY: Do not be so nervous. Settle down.

MR. DOODY: Look, with you over there anybody would be nervous.

MR. NEARY: You have every right to be.

MR. DOODY: That is right. I heard you. I am telling it to Steve now, relax. Relax.

MR. NEARY: Inaudible.

MR. DOODY: There will be another funeral held the day when you go up buddy. That is one that a lot of people will attend.

Now where was I before the farmer started to goad me?

MR. NEARY: The first time he ever made a speech in the House.

MR. DOODY: I am not getting to you, am I?

MR. NEARY: No.

MR. DOODY: Good. Relax now and take it easy..

Now, Sir, the Lower Churchill Development itself is one that this province is committed to. Our friend across the way said a little while ago that he would like us to lay at rest the fact that the Lower Churchill Project would not take place. He says that he has heard rumours from usually reliable sources, which is another great original comment, that we will not have a Lower Churchill Project, that we are just going to build a transmission line and we will not proceed with the project. I sincerely hope that that is not so, Sir. This government, the people of this side of the House, are committed to that project, certainly not for this government's sake but for the sake of the future and the people of this province.

We do not have that power down here, Sir. We have no hope of survival down here. We can bring in the alternatives. We can establish fossil fuel plants and be at the mercy of the oil prices and never, ever compete industrially for jobs for our people. We can put in nuclear plants which are expensive in terms of the amount of power that is needed on the island or on the island grid system. We can do these things, Sir, and watch the water resources, the hydro resources of our province, either being pumped into the sea or going back into the Province of Quebec and onwards to the rest of Canada. To me, Sir, that would be one of the greatest crimes that has ever been perpetrated since the original Upper Churchill deal.

I feel, and I am sure that anybody who looks at it realistically feels that there can be no justification for our people putting up a series of fossil fuel plants around this province, burning oil, burning coal. Imagine that, at one point in the game they are advocating that we burn coal. They were having a fleet of fifty coal carrying ships, bulk carriers, bringing coal into the Province of Newfoundland and dumping it into strategic spots around to fuel coal thermal stations.

March 3, 1975

Tape No. 109

NM - 6

MR. NEARY: O'Rourke over in Carbonear was it?

MR. DOODY: I do not know. I do not know who was tendering for it  
but I guess you have got all the lists.

We have in this province, Sir, a number of great assets. They have not been properly used up to now. Up to the time this government came to power, it was very much a hit-or-miss industrial development strategy, with more misses than hits. We have identified - and certainly it was no great accomplishment to do so, these things were self-evident, they just had not been used - we have identified the fact that we have in this province the greatest deep-water port facilities that there are in North America.

The Strait of Canso can take, perhaps, one or two other major industries and then it is finished. There is one deep-water port near the New Jersey area, which is so densely populated as to be almost unuseable. The rest of the deep-water port facilities in North America are in the Province of Newfoundland. The ice-free, deep-water port facilities in North America, are by and large on the south coast of the Island of Newfoundland. "We are situated on the shipping lanes of the world." That has been said for years. It has been in geography books since time immemorial, but it has never been utilized. We are as close to the markets in Europe as we are to the sea lanes to the St. Lawrence Seaway and to the east coast of the United States. We have the people here, and, Sir, we have the raw material here.

We have here in the province, deposits of limestone, dolomite, salt, silica, quartzite, zinc, magnesite and other minerals, many of them. Those that are now being mined are being exported unexploited, sent out in their unfinished form for other parts of Canada, other parts of the world, to reap the labour intensive benefits. The province of Newfoundland, in those cases where those resources are being developed, is getting very little. The production processes by which these resources can be converted into finished industrial products are cement, magnesium metal, zinc metal, ferroalloys, chlorine, caustic soda, abrasives and other materials, and all these things have one thing in common; they require large amounts of electrical energy.

Our electrical energy is available to us. It should have been, as I said earlier, available to us at a much cheaper price. It should have been available to us, by good negotiation and sensible contracts, from the Upper Churchill. That is not the case, and so we have to go a more costlier route, and we have to bring the Lower Churchill down. The honourable the Leader of the Opposition asks, and asks rightly; "What is going to be the cost of this power? And who are going to be the customers?"

The cost of the power will depend, to a large extent, and it is one of these chicken and egg situations, on the type of customer that we want to attract here in the province. He has said that it is socially undesirable to have an aluminum smelter here. I think that he is absolutely right. I think that if I had a guaranteed annual income in the area of the honourable Leader's, if I were a professional man, and I were a man who could look forward without any doubt at all to a large income, I also would say that an aluminum smelter was a socially undesirable thing. But if I were a family man who was unemployed in Newfoundland, and looked at the aluminum smelters in Bale Cameau or Arvida or other parts of Canada, and saw 1,000 to 1,200 men working, earning on an average of anywhere from \$12,000 to \$15,000 a year, I do not really feel that that would be all that socially undesirable. As a matter of fact, I think that that might be a very good thing.

There may be better ways of using that electrical energy. Certainly the manufacturing of aluminum ingots from alumina is one of the least efficient uses of electrical energy. If we take it one step further, and say that with a reasonable contract that we will not only get that aluminum industry here, that aluminum ingot factory, we will ask the company to put a rolling mill nearby, which may employ another several hundred people, and perhaps some component factories nearby, again, with a few more jobs.

We take a cost-benefit analysis of these 1,500 jobs and we divide that into the cost of power, to bring it down to the province, and we look at the welfare bills for the thousands of people who are out of work, and we wonder, seriously, where the

socially undesirable part of it comes in. Nobody is suggesting, Your Honour, that we make this a pollution haven. There is nobody in this province who is more conscious of the environment that we have here than I, there is nobody who would be less anxious than I to see great, belching, yellow fumes coming out of an aluminum factory in Bay D'Espoir, and destroying the vegetation. But, Your Honour, this government has absolutely no intention of taking the ERCO blueprints and bringing them down to Hermitage, or Bay D'Espoir, or Terrenceville, or Clarenville or any of these other deep-water port areas that we have. Or, Bell Island.

What we have in mind, is bringing to this province, under the best possible conditions to the people in the province, an opportunity to earn a decent living, an opportunity to get jobs, an opportunity to have permanent employment, Sir. These things are possible only if we have the energy. The opportunities are there and the opportunities have been focused or brought into focus by the Government of Newfoundland, by this government, and I think that they are being demonstrated more by the principles incorporated in this bill.

Now the Leader of the Opposition says that there are objectionable features in this bill. Much to my sorrow I feel that I agree with the Leader of the Opposition, in some cases, in this particular regard, and I thank him for bringing them to my attention. These things will be dealt with in debate, and undoubtedly will be dealt with even more fully in committee. But these are not the points that I am trying to raise here today. The points that I am discussing are the benefits that can accrue, and must accrue, to our province by this Gull Island project, and in doing so I must contrast them with these things that went on before. I know the honourable the Leader of the Opposition does not like to have anybody mention what went on before, while in the same breath he keeps pointing at the honourable the Minister of Finance and the honourable the Minister of Justice, and so on and so on. These are all political games and they are not all that important.

This is a huge project. There are huge amounts of money involved. The whole future of the Province of Newfoundland and Labrador is on the line, and I think that it is absolutely essential that every facet of the Gull Island development or the Upper Churchill development, of the future hydro developments that will occur in Labrador, the financing of it, every facet of it should be aired in this debate, Sir, and I think that they will be. I think that very legitimate questions have been asked and I sincerely hope that they will be dealt with.

One item that springs to mind now from the many that the honourable the Leader of the Opposition mentioned, was the tunnel. He talked quite glibly of the fact that, since we are building a tunnel, we should think in terms of having it a transportation tunnel as well as a tunnel to carry the cable. That is being looked at very closely, Sir. It is an obvious truism. I think that it almost leaps automatically to mind when one thinks in terms of a tunnel across the Straits. It is only when the engineers start pointing out the problems and difficulties of it that you realize exactly what is involved.

I do not have the figures here in front of me, but I am sure that they will be provided later on. I think the length of that tunnel increases tremendously, simply by thinking in terms of using it as a vehicular tunnel. As is envisaged now, they can bring it down quite sharply on both sides of the Straits to the depth that is necessary to get under the bedrock to go across the Straits. If they think in terms of bringing vehicles, or a railway it would have to in this case, which would take the vehicles, then they would have to have a slope on both sides to bring it up to a level where it can, indeed, be a vehicle tunnel. The amount of money that that costs, in terms of the whole project, is absolutely staggering.

It has been said that a vehicular tunnel across the Straits would be a very desirable thing. Certainly it would be. There is nobody who can dispute that. I think that it would be a wonderful thing for the province, to tie the mainland and island parts together. It is not



a question of how desirable it is, it is a question, I think, at the present time, Sir, of what we can afford, and what we can do at any one time. It is nice to run off and say that this is going to be done, and that is going to be done, and to heck with the cost, but I am afraid that that is not the way things work out. We always have to keep in mind what the cost is, not only to ourselves, but to those who are coming behind us.

MR. AYLWARD: Would the honourable minister permit a question?

MR. DOODY: Certainly, Sir. I would be more than rude if I refused.

MR. AYLWARD: Has consideration been given in the construction of the tunnel that the tunnel be constructed of sufficient width to accommodate vehicles but, you know, to avoid the slope at each end or just carry it up whatever way they like? What are the results of that?

MR. DOODY: That is one of the items that Irving discussed. There was a meeting in the Power Commission Board Room last week of engineers whose topic was just that. This is the sort of thing they are trying to grapple with and deal with. They are trying to decide in terms, once again, of cost benefit. How wide, how high and how deep the thing should be. How long would they have to leave it in terms of the financing of the whole operation before they extended it to what you suggest it could be used for? There has been no final decision made on that. But I bring it forth simply because the Hon. Leader of the Opposition raised the question. It is a legitimate question. I would not want this House, or the people of the province as they might have under these circumstances, that the government have not considered it or are not dealing with it.

Now, Sir, the sale price for power is going to be one of the major factors in attracting the customers on this end of the line. It is actually inconceivable, of course, to anybody that the entire output of the Gull Island will be sold the day that the first turbine comes on stream. There will be a demand at that time domestically for a great deal of it. It is extremely unlikely that the domestic demand will warrant the whole project. And so, as I have said, industrial users will have to be found here on the Island and hopefully in Labrador as well.

The obvious alternative presents itself and that is to dump the extra power back into the Province of Quebec. I sincerely hope that does not happen. I sincerely hope that does not happen, if it appears to us in negotiations that a certain price, and a certain price only can be obtained for that power in the Province of Quebec

then I feel very strongly that that price should be offered to industrial users here on the Island, but not under the terms and conditions of the ERCO contract or not under the terms and conditions of the Upper Churchill contract. In terms and conditions that are renegotiable over a period of years, so that the people who are coming on behind us will not have to stand up and say that is hindsight. You do not have to have a hindsight when a contract is done properly in the beginning.

AN HON. MEMBER: Inaudible.

MR. DOODY: The Iron Ore Company of Canada is a very satisfactory company. Unfortunately, they are having some difficulties up there now but I find that they are an excellent company.

AN HON. MEMBER: Inaudible.

MR. DOODY: What has that got to do with it?

AN HON. MEMBER: Inaudible.

MR. DOODY: Oh their contract, the power contract. Oh, I see! The Iron Ore Company of Canada's contract is one that is -

AN HON. MEMBER: Inaudible.

MR. DOODY: No, not if you take all the battery plants and things into consideration.

One of the items that was mentioned here in this debate was the desirability of only having residents of Newfoundland on the board of directors. I find it difficult to rationalize that or to see why that should be so. It would seem to me that the two most pressing needs in this province of ours are management expertise and investment capital. Our people have got ideas. They have got energy. They have drive, a desire to work. But these two factors are the two big items in the quotation that are missing. It seems to me that one of the great tragedies of Confederation has been the shortage, the almost complete absence of Canadian capital and Canadian management expertise. The risk capital, venturers, if you will, who have found their way into the Province of Newfoundland. I go further and say that I disagree completely with the Leader of the Opposition on this

that any access we can get to capital markets, to management expertise whether these people be permanent residents of Ontario and come down to help us or to add to our knowledge and to our capital stocks from time to time I would be delighted to see them.

I have absolutely no intention or no desire to encourage this province to act in the same way as the Province of Quebec appears to be acting with regard to Newfoundland workmen. I would extend that to Canadian businessmen from whatever part of Canada that might be. We have demonstrated that recently in the board of directors of a new corporation that we set up called NORCo, which I will talk about at another time.

Risk capital from Canada has not just been in existence in this province of ours. It seems to dry up long before it reaches us. I think it might be of a great advantage for us to have some prominent Canadian business people, people who are not associated with politics, people who have no preconceived ideas about our province, who might add a great deal of wisdom, a great deal of knowledge, a great deal of help to a board such as the one that is suggested here.

There is a clause in here that says "That members of the House of Assembly are also entitled to be members of the board of directors." I have been told by the honourable minister responsible for this bill that that will be withdrawn in committee stage. I congratulate him for it and thank him. It is a clause that was taken directly from the previous Hydro Bill, and to our shame, and nobody noticed it until it came into this House.

AN HON. MEMBER: Inaudible.

MR. BOODY: The Leader of the Opposition's job is the same in this respect as ours, to bring these things to our attention. When these things are brought to our attention we try to correct them.

HON. MEMBERS: Inaudible.

MR. SPEAKER: Order, please!

MR. DOODY: Where are all of your friends? I thought they all wanted answers to some of these questions. You are the only one with enough courtesy to stay here. Is it true, Your Honour, that the honourable Member for Bell Island is the most courteous member of the Opposition? Great heavens!

This is one of these unfortunate situations which, well I suppose which is a good news - bad news things. We have got that hydro potential in Labrador and it is going to be used for the province. The unfortunate part about it is the fact that it is going to cost a lot of money. This province is going to have to raise that money and the people in the province are going to have to participate in it.

AN HON. MEMBER: Inaudible.

MR. DOODY: The Government of Canada have demonstrated its confidence by producing \$243 million -

AN HON. MEMBER: Inaudible.

MR. DOODY: of loan money, loan, l-o-a-n, which they will expect us to repay and give them interest on. We are duly grateful, Sir, as one might expect. We feel, and Ottawa has given us cause to feel, that they intend going somewhat further than that. We would hope that they can see their way clear to give us a grant, or perhaps they can find some further means of helping us to finance this project. Certainly without that project, as I have said, our province has a very dim future indeed.

I have a number of other notes here, Sir, which I am sure that let me see. Yes, we have dealt with that one.

I simply once again, Sir, want to congratulate the minister in bringing this particular bill in. I have absolutely no hesitation in supporting the principle of it. I feel that it is an absolute essential to try to rationalize the power development of the province. The rivers that have not yet been developed on the Coast of Labrador, the Lower Churchill, the CFLCo, the Bay D'Espoir development, and the other power plants, the Rural Development Authority, it is now a hodge-podge and has to be rationalized. It has to be unified. It has to be put under one administrative head. This is the way to do it. When that is done then logical steps can be taken with regard to the

growth of the province, with regards to the industrial development of the province. I certainly, Sir, am quite pleased to see this bill before the House at the present time.

MR. SPEAKER: The Hon. Member for Bell Island.

MR. S. A. NEARY: I want to congratulate the junior Member for Harbour Main, Sir, for making his maiden speech in this honourable House today. After three years of complete silence, three years of complete silence on the development of the Lower Churchill and what it would mean for industrial development in Newfoundland. Today, Sir, finally like the Mobile Goat the Minister of Industrial Development spoke.

AN HON. MEMBER: Inaudible.

MR. NEARY: The minister finally spoke. Now, Sir, what did the minister say? What did he say? Sir, if I can find my few notes here, let us see what he said. He said that the development of the Lower Churchill is going to mean the cornerstone for the whole industrial development of this province. "Our hope", he says, "for the future."

Well now, Mr. Speaker, we heard for about two days now the Leader of the Opposition tell us, tell this honourable House - members who are in this honourable House for the first time, got elected in 1972 - we heard the Leader of the Opposition tell us something of the background of hydro development in this province. We heard the Leader of the Opposition, Sir, tell the House of the wonderful foundation that had been laid in this province by the Liberal Administration and by Joey Smallwood in particular for hydro development in this province. We heard the Leader of the Opposition state, Sir, and rightly so, that there would be no development of the Lower Churchill, but for the development of the Upper Churchill.

Sir, all you have to do is read Mr. Smallwood's book, "I Choose Canada", and it is all spelled out there in black and white, "But for the dams ever created on the Upper Churchill, Sir -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: It is not dirt. -<sup>h</sup>that would increase the volume of water going down to the Lower Churchill, Sir, "down to Gull Island, there would be no development, it would not be feasible to develop the Lower Churchill."

Mr. Speaker, you would not know, after listening to the Minister of Industrial Development, Sir, who was rather nervous making his maiden speech, and I can forgive him for that, Sir, after three years trembling and shaking, picking up papers and laying them down - I can forgive him for that, Sir, because after all, the first time I made my maiden speech in the House I was also nervous. I cannot forgive the minister, Sir, for trying to leave a false impression in this honourable House and to the people of this province, that

that honourable crowd that came in, fluked their way into office in 1972, Sir, are laying the cornerstone -

AN HONOURABLE MEMBER: Conned their way in.

MR. NEARY: Who conned their way into power, laying the cornerstone for industrial development in this province through hydro development. Sir, let me show you a supplement to the "Daily Commercial News", Mr. Speaker, published March 27, 1968. Let me show you, Sir, an advertisement from the government of that day, the Liberal Government. "Power In Perpetuity", it says. I will table this, Mr. Speaker, if you want me to. "Two industrial opportunists, Newfoundland and Labrador, offers a prime package." Just listen, Sir, just listen. You would not know but the Minister of Industrial Development who has just spoken in this honourable House copied directly from this advertisement in the "Daily Commercial News" supplement which goes out all over the world to entrepreneurs and contractors and industrialists, and business people all over the world. The minister was trying to pretend, leave the House with the impression that this was an original idea.

You would not know, Sir, but they owned the idea, they developed it. You would not know but they owned it. Listen, Mr. Speaker, just listen to this. "The world's greatest uncommitted power delivery from huge fully automated hydro plants at the mighty Churchill Falls and Bay D'Espoir, Twin Falls and a complement of smaller sources."

1968, Sir, "Government subsidized power, every kilowatt hour of industrially utilized electricity is guaranteed a whopping provincial subsidy until the year 2000 ensuring the cheapest power anywhere because that is the only way," Mr. Speaker, "you can get industry into this province."

"Ports", it says here, "Ports open the year around. Cheap water transport to all world markets." The minister just told us that was his idea, that that was the original idea of that administration over there, Sir. Then he talked about our people potential. Well, listen to this. "Manpower Unlimited." "Reservoirs of immediately



available employees, already trained in industrial relations." Listen, Sir, listen. "It will be the government's policy -". We are not talking about this honourable crowd over there now, Sir. We are talking about the much maligned former Liberal Administration. "It will be the government's policy where heavy industry is established upon the basis of low cost power, to offer practical inducements to such industries to use the products of their plants and the raw materials in other plants." From the administration's statement of policy, 1966, nine years ago.

Why was Mr. Smallwood, Sir, and the former Liberal Administration ahead of their time? Listen to this, down here at the bottom of this advertisement, inserted by the Department of Economic Development, "Subsidized Power"-

AN HONOURABLE MEMBER: Who was the deputy minister?

MR. NEARY: Who was the minister, Sir? The honourable Joseph R. Smallwood, making democracy work.

AN HONOURABLE MEMBER: Who was the deputy minister?

MR. NEARY: The deputy minister was not Dick Green. It was not George McLean. It was not Jim Green.

Listen to this, Mr. Speaker, "Subsidized power, year round ports, an ambitious people, a provincial programme of financial assistance - these are the prime package that Canada's youngest province offers the industrialist shrewd enough to see the strategic advantages of Newfoundland's position at the focal point in trade crossroads of the Western World."

Mr. Speaker, let us go inside here. You remember, Mr. Speaker, five years ago, I think it was, no, it is longer than that, seven years ago I first mentioned a tunnel underneath the Straits of Belle Isle. I was laughed and sneered and jeered at, Sir, from one end of this country to the other. I had these CBC wierdos up there in Toronto calling me up and saying, "What is all this about putting a tunnel under the Straits of Belle Isle? Have you gone mad down there? Are you cracked?" I had

interviews, Sir, from one end of this country to the other. I gave my reasons why I thought there should be a tunnel underneath the Straits of Belle Isle. I must admit, Mr. Speaker, I must confess that at the time the reason I gave for putting the tunnel there was not to bring a transmission line across from the Lower Churchill. That was all incidental. As a matter of fact, at the time, Sir, there were other ways being talked about for bringing the power from the Lower Churchill.

Before I get off this supplement here, Sir, I want to show the House this advertisement, Sir. Look, can members see and read? Here is the power being brought down from Labrador, down to the Island of Newfoundland to be used on the Island of Newfoundland. The way you hear the Premier talking, and the Minister of Industrial Development, and the Minister of Mines and Energy, you would swear, Mr. Speaker, that it was an original idea.

AN HONOURABLE MEMBER: We are doing it.

MR. NEARY: Ah, Mr. Speaker, they have not done it yet. It is iffy, if, if, if. It is so iffy, Sir, that people are losing hope in it.

Inside the cover, Sir, I was going to tell the honourable House about that tunnel. Let us see what it says here in 1968. "On the proposed list is a tunnel under the Straits of Belle Isle which would accomodate both vehicles and the hydro transmission cable from Labrador." Imagine, Mr. Speaker, back in 1968. What an imagination! What a government! What a party, Sir!

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, it was not written by Eric Hiscock. George Hobbs, as a matter of fact, that great Newfoundlander, was the gentleman who talked about this. Mr. Hiscock, Sir, if the honourable minister will remember, talked about a causeway across - oh, yes, Sir. The line forms part of the provincial power grid and the right of way for the Newfoundland - Labrador link is being cut now.

Mr. Speaker, what is this, Sir? Just listen, in 1968 - you

hear the Premier out on television with that Colgate grin telling the people of this province -

MR. SPEAKER: Order, please!

MR. NEARY: - telling the people of this province, "Oh, our government is going to do this and our government is going to do that." Mr. Speaker, he must have copied it all from this. Listen, the right of way was being cut for that line in 1968.

Is the honourable the Premier aware of that? In 1968, "On the proposed list is a tunnel under the Straits of Belle Isle which would accommodate both vehicles and the hydro transmission cable from Labrador." The Premier cannot take it. He has to run away, going back down to his office again.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: The "Daily Commercial News". Look it up if you want to find out who the author is.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Yes, I will table it. Of course I will. Mr. Speaker, there are all kinds of other goodies in here, Sir. Mr. Speaker, the Minister of Industrial Development gave us a little lecture this afternoon on why it is so difficult to attract industry to the Happy Valley—Goose Bay area. He said that it was because of the transportation problem. Well, Sir, even a kindergarten student in this province knows that. There is nothing new about that. We have always had that ice problem, that transportation problem, in Labrador. The reason industry will not locate in Labrador, Sir, is because the shipping season is too short, but the minister offered no solution to the problem, Sir.

I remember back about eight or nine years ago, Sir, the previous administration talked to the Province of Quebec about using a port in Quebec, on the Labrador side of Quebec Province known as Old Fort Bay which is supposed to be open all year around.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, Old Fort Bay. I remember looking at it. I was over one night at former Premier Smallwood's house over on Roaches Line and he had the globe out. He had made an amazing discovery—Old Fort Bay was ice free all year around. Well, Sir, as it happened there was no deal because Quebec wanted to grab all the headwaters of all the rivers that flowed into Quebec from the Newfoundland side of Labrador. So, we said, "No deal".

But, Sir, that ice blockade along the Labrador Coast is

nothing new. It has been there ever since time began. But what is the solution to it, Sir? The minister did not tell us. The minister just threw up his arms in defeat. Well, Sir, I will tell the honourable minister what I think the solution to it is and what this party that I happen to be a member of thinks the solution to it is. The solution, Mr. Speaker, is to either build a railroad across Labrador from Happy Valley right up to the Quebec border, or build a Trans-Labrador Highway.

The Trans-Labrador Highway, Sir, is a concept that was developed by the former Liberal Administration. It was a piece of the unfinished business that we had to leave behind. We did not get a chance to finish it. Now, it is either that, Mr. Speaker - if the administration does not want to go for that, it is either that, Sir, or put a tunnel underneath the Straits of Belle Isle so that you can ship, so that you can transport your material and goods out of Labrador all year around. If you do not do that, Mr. Speaker, Labrador will never amount to anything. It will be nothing but a wilderness area.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, Sir. It is true.

So, Mr. Speaker, in outlining not only the foundation that the Liberal Government had built for hydro development and for the industrial development of this province, the Leader of the Opposition made it abundantly clear, Sir, where my party stands on the matter of a tunnel underneath the Straits of Belle Isle, hydro development and our energy policy and the Trans-Labrador Highway. The Premier has been going around this province now, Sir, for some time bellyaching about the fact that the Leader of the Opposition never states, never tells us what he stands for, never takes a position on the major issues in this province. Well, Sir, after the last two days there should be no doubt in anybody's mind in this province where the Liberal Party, the Liberal Opposition stand on these major issues, where the Liberal Party stands on the matter of energy.

Let me, if I can, Sir, sort of recap what the Leader of the

Opposition said. The Leader of the Opposition, Mr. Speaker, said that the Liberal Party, the Liberal Party's policy on energy includes development of the Lower Churchill to be undertaken as a top priority provincial project. Now, I am sure the honourable the Premier just took off and went back down to his office on the eighth floor - the honourable the Premier has a loud speaker down there and he listens to all the proceedings of the House. I presume the honourable Premier now can hear what I am saying in this House.

So, let me repeat, Sir. Item number one, as far as the Liberal Party of this province is concerned, item number one, the Liberal Party's policy on energy includes the development of the Lower Churchill to be undertaken as a top priority provincial project. Sir, there was never, never any doubt about that because all that is, Mr. Speaker, is a continuation of the policy that was started by the former Liberal Administration, I think it was back in 1962.

AN HONOURABLE MEMBER: Why did you not do it?

MR. NEARY: Sir, you had to take one project at a time. Why did we not do it? It was a part of the unfinished business, Sir, that we had to leave behind. If we had remained in office, Mr. Speaker, it would have been under way now. We would not have procrastinated and we would not have offended the international business world to the extent that they have practically washed their hands clear of this administration. They look upon them, Sir, as you would look upon a Banana Republic, because of the forced take over of BRINCO and the way it was brought about, the Churchill Falls Corporation.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: I certainly did recommend it. It was the way they went about it, Sir, and it was their timing. They had set the development of the Lower Churchill back, Sir, at least ten years. We may, when we get back into power, we may be able to get it back on the rails again, but it is going to be quite a problem, Mr. Speaker.

We believe, Sir, my party believes, that the construction of

the Lower Churchill should have started in the year 1972. At that time, Mr. Speaker, we were just about ready to go into the second phase of the hydro development in Labrador. At that time, Sir, the cost of developing the Lower Churchill was somewhere in the vicinity of \$600 million or \$700 million. I think at one stage we were told it was \$500 million. Now it is \$1,600,000,000 and it is still going up, Sir, still rising and no hope at all, as far as I can see, of the Lower Churchill being developed. Despite the fact that the Leader of the Opposition expressed some optimism, Sir, I do not hold out any hope at all as long as this honourable crowd are in power.

Now, Mr. Speaker, let us see that item number two the Leader of the Opposition outlined. He said that the transmission of power from both the Upper and Lower Churchill to the Island of Newfoundland by either submarine cable, or preferably by submarine tunnel serving the additional purpose of a transportation link between the island and mainland portions of our province - now, Sir, if the honourable Premier is down in his office listening, can he get that through his thick, thick skull. There is the Liberal policy, a continuation of a policy that we started ten years ago.

This honourable crowd over there copied it. That is all they are doing, Sir. They are only parroting what we have been saying for the last ten years. But, Mr. Speaker, the Liberal Party intends to go a step further. We do not think, Sir, that it is sufficient for the government to produce the power of this Province. We think the government should also, Sir, take over the distribution of power. Do honourable members remember the Leader of the Opposition both today and Friday and on the news media for the last couple of days telling the people of Newfoundland that once the Liberals are back in power, that not only will we develop our hydro development, use the power for the people of Newfoundland, bring it across by tunnel to the Island of Newfoundland? But all this would be in vain, all this would be for the benefit of the capitalist, Sir, all this would be for the benefit of the middle man, unless, Sir, the Province has the courage and the gumption and the intestinal fortitude to take over the distribution of electric power in this Province through the establishment of regional hydro-electric commissions, similiar to what they are doing in the Province of Ontario. Not bad, Sir, for a party without a policy, for a party without a platform, not bad at all.

What else did the Leader of the Opposition tell the House and in turn, the people of Newfoundland about the Liberal Party's policy on energy? Well, Sir, the Leader of the Opposition said that the moment we have all this power that my party would immediately institute a campaign to gradually replace all heating and other energy using equipment in this Province, replace it by electricity with the ultimate goal of rendering both homes and industry independent of imported fuels. What a gigantic step forward, Mr. Speaker, that would be. We have heard some vague, general references, Sir, to this from the Moores administration, but, Mr. Speaker, they have not told us, they have not told us how they intend to implement this policy because after all, Mr. Speaker, the people of this Province, even those who have furnaces that are fired by oil or coal or by wood, or wooden stoves or coal stoves or oil stoves, could not afford, Mr. Speaker, to throw out the equipment that they have in



their homes and start right off from scratch and make their homes electrically heated. This can only be done, Sir, in a planned way. The minister and his colleagues and the Premier can make all the vague and general references to it they like, but, Sir, what we intend to do, the Liberal Party intends to do something specific about this. We intend to start a campaign immediately to replace all heating and other energy using equipment, replace it with electricity. This can only be done, Mr. Speaker, with subsidies. People who wish to convert their homes to electricity would have to be subsidized and in some cases, Sir, a lot of the homes, maybe, would have to be demolished altogether.

Certainly, most of the homes in Newfoundland that are now cold and damp, Sir, would have to be insulated. But this could only be done, Mr. Speaker, with a well planned programme of subsidization, not just vague, general references like we have heard from the administration. How is that for policy, Sir? How is that for taking a position?

If the Premier is in his office now listening to me, would he come back to this House and admit that he is wrong, that the Leader of the Opposition and the Liberal Party do have a sound energy policy, far superior, Sir, than anything that I have heard come off the lips or out of the chops of the honourable the Premier or any of his ministers?

Sir, another part of this Liberal Party policy on energy is that we would not only stop, Mr. Speaker, at the Lower Churchill, we would not stop there, we would carry out studies into the feasibility of further hydro power development in any of the remaining locations in Newfoundland and in Labrador, and we would step this up, Sir, we would accelerate this so that these potential hydro development possibilities could be carried out at an earlier a date as possible, and any surplus power that we had, Sir, we could export it.

Mr. Speaker, when the Minister of Mines and Energy, Sir, introduced this bill that is supposed to be the great saviour of Newfoundland, as the Leader of the Opposition pointed out, Sir, all it is is another corporate monster. The minister could have very easily accomplished the same thing by beefing up the old Power Commission, by bringing in a few amendments to the Power Commission Bill. But the minister, trying to make a name for himself, trying to go down in history as making some kind of a contribution to this province, I think he even has himself convinced, Mr. Speaker, that this bill is a most important piece of legislation ever to be brought before this House and what the minister does not realize, Sir, and the administration, that ninety per cent of the people of this province who are ordinary Newfoundlanders will benefit in no way, shape or form from this bill. We could have accomplished the same thing by beefing up the old Power Commission.

But, Sir, the minister, who is trying his best to make a bit of a name for himself, to leave his mark in the history books of this province in outlining his administration's policy on energy, he did not deal at all, Sir, with nuclear power. He did not even mention it, Mr. Speaker. I followed the minister very,

very closely. He made no reference at all, Sir, to nuclear power. The minister may refer to it now when he is summing up -

MR. BARRY: Gull Island power is cheaper.

MR. NEARY: What is cheaper?

MR. BARRY: Gull Island power is cheaper.

MR. NEARY: Mr. Speaker, the minister says Gull Island power is cheaper. Well, Sir, my only answer to that is it will cost \$1,600 million to develop Gull Island. It would cost about \$1,250 million to build a nuclear power plant in this province that could generate three times the power the minister is going to get from the Lower Churchill.

AN HON. MEMBER: Inaudible.

MR. NEARY: What I am saying, Sir, is correct. But, Mr. Speaker, where the minister is right, once the hydro development is complete then it is very cheap to operate it as compared to nuclear power. But, Mr. Speaker, I was expecting the minister to outline on behalf of the administration for which he is speaking an energy policy that would take care of the needs of Newfoundland and Labrador, say, for about the year 2025.

At least, Sir, I was hoping that the minister would tell us what plans his administration had in the field of energy that would bring us up at least to the year 2000. Most provinces now, Sir, I know Ontario are planning ahead to the year 2025. There is no way, Sir, no way that the minister could have omitted if he were thinking ahead for fifty, seventy-five, one hundred years. There was no way that he should have avoided telling us about further electrical developments in the province in the way of nuclear power, similar, Mr. Speaker, to the power plant that Ontario built up at Pickering and the one that is presently under construction.

Mr. Speaker, if we are going to talk about industrial development in this province, long range plans, and God only knows we hear enough about these long range plans, then we are going to have to look beyond the development of the Lower Churchill. We are going, Mr. Speaker, to have to take a look at providing additional power sources through nuclear power.

So, Mr. Speaker, the minister, although he spoke in great length when he introduced this Power Corporation Bill, did not give us a full picture of what we can expect in this province over the next fifty or seventy-five years in the way of development in the fields of electricity.

Mr. Speaker, I do hope when the minister closes the debate that he will also tell us whether or not his government are going to carry on with a project that was started a few years ago in the development of thermo generating plants, such as the one we have down in Holyrood. The minister indicated, I think, last year in answer to a question that was put to him by the opposition that the government were taking a look at building two or three more thermo generating plants strategically located in various parts of the province. Have these plans been cancelled? If so, and if there is no development of the Lower Churchill, can the minister tell us when he is closing the debate just what will happen? Will we stand still? Will our industrial development programme which has lost momentum in the last two or three years because of the attitude in the policy of the Tory

Administration, will it go down the drain completely? Will we be doomed in this province? Will we just become the wilderness in this area that some people up in Ottawa think we should become? What would happen if the Lower Churchill is not developed?

The administration, Sir, seems to be putting all its eggs in one basket. We have not had a new industry in Newfoundland in three years. All we have seen is a continuation of all the projects that were started by the former Liberal Administration. They have not had an original idea. They have not been able to get the Lower Churchill development off the ground.

AN HON. MEMBER: Inaudible.

MR. NEARY: What will happen, Mr. Speaker? What will happen if we lose any more time, Sir, in the development of the Lower Churchill? The administration are leaving the impression around this province that it is a matter of life and death to get the Lower Churchill developed. What will happen if it is not developed in the next year or two?

Mr. Speaker, the administration, from time to time, have asked what the Leader of the Opposition's policy is? What the Liberal policy is towards Ottawa's involvement in this whole matter of developing the Lower Churchill and building a tunnel and bringing a transmission line from Labrador across to the Island of Newfoundland?

Well, Sir, the honourable crowd on the opposite side of the House may be very surprised to find out what our policy is along these lines. It is a little more severe, Sir, a little more drastic than that namby-pamby attitude that that honourable crowd has towards Ottawa. The Leader of the Opposition hinted at it, Sir, today. We do not think that Ottawa is going far enough, and that may come as a surprise to the honourable the Premier down there on the eighth floor, who I am sure is listening to me. We do not think they are going far enough, Sir.

Mr. Speaker, in my opinion, Ottawa did nothing more for Newfoundland in this \$343 million that they just approved in low interest loans and grants, no more than they would do for any other Province of Canada. It is exactly the same, Sir, as they would do for any other province of Canada. It is not less, it is not more, Sir, it is not less.

Mr. Speaker, it is not good enough, not good enough, Sir. Mr. Speaker, if we are going to get more co-operation from Ottawa, if we are going to get more out of Ottawa and I think we should -

AN HONOURABLE MEMBER: You would need a P.C. Government up there.

MR. NEARY: No, Sir, you do not. You need a Liberal Government down here. Mr. Speaker, I am amazed and surprised that Ottawa would even talk to this honourable crowd.

MR. EVANS: Inaudible.

MR. NEARY: They have provided, Sir, in the last three years enough nails to crucify Ottawa and only yesterday, when I put a question to the Minister of Mines and Resources in this honourable House about the Province's energy policy, he took advantage to use it as a spring board to attack Ottawa, and the Minister of Energy up in Ottawa and the minister has to go up and deal with that minister. Does the minister think that Mr. MacDonald and the Government of Canada and the officials in his department do not read the newspapers or listen to the radio.

MR. BARRY: I broke his tender little heart.

MR. NEARY: Ah! Mr. Speaker, he may not have broken his tender little heart, and then we hear the Minister of Fisheries bellyaching continuously

about Ottawa. The Premier, he sets the bad example for the whole honourable crowd. The point I am trying to make here, Mr. Speaker, is this; over the past three years, Sir, relations between the Provincial Government and the Government of Canada have deteriorated drastically. That is why, Mr. Speaker, that is why when the honourable crowd went up to Ottawa with hat in hand on their little begging expedition, and they told us they were not going to beg anymore, that they were just merely flicked off, brushed aside and given \$343 million to help finance the transmission line which is no more or no less than Ottawa would do for any other province of Canada. There is nothing special in that, Sir.

Mr. Speaker, in my opinion, Sir, and I hope the honourable Premier is listening to this, in my opinion, I think the major proportion of the cost of developing the Lower Churchill should come from Ottawa.

SOME HONOURABLE MEMBERS: Hear! Hear!

MR. NEARY: Well, Sir, I have not heard the administration make that statement.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, Mr. Speaker, what I am saying is this: the major portion of that financing, Sir, will come from Ottawa only when we have a good, political climate in this Province, when we have a group of men that can go and deal with Ottawa man fashion, that Ottawa knows they can trust, that Ottawa knows are not in the business for their own personal gains, a group of men, Sir, that they know are dedicated to the development of this Province.

Only then, Mr. Speaker, can you expect to get better co-operation from the Government of Canada. I am not satisfied with the way things are going at all, Sir. If I do nothing else in my few remarks today only point out to the administration the weakness, the error of their ways, the weakness in their argument! On one hand, they are nailing and crucifying Ottawa. I know Wick Collins will probably say, "Oh, so what. You can crucify them, drive the nails into their coffin and then go back to them the next day and they should not hold it against you." I know what he is saying.

MR. SPEAKER: Order, please!

I would just like to remind the honourable Member for Bell Island that he has five minutes left to finish.

MR. NEARY: My God, where does the time go, Sir, where does the time go?

"You can say what you like about them and they should not hold it against you" - well, Sir, that may be true but we are all human beings. What happened to the "Daily News" when they said something about the administration they did not like? They cut off their advertising, Sir. What would you expect Ottawa to do, Sir? I am surprised that they have tolerated them as long as they have. Relations, Sir, are anything but harmonious between this province and Ottawa. The only way it can be remedied, Sir, the only way that we can get the help and the assistance and the co-operation that we need is to fling this honourable crowd out and get a government over there that can deal man fashion with Ottawa.

As I see it, Mr. Speaker, the Department of Regional and Economic Expansion is the one that should provide the grants and the financial assistance, Sir, to develop this Lower Churchill. Mr. Speaker, the two projects - I wish I had time to go into it in a little more detail - the two projects, the tunnel and the development of the Lower Churchill, Sir, should be separate. The tunnel, Mr. Speaker, should be a part of the Trans-Labrador Highway and financed along the same lines and on the same basis as the



Trans-Canada Highway was in Newfoundland, on a ninety-ten arrangement.

That is the way, Sir, separate them.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Right now, Sir, I think DREE - I wish I could talk about DREE. I only have a few minutes left, but in my opinion, Mr. Speaker, DREE has failed miserably to do the job for which it was set up. It has, Sir. The whole concept somewhere along the line has been lost. All it is now is just another form of welfare, industrial welfare. Sir, I think it is DREE that has to build this tunnel. It is DREE that has to develop this Lower Churchill.

Why, Mr. Speaker, let us say that it is \$1,600,000,000 we are talking about. Over a period of twenty years, how much would that amount to a year for the government, this great Government of Canada? \$80 million or \$90 million a year? Somebody said, "Peanuts". I agree with him, Sir. That is the only way it will ever be done. This poor old province cannot afford to develop the Lower Churchill, build a tunnel, bring a transmission line in, build a Trans-Labrador Highway. It is the Government of Canada, Sir, that should be doing it.

AN HONOURABLE MEMBER: The honourable member is mellowing in his old age.

MR. NEARY: No, I am not mellowing. I am just telling the truth, facing the facts. Sir, if we are going to get these projects off the ground, and we have to if we are going to move this province forward, if we are going to survive, Sir, as human beings, as individuals in this province, we are going to have to establish a better relationship with Ottawa, and we are going to have to persuade Ottawa, Mr. Speaker, to develop better programmes, more programmes, not only of financial assistance but in all kinds of other ways, to help us develop this province. Otherwise, Sir, we will remain, not the third world but the fourth world in this Canadian nation.

MR. MORGAN: Mr. Speaker, just a few words on this bill where we see the creation of a Newfoundland and Labrador Hydro-Electric Corporation which as a parent company will develop the Lower Churchill, and also

March 3, 1975

Tape 118 (afternoon)

IB-3

manage and develop the other generations of power in our province  
both on the Labrador section of the province and on the island part  
of the province.

I am convinced, Mr. Speaker, that unless we develop the hydro power along with our other natural resources, that we are not going to have a very strong economic base in this province in the future. The only way we can have a diversified and self sustaining economy in this province is to develop the hydro electric power we have in Labrador.

It is the first time, I think, I find myself in full agreement with the last speaker in the House of Assembly today on this debate and that is with regards to the financing of this gigantic development. So far we have seen the federal government, the Government of Canada, announce they are going to supply \$343 million of a loan. Now this to me is only peanuts. We are looking at a \$1.6 billion development.

I would like to see the federal government really show its colours. If they want to overcome regional disparity in this country, if they want to really be sincere about developing the poorer regions of our Country of Canada, here is a chance for them to show it and show their colours in a true manner. For example in Bay D'Espeir they pumped in a \$24 million grant which was equal to one-third the total cost of that development. That was a hydro power development. \$24 million, one-third of the cost in grant. But so far all we see is \$343 million of a loan.

Now the honourable Leader of the Opposition this afternoon went on with some great length questioning. In other words, it took him, I think, twenty-five minutes to ask the question which is obvious, I think, to all of us on this side of the House, where he was trained and how he was trained in his political career. It took him twenty-five minutes to ask one simple little question: how are we going to finance this gigantic development?

Well, Mr. Speaker, I am only a backbencher in the House of Assembly but I try to be as attentive as I can and to follow what is going on in the House of Assembly. My simple suggestions from a lowly backbencher would be the following with regard to financing

this great development.

We can have federal, provincial and private, naturally, three sources of funding. Now the private source of funding can come from at least three sources. We have the equity where we see private investment. We have the mortgaging bonds and short-term bank borrowings. That is the private section.

Now with regards to the equity of this development I would also like to see the federal government get involved in investing substantial funds in this project, in an equity way. Something along the similar lines of what we saw happening over in Alberta in the Syncrude development. Why can the federal government not come in and invest a substantial amount of funds as long as they do not take a majority of the ownership? They can take a minority position and invest substantial funds. Sure they can. Or they could also, for example, they could develop the hydro power plant and own it and lease it out to the Newfoundland Government. That is another means where the federal government can get involved in financing.

We are going to have, naturally, to raise funds locally. That is obvious. The onus is going to be on this government. We cannot just say, "Look, the onus is on the federal government to finance this project." We are going to have, as a province, to guarantee the bonds of this new electric hydro development corporation, this new corporation. We as a province are going to guarantee these bonds. We are going to have to. We are all set to raise money provincially, and by means of the government supplying loans provincially, and by means of the federal government either supplying a grant or investment in equity, we are going to develop that hydro development in Labrador.

I defy the pessimism put forward by the opposition that we are not going to develop the hydro development in Labrador. We are not going to do it. It is not going to be done. It is all dreams. Where are we going to raise the money? How are we going to get the

power into Newfoundland? That is not the kind of thing that we should be talking about. I did not hear this afternoon one suggestion from the opposition spokesman to them, not one suggestion as to what we can do to raise the money to develop this gigantic and very important project.

I did hear one criticism which I agree with from the opposition. I think it was the Leader of the Opposition who mentioned it. I read the bill and at least three, six, maybe six months ago. I make it a point as a backbencher to read all legislation. I do not get up in the House of Assembly and vote for the sake of voting legislation. I want to know what I am voting for.

Six months ago, I went to the Minister of Mines and Energy, the honourable minister who introduced this legislation to the House of Assembly, and I pointed out to him there was one section I strongly disagreed with and that was the section that was mentioned by the honourable Leader of the Opposition. I do not want to see this new hydro corporation become a haven for has-been politicians, become a haven for politicians or friends of the party in power like we saw in the Power Commission, where we saw Mr. Canning and Mr. Burgess and Mr. Saunders and others who, simply because they were friends of the party in power, the government of the day, that they got these positions to draw extra salaries over and above their remuneration from the House of Assembly.

So I told the minister I strongly disagreed with that and he agreed even at that time that he would change that section of the bill. Now, unfortunately that section is still in the bill, but as the Minister of Industrial Development pointed out, the assurance has been given by the ministry that that section, I think it is section (6), paragraph 8, will be eliminated from the bill completely, and rightly so. It is no place for politicians to be there in name only with no contribution to make to the new corporation.

Now, Mr. Speaker, there is one thing that I would like to see done in looking at this development. I cannot see why we as a government and as a Province should have to wait to get the Lower Churchill going. I would like to see this new corporation immediately commence negotiations with the Hydro Quebec people so that we can get what approximately may be 700 to 1000 megawatts of power from the Upper Churchill. We have only got 300 there now which we can recall - go in and negotiate immediately for

at least 700 to 1000 megawatts from the Upper Churchill which we have now going, so that we can immediately commence construction of the hydro power lines to Newfoundland, to the Island of the Province, immediately, so they will not have to wait for the development of that Lower Churchill, but to start now. I would like to see this new corporation commence negotiations with the Hydro Quebec people along that line. For example, there is no reason why they could not arrange to divert the, if I recall the map correctly, the Romaine River into the present system and use that as a means of getting approximately 700 to 1,000 megawatts from the Upper Churchill, and to commence construction immediately of our power lines.

Mr. Speaker, not being a learned member of the House of Assembly as the opposition member usually refers to, not being a lawyer, I cannot interpret section (24) which we saw the Opposition Leader condemn, but my common sense view of that clause is that it merely means, for example, the section referring to it, that no action or proceeding by way of injunction or other restraining process or proceeding of any nature against the, in other words, limiting or hindering the supply of power to any person. Now, I interpret that section, not being a lawyer now, I interpret that section as meaning that there be no procedure of action, no legal action taken against the corporation to prevent the supplying of power to a source or customer once the power is installed. We are not talking about a situation where the actual construction of the power is being carried out. We are talking about a situation in section (24) where the power is already there on the lines and we are not stopping the power from going to a customer, to a private individual, to a business. I am not being a lawyer. I interpreted that way. Now I would like to hear the comments in this debate of some of the more learned gentlemen of the House of Assembly, in particular, my colleague and friend from St. John's South.

Now, with regards to one of the other major points brought forward by the opposition,

with regards to the financing, the financial provisions and the borrowings and loans and guarantees of this corporation.

Now the Financial Administration Act, I made a point of looking it up myself, points out that it does not apply, and I agree with the opposition on it. It does not apply to crown corporations, bodies of government, not really government departments but bodies of government like crown corporations. The government comes along, and it is not really going directly in borrowing the money for these crown corporations. They are guaranteeing the loans for the corporations. They are guaranteeing the loans in the same way, for example, if the Bonavista Town Council came in tomorrow and wanted \$2 million, that they would borrow the money, but the provincial government would guarantee the money in the same way.

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. MORGAN: Mr. Speaker, the point I am making is that maybe the points the Opposition Leader made, you know, there are some good points. That one particular point sort of bothered me because I was wondering what limit, for example, can we set on the power corporation in going out and borrowing? Now we have already in the Financial Administration Act, we have already set the limit, I think, \$177 million where we can go out and borrow.

MR. ROBERTS: For this year.

MR. MORGAN: Right.

AN HON. MEMBER: Inaudible.

MR. MORGAN: Yes. So maybe we can look at it that way and say, "Well each year there is a limit to how much this new corporation can go out and borrow, that must be then subject to the approval of the House of Assembly."

MR. ROBERTS: Now that makes sense, I agree with him.

MR. MORGAN: That is one way of looking at it.

There are a number of question marks, and I am hoping when the minister closes the debate he will enlighten us further on these points.

AN HON. MEMBER: Inaudible.



MR. MORGAN: Of course, when we get down to committee stage we will be going through each section of the bill, clause by clause.

But, Mr. Speaker, these are just a few points that I wanted to make about this bill. I do want to emphasize one thing, maybe I will sound, naturally being a politician, now I will sound political but there is no way I can tolerate anybody saying to me that the Upper Churchill was not a giveaway, because it was a giveaway.

AN HON. MEMBER: Hear! Hear!

MR. MORGAN: It was a giveaway. For example, today Hydro Quebec is laughing at Newfoundland. Laughing at Newfoundland because they are out selling the same power that they are buying from Newfoundland for two-and-a-half, three mils. They are selling that same power eight mils, ten mils, even as high as twenty-three mils in one case - the same power they are buying from this province for two-and a-half, three mils. Now if that is not a giveaway, where we see the Hydro Quebec people, the Province of Quebec is really benefitting financially and substantially financially from a deal made back in 1966-1967 with Hydro Quebec. Nobody can justify saying, "well the reason why we did this or that at that time was because nobody else wanted to buy the power. We had no other way of getting the Churchill Falls going. We had to go down the line the way we went to Hydro Quebec." That is a poor excuse to give away all of our power.

AN HON. MEMBER: Inaudible.

MR. MORGAN: But it was a giveaway at the time. Because based on one main factor, and that factor being the cost at the time.

MR. MURPHY: it was based on contract.

MR. MORGAN: The cost at the time. The cost of developing that power at the time was the main factor behind my saying, was a giveaway.

MR. MURPHY: It was not the price, it was the Newfoundland term contract.

AN HON. MEMBER: Inaudible.

MR. MORGAN: The contract should never have been signed for a long term period, number one. Number two, it should have not even commenced for the first short term period below four or five mils.

AN HON. MEMBER: Inaudible.

MR. MORGAN: So, Mr. Speaker, I am convinced that the Upper Churchill was a giveaway. I strongly and proudly endorse this kind of legislation we have which is going to assure in the future, assure that we are not going to give away our power in the future. We are not going to give it away, We are going to use it and develop it for the benefit of all Newfoundlanders. Thank you very much.

HON. MEMBERS: Hear! Hear!

MR. ROUSSEAU: I have just a few words, Mr. Speaker, on this particular item. Today, I think I saw one of the most fantastic examples of reverse psychology I have ever heard. The thing that touched me in the debate today was the Hon. Member for Bell Island suggesting that there had been ice up there all the time, and why did not the Hon. Minister of Industrial Development know it.

AN HON. MEMBER: (Inaudible).

MR. ROUSSEAU: Right. He then turned around and talked about its ice-free port, which was an amazing discovery, which was never known before, I presume.

Anyway, the debate has been very good. I have learned a lot listening back and forth to the people who had a contribution to make. I do approve of the debate, Sir. It is a very important item that should be discussed fully in this House of Assembly. I have a few topics that I would like to touch on, if I may.

The first one, and the most important one, is in respect to the possible "rape of Labrador" that we hear about. I would hope that that would not happen. I have said in the House previously, and I reiterate it now, that as far as I am concerned I would certainly think that it is the government's intention, and I am not led to believe otherwise, that the benefits accruing from the development of the Lower Churchill will first accrue to Labrador, and that it will then accrue to the island portion of the province, and then whatever is left over, of course, may go where it may. Hopefully, it will be on a short-term arrangement so that should the occasion arise in the future where it is needed in this province, it can be recalled, But not as it stands now in the Upper Churchill, where the agreement for the purchase of power on the Upper Churchill is for a long period of time, but that it would be over a much shorter period. There should be no doubt in anybody's mind that the people of Labrador should be the first to benefit in all aspects, from all benefits accruing from the development of the Lower Churchill. They have not from the Upper Churchill.

I think that during the original negotiations with BRINCO, and I was at that time a member of the group of ministers who were talking with BRINCO, one of the non-negotiable items at that time was a transmission line from the Lower Churchill to the Goose Bay-Happy Valley area. That was one of four non-negotiable items. This government, in its wisdom, felt that the people of Labrador had not received the benefit they should have from the Upper Churchill. There was still a lack of benefits from the Upper Churchill, especially along coastal Labrador. This should not happen again, and this was one of the major determinates of government's decision to take over this particular project, and this was discussed at length. I am sure that the Minister of Fisheries, when he speaks in the debate, will mention this factor, that it was never government's intention not to have the people of Labrador first served by this power. That certainly would have to do, and one would hope that as a result of this power that would become available to the coast of Labrador, that industries of one kind or another, because of the power available, will be able to utilize the power, and will be able to establish in Labrador, because of the abundance of power that would be available to them in that area.

The problem of ice, of course, is one that we have to cope with one way or another. I am sure that with a source of power, such as will be developed on the Lower Churchill, there will be companies in this country, or in North America, who would be convinced that this source of power would be beneficial to them, and hopefully will set up operations in Labrador. I am sure that there will be other operations, of course, set up on the island portion of the province.

I have only mentioned a few things, and I would like to talk about this more at length tomorrow.

AN HON. MEMBER: Adjourn the debate.

MR. ROUSSEAU: We could adjourn the debate. Okay, I will adjourn the debate, Mr. Speaker.

MR. SPEAKER: It has been noted that the Hon. Minister of Transportation and Communications has adjourned the debate.

MR. CROSBIE: I move that the remaining Orders of the Day do stand deferred and that this House at its rising do adjourn until tomorrow Tuesday, March 4, 1975 at 3:00 P.M., and that this House do now adjourn.

MR. SPEAKER: This House stands adjourned until tomorrow Tuesday at 3:00 P.M., March 4, 1975.