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SPEAKER: THE HONOURABLE M. JAMES RUSSELL

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

We have in the galleries today two delegations from the District of Bonavista South. From the Town of Bonavista, the mayor, Mr. Gordon Bradley, the deputy mayor, Mr. Fred Gosling, with councillors Frank Sweetland and Maxwell Way and the town manager, Mr. Calvin Rose; and from the Town of King's Cove, the mayor, Mr. Thomas Hancock. On behalf of all the honourable members, I certainly welcome you gentlemen to the galleries today.

STATEMENTS BY MINISTERS:

HON. J.C. CROSBIE (MINISTER OF FISHERIES): Mr. Speaker, I met this morning with seventeen representatives of the inshore or seasonal plants that operate in the fishery on the northeast coast at their request so they could discuss with me the problems that they see arising in the inshore fishery this year. Of course, there are many problems that may arise. Among the representatives were Mr. Alec Moores, Mr. Fred Earle, Mr. Bud O'Brien, Mr. Maurice Quinlan, Mr. Arthur O'Brien, Mr. Ed Janes and others.

I would like to reaffirm in public what I told them privately, that is, that the Government of Newfoundland, and certainly the present Government of Newfoundland, has no intention of permitting the disappearance or the weakening of the inshore fishery of this province, and that the inshore fishery which includes the fishermen, the plant workers and the processors and marketers of fish—their problems are recognized by the government, that the government is prepared to assist. Of course when we know what programmes are to be introduced by the Government of Canada when the various studies now under way are concluded for the medium and long term, that this province is certainly prepared to do its part, and that in connection with the inshore fishery will take whatever steps are necessary to continue its viability.

I am not of the opinion that seems to be held by some, who are a distance from the province, that the inshore fishery of Newfoundland can ever be allowed to die, or that it should be allowed to die. Apart from economic implications altogether, the social reasons are overwhelming. We cannot see that happen on the whole northeast coast of our province. I, therefore, assure them that they will be having the support of this government in the coming season, and that we recognize the value of the inshore fishery, and we will see that it is not abandoned.

There are some interesting statistics which I might just give the House, which they gave me this morning, that there are twenty-three seasonal plants on the northeast coast, with 5,200 employees at the peak of their season. Their gross plant payroll last year was \$8,700,000. I am rounding out the numbers. The gross U.I.C. benefits, as a result of the plant workers employment, is \$6,200,000. They dealt with 5,800 fishermen. Gross payments to the fishermen, by these seasonal plants, were \$10,600,000. They calculate the U.I.C. benefits to the fishermen, as a result, \$7,400,000. Their total fish purchases were 108,000,000 pounds this year, down considerably. The total trap fish purchases were 27,000,000 pounds, and some of the rest of the information is about their expenses.

I have just reaffirmed publicly, Mr. Speaker, what they have been told privately, that this government are pledged to ensure the successful continuation of the inshore fishery of this province, including the seasonal plants along the northeast coast. Whatever additional must be done to see that they are protected, and that their efforts are successful, once we know what the assistance plans are of the Government of Canada, will be done by this government. The Government of Canada have the prime jurisdiction, because they have jurisdiction in fisheries. They also have, of course, the great financial resources. This province has no intention of allowing the elimination, or the death of the inshore fishery of the province.

MR. SPEAKER: The Hon. Member for Fogo.

CAPT. E. WINSOR: Mr. Speaker, on behalf of this side of the House, we certainly welcome the statement by the Hon. Minister of Fisheries confirming that it is the intention of the government to see to it that everything possible is done to encourage and assist our inshore fishery. One point in the minister's remarks puzzles me at this particular time. Yesterday, or the day before, the honourable minister made a statement that many of the small plants along the north-east coast will have to be phased out. Is the minister stating now that it is the intention of his government that this will not be so? Mr. Speaker, the inshore fishery cannot operate, and the people of the communities where that inshore fishery is operated cannot gain the best benefits from the inshore fishery unless we have some kind of plant. It may not necessarily be a fresh fish processing plant or -

MR. SPEAKER: Order, please!

I hate to interrupt the honourable member, but he is making more of a speech than replying to the statement made by the honourable minister.

CAPT. WINSOR: Mr. Speaker, I am sorry if I twisted a little beyond what I had intended to say. However, these are matters which concern the inshore fishermen, and these are the matters, I think, which the minister should clarify.

MR. CROSBIE: Mr. Speaker, just on the point of explanation that the honourable gentleman asked about, I certainly did not say in this House -

MR. NEARY: Is this in order, Mr. Speaker?

MR. CROSBIE: Yes. An explanation has been asked for, I certainly never said that there were a number of plants that would have to be phased out. I believe the honourable gentleman introduced a petition from Aspen Cove that they wanted a fish plant in Aspen Cove. I simply said that -

AN HON. MEMBER: From Musgrave Harbour.

MR. CROSBIE: - from Musgrave Harbour - that it is not possible to have a fish plant in every community. This government have not said that there is any need for any of the inshore plants in the northeast coast to phase out. Although there are those, particularly in federal service, who think this is the case but my statement is the policy of the government that we are not going to see the inshore fishery vanish.

MR. SPEAKER: Are there any other ministerial statements? The Hon. Minister of Justice.

HON. T. A. HICKMAN (MINISTER OF JUSTICE): Mr. Speaker, I am pleased to announce the appointment of Mr. Malcolm Squires as Superintendent of H.M. Penitentiary. Superintendent Squires is a native of St. Phillips. He has had a very distinguished career at the Penitentiary service of this province. Following graduation from Memorial University College as a teacher in training, he taught for six years then joined the Newfoundland Constabulary and subsequently served in the Newfoundland Ranger Force.

Superintendent Squires joined the Penitentiary service on November 26, 1944 and was promoted through the different ranks and offices of the service culminating in his appointment as an Assistant Superintendent of H.M. Penitentiary in May 1967. He has completed the necessary staff training programmes.

Superintendent Squires is a member of the Atlantic Provinces Correctional and Criminology Association and the Canadian Associations.

I am also pleased to announce the appointment of Mr. Alex Yetman as Assistant Superintendent of H. M. Penitentiary. Assistant Superintendent Yetman is a native of St. John's and a graduate of the three year public administration course at Memorial. He joined the staff of the Penitentiary in 1962 and served in various capacities including that of Classification Officer. He, too, is a member of the Board of Directors of the various Canadian and Atlantic Province Criminology and Corrections Associations.

These promotions and appointments were made by the Lieutenant-Governor-in-Council on the recommendation of the Director of Adult Corrections, Mr. John Fagan who formerly served as Superintendent of Her Majesty's Penitentiary.

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

MR. S. A. NEARY: Mr. Speaker, on behalf of the members in Her Majesty's Opposition, we want to congratulate both Superintendent Squires and Mr. Alex Yetman on their promotions, Mr. Squires promoted to the Superintendent of Her Majesty's Penitentiary and Mr. Yetman, Assistant Superintendent.

While I am on my feet, Sir, I also want to express our congratulations to Superintendent Fagan who was recently appointed, I think, it was Director of Correctionals in the province to make it possible for Mr. Squires to be promoted. I do hope, Sir, that Mr. Squires and Mr. Yetman have every success in their new jobs. I know that Mr. Squires has a very difficult role to play, Sir, to follow in the footsteps of Superintendent Fagan who did such a tremendous job at Her Majesty's Penitentiary.

So on behalf of the members of the Opposition we want to congratulate both of these very fine Newfoundlanders, Sir, who have now been appointed to very responsible positions.

MR. SPEAKER: Are there another other ministerial statements?
The Hon. Minister of Fisheries.

HON. J. C. CROSBIE (MINISTER OF FISHERIES): Mr. Speaker, I would like to report to the House that tomorrow the Member for St. Barbe North and myself are going to Plum Point.

AN HON. MEMBER: Hear! Hear!

MR. CROSBIE: We are only going to stay for one day—

AN HON. MEMBER: Oh!

MR. CROSBIE: — at the invitation of the St. Barbe Coast Herring Fishermens' Association to discuss with them a brief that they have prepared for the Government of Canada and the Government of Newfoundland, and, I think, the Extension Service at Memorial assisted them on this as to what should be done in the herring fishery on the Coast of St. Barbe North and Labrador South. We will also be accompanied by Mr. Aiden Maloney from the Canadian Salt Fish Corporation.

MR. NEARY: Government aircraft?

MR. CROSBIE: Oh, definitely government aircraft. We hope to land at Port au Choix and then go on that magnificent highway from there to Plum Point.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: The honourable gentleman would love to have his hands in either one of them, and an official of the Department of Fisheries also.

I would also like to say at this time that it has not been formally announced that this government are well aware of the problems in the herring fishery along the St. Barbe Coast and in Labrador South. And as a result of our awareness we have invited the Canadian Salt Fish Corporation to participate in the herring fishery in the St. Barbe Coast and in Labrador South next year. In the area from Port

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Saunders to St. Lunaire, from Port Saunders at the top of St. Barbe South, I guess it is, to St. Lunaire which is in White Bay North, along that coast and along the southcoast of Labrador from L'Anse-au-Clair to Red Bay inclusive, I think including Black Tickle. The purpose of this is not that they be given a monopoly, but that they are invited to operate up there. We are going to enter into an agreement with the Canadian Salt Fish Corporation for them to operate up there for at least three years. The government agrees to cover them for any losses, if they are incurred, up to \$50,000 a year.

Now, as honourable gentlemen may know, the Canadian Salt Fish Corporation has participated in the herring fishery or the herring business along Coastal Quebec, with the invitation of the Quebec Government, for two years under a similar arrangement. They will, therefore, be in the business in that area, will supply barrels and other material to the fishermen. They hope to buy a lot of the herring themselves and process it at certain central points themselves.

Now, for this programme to be successful, it is necessary for certain community stages to be upgraded and improved. We are hoping that the Federal Government would assist us with this. It is proposed that the community stages at Anchor Point, Green Island Cove, Black Duck Cove, Sandy Cove and Savage Cove be utilized originally this year, and that they be upgraded this year. We feel it is necessary to erect the community stage at Bartletts Harbour. Whether or not that will be erected this year, I cannot tell you.

In addition, it is planned to try to lease private facilities at St. Lunaire, so that St. Lunaire would also be included. In addition, the facilities from L'Anse-au-Clair to Red Bay should be upgraded. We are proposing to the Federal Government through DREE, we are making a submission to DREE, hopefully encouraging on a herring, on a food herring development programme, whereby, hopefully they will assist us in these various upgradings and put in a chill holding facility, most likely at St. Barbe.

Now, this is not all committed yet. This is what we hope to do and we are proposing to DREE. We are also proposing to the Federal Government that certain community stages, which they still have responsibility for, that they will assist us in this upgrading programme. But in any event, the Canadian Salt Fish Corporation has been invited in to the area. We have agreed to cover their losses up to \$50,000 a year. They had a loss in Quebec in the first year but not after that. They would pay the fishermen a certain price at the beginning of the season and then if their results warranted, as they do in the salt fish business, they would make a further payment at the end of the season or even during the season if the results turn out to be good.

Now, the main problem in the herring fishery along those two coasts has been -

AN HONOURABLE MEMBER: Inaudible.

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

MR. NEARY: On a point of order. Mr. Speaker, in my opinion, Sir, the minister, Sir, is debating, not making a ministerial statement in accordance with the standing rules of this House, Sir. If we are going to have a full fledged debate, Mr. Speaker, then let us have it. I would submit that the minister is out of order and that Your Honour rule the minister out of order as such, Sir.

MR. SPEAKER: The honourable Minister of Education.

HON. G. OTTENHEIMER: Your Honour, I would think that the minister was making a ministerial statement with respect to the government's policy on the fishery and certainly honourable members on the other side are interested in the fishery. One aspect of the fishery is the herring fishery, and the Minister of Fisheries was explaining in a manner quite in order the government's policy with respect to the development and encouragement of the herring fishery.

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. F. ROWE: On a point of order, Mr. Speaker. I just simply hope that we will be given the same latitude when we reply to the ministerial statement.

AN HONOURABLE MEMBER: To a point of order, Mr. Speaker.

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

The Chair has heard enough debate re this matter at the present time. It feels that the honourable Minister of Fisheries was quite in order in making a ministerial statement and shall judge whether other persons are relevant when the need arises.

MR. CROSBIE: Thank you, Mr. Speaker. It is quite obvious the honourable gentlemen do not want the fishery discussed in the House.

To conclude my statement of government policy in the herring fishery, Mr. Speaker -

MR. NEARY: Inaudible.

MR. SPEAKER: Order, please!

MR. CROSBIE: The main problem in the herring fishery along these two coasts have been the loss of product due to deterioration of the product. A lot of the pack last year, that was packed by individual fishermen, spoiled. It did not meet the fish rating regulations or was rejected when it got to market, and we expect that with the participation of the Canadian Salt Fish Corporation that problem should be avoided and there should be a much better chance for a successful season this year under these arrangements. The details, of course, will be gone over tomorrow with these fishermen in St. Barbe North and we hope to get some useful ideas from them also.

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. F. ROWE: Mr. Speaker, if I may reply to the Minister of Fisheries, I am looking forward with great anticipation to travelling to my District of St. Barbe North tomorrow with him.

MR. SIMMONS: Watch him Fred.

MR. ROWE: I compliment the minister for implementing a recommendation that we have been advocating for the past three years as a result of communications with the fishermen on the St. Barbe Coast, and that is that the Canadian Salt Fish Corporation get into the herring fishing business.

This is very badly needed, Sir. It is a recommendation that has come directly from the fishermen themselves, and I am glad to see that the Canadian Salt Fish Corporation now will be involved in the herring fishery and I think this will solve a tremendous

number of problems provided that care is taken that some of the private owners of herring sheds and some of the buyers are protected to a certain degree, Sir. I would like to point that aspect of it out.

With respect to the improvements of the community stages, Sir, the minister suggested that there were four or five community stages that are going to be upgraded. There are many more other community stages in the District of St. Barbe North, Sir, that need to be upgraded and I would like for the minister to either clarify now, or during the question period, where exactly community stages fall with respect to jurisdiction.

As we know some of them have been built by the federal government, some by LIP projects and some of them built by the provincial government. However there is extreme confusion as to who is responsible for community stages with respect to the building of new ones, and the renovations and improving of existing community stages, whether they were built by the federal government, LIP projects or winter works projects or by the provincial government, and I hope that we will not see in the months ahead a fight between the provincial government and the federal government over who is going to be responsible for paying for these improvements. I hope it does not become a political football, Sir, and that there will be quiet, calm negotiations going on between the Minister of Fisheries and the federal government in order to get the necessary funds to improve these community stages. I welcome as well the holding facility suggested for the St. Barbe area.

But, Sir, I might point out that there are a total of fourteen recommendations made by the Herring Fishermen's Association for the St. Barbe Coast and three have been dealt with here. This, Sir, is to my mind one of the best briefs that was ever developed by the fishermen of Newfoundland there on the St. Barbe Coast, an excellent brief, excellent recommendations right from the

fishermen themselves and unless all or most of these recommendations are implemented, Sir, I can sincerely say that not only the herring fisheries, but the fisheries in general is doomed to failure on the St. Barbe Coast. So I do welcome the minister's announcement with respect to the implementation of some of these recommendations and I hope that he will see fit to recommend the other ten or eleven recommendations contained in that particular brief.

PETITIONS:

MR. SPEAKER: The honourable Minister of Finance.

HON. H.R.V. EARLE, Minister of Finance: Mr. Speaker, I ask leave to present two petitions, both from the settlement of Rencontre East in Fortune Bay and each petition signed by 112 residents.

The first petition requests that the doctor stationed on the west side of Fortune Bay make at least three calls monthly at the settlement of Rencontre East and that a community nurse be stationed in the community.

The second petition requests that the coastal service from Port aux Basques, the CNR boat, make at least three weekly calls at Rencontre East.

I should explain, Mr. Speaker, that this settlement of Rencontre East, consisting of a population of just under 300, is the last settlement in the District of Fortune Bay which can no longer be reached by road. It has no other means of communication except by sea or by air. The service to that section of the bay is somewhat less than would be desirable. I feel that the CN service does its utmost to look after the needs of the people on the coast, but this particular settlement is sometimes bypassed because of weather conditions and other conditions beyond the control of the captains.

As far as the medical services in that community are concerned, I agree with the residents that one call monthly is not sufficient, particularly as it is such a dangerous location to get in and out of that the doctor very often cannot stay overnight. He has to come late and leave early and then it gives him very few hours in the settlement. So, I have no hesitation in supporting these two petitions and ask that they be laid on the table of the House and sent to the departments to which they relate.

MR. SIMMONS: Mr. Speaker, on behalf of my colleagues I certainly take pleasure in rising to support the prayer of the petition as presented by the honourable the Minister of Finance. The two issues which constitute the prayer of these petitions certainly are issues which are of concern to people generally along the South Coast, including in particular my own District of Hermitage. The matter of medical services is one that is a continuing problem. Some effort has been made to improve the situation. I am thinking of the itinerant services of doctors to places like Rencontre and places in my own District of McCallum and Francois.

I must compliment the Minister of Health for taking some initiatives here as a result of representations made to him by various parties. I am sure as a result of his own awareness of the

need, some initiatives have been taken and the situation has improved somewhat. As is evidenced by the petition presented by the Minister of Finance, there is certainly a lot of room for improvement there. The problems are many, and perhaps this is not the time to discuss them. I do want to go on record on behalf of my colleagues as supporting the prayer of the petition concerning medical services and at the same time to take the opportunity to appeal once again to the Minister of Health to undertake a further review of the services as they relate to the more isolated communities along the south coast with a view to ensuring more regular services, more regular visits by the doctors.

I have to take exception to the minister's remarks about coastal boat services. I do not at all disagree with his remarks about the need for good services, but I certainly cannot share his feeling that CN is doing an adequate job there. Indeed, it is my view, Mr. Speaker, that a very inadequate job is being done and I believe the time has come for members representative of the south coast and for the government to make representation to CN. Indeed, I myself have made representation to the Canadian Transport Commission on this subject. I think it is a deplorable service we are getting on the south coast. I do hope that this petition will help bring to the attention of the right authorities the need to have this service upgraded.

We on this side, Mr. Speaker, take pleasure in supporting the prayer of the petitions presented.

HON. DR. A.T. ROWE (MINISTER OF HEALTH): I am supporting the petition for the improved medical services for Roncontre East. I would like to state that we have an arrangement now whereby a helicopter takes a doctor from Harbour Breton or Mose Ambrose or from St. Alban's on a regular basis to places like Francois, McCallum and Roncontre East. I receive weekly the list of the clinics that are held by the travelling doctors. Over the last several months, as you can appreciate, the number of clinics has been cut because of the severe winter conditions.

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We are now developing a programme whereby we are going to place a fourth doctor in the area whose job will be to relieve at four specific clinics to these outlying areas. This, I hope, will improve the service tremendously.

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

HON. E. M. ROBERTS (Leader of the Opposition): Thank you.

Mr. Speaker, I would like to present a petition on behalf of the people of the community of Conche, in my constituency of White Bay North. While I have not counted the number of names on the petition, it has been signed, I would think, by about 250, or 300 people, which is every adult citizen of the community, and the list of signatures include that of the parish priest, and the members of the council, and just about every citizen of that community.

The prayer of the petition, Mr. Speaker, is succinctly stated in the typed form of the petition, and perhaps, if I could read it, it would state the matter under petition.

"WHEREAS we, the people of Conche, in the Province of Newfoundland, in the Dominion of Canada, give thanks to Her Majesty's various governments, have within our community social services which include excellent medical services, a good school and educational system, electrical power, acceptable television reception, long distance and local telephone exchanges, and a road which connects with the Trans Canada Highway;

AND WHEREAS the food and housing situations are up to standard for this area;

AND WHEREAS the Conche Harbour, and surrounding areas are among the most scenically attractive on the northeast coast of Newfoundland and have the potential for development as a tourist resort by offering such seasonal attractions as deep-sea fishing, lake fishing, hunting, ice skating, ski-dooing and all, as well as a pollution free atmosphere, and a comfortable, and invigorating climate;

AND WHEREAS we, as a community, wish to have a first rate standard of living;

AND WHEREAS the well-being of our community is dependent upon the general health of its citizens;

AND WHEREAS the drinking water in this community falls to a dangerously low level in winter, and all the wells have been examined by a public health inspector, and found polluted, save one;

BE IT RESOLVED that we, the citizens of Conche, draw up a petition to Her Majesty's Government of Newfoundland, with a prayer that it work in providing this community of Conche with a water and sewer system.

We, the undersigned, citizens of the community of Conche, in the Province of Newfoundland, in the Dominion of Canada, humbly pray that Her Majesty's Government of Newfoundland, hear our resolution, and take out to have a water and sewer system installed in this community of Conche.

We pray for Her Majesty, Queen Elizabeth, II, for all her ministers and legislators. As Her Majesty's humble servants, it is our bounden duty that we shall forever pray, signed in the year of Our Lord, 1974."

It arrived, of course, before this session began.

Mr. Speaker, in presenting this petition, I support it without any reservation or hesitation. Not only is it one of the few petitions I have heard presented in precisely the appropriate and correct form, as laid down in Beauchesne and in the authorities, but much more importantly, it is a petition which has to it the overwhelming merit of an unanswerable argument that these people must have water and sewer systems.

Now I know that there are many communities in Newfoundland that lack this amenity, and I have heard the Minister of Municipal Affairs talk of a plan involving \$200 million or \$300 million dollars, which, as I understand it, is the estimated cost of providing water and sewer facilities

I understand that Uncle Ottawa is going to provide Clarenville, Grand Falls, here in St. John's - the minister may not know about this - will provide substantial assistance with the water and sewer systems, or the water systems, or whatever is involved in these communities. That leaves the Government of Newfoundland and Labrador free of that burden, and free to concentrate on providing water and sewer facilities to the smaller communities in our province. I can think of nothing, Mr. Speaker, which should have a greater claim upon the resources, the financial resources of this province, than the subject matter of this petition. In presenting it to the House, I support it without any reservation, without any equivocation, and I do so in the hope that work will start this summer. When we get the magic budget, whenever it comes, I hope there will be money in it for Conche. Nothing would give me more pleasure.

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

HON. B. PECKFORD (Minister of Municipal Affairs and Housing): Mr. Speaker, first of all, let me say, that I rise to support the petition so well phrased, and so ably presented by the Hon. Leader of the Opposition. I am quite aware of the problems Conche is experiencing, having visited that community on many occasions in the early 1960's and the late 1950's, at a time in our history when it was seen fit not to provide any of that coastline with any of the basic amenities of life, at a time when it was ignored completely by the then administration. It gives me great pleasure to support it now, and to indicate to the Leader of the Opposition, and to the rest of his colleagues on the other side of the House, that this petition, and the prayer of the petition will be given sympathetic consideration by the Department of Municipal Affairs in the compilation of its capital works budget this year, not only in Conche, of course, on that French shore, but in other places along that shore, like Croque, and the other smaller places, up the Fishot Islands. We are quite aware of the problems that they experience, and you can take it from me that we will do everything possible to see that the people of Conche have these basic necessities.

MR. SPEAKER: The Hon. Member for Hermitage.

MR. R. SIMMONS: Mr. Speaker, I have pleasure to present another petition on behalf of some of my constituents. This petition is from a number of people at Gaultois, 279 people have signed the petition. The prayer of the petition is once again the need for a ferry service between Gaultois and Hermitage, and also to include the community of McCallum. The petition sets forth pretty clearly the need, and the feelings of the people at Gaultois, and so I shall read the wording.

We, the undersigned, residents of Gaultois, petition for a ferry service between Gaultois, Hermitage, and McCallum. Premier Moores made a firm commitment to the people of Gaultois at the time of the Hermitage by-election that a ferry service would be provided by the summer of 1974. There is no doubt that a desperate need exists for such a ferry service. This ferry would serve not only as an access to the provinces road system, but also provide better medical services, mail services, etc. At present Gaultois receives mail at regular intervals, or whenever weather permits. The doctor, who usually visits once a week, has been unable to visit Gaultois recently due to ice conditions. At present, he has to depend solely on the local druggers for transportation. Transportation to and from Hermitage depends mostly on the few privately owned boats at Gaultois. This, too, is a risk for both passengers and boat owners as these small boats are ill-equipped for any type of passenger service. The present ice conditions prevent them from sailing. We feel that to this date this matter has been overlooked, and we ask that it be given your immediate attention.

As I said, Mr. Speaker, the petition is signed by literally every adult member of the Gaultois community, a total of 279 persons. In addition it has the support and the sanction of the town council at Gaultois. I have here a letter signed by the mayor, Mayor John R. Ingram, and by all six of the councillors. The letter gives

some additional background which, I think, is pertinent to the prayer of the petition. In part, Mr. Speaker, the letter from Mr. Ingram and his councillors reads:

We are sure that there is no need to stress the point that there is a dire need for such a service. At present we are without bank services, mail services, medical services, and transportation to and from Hermitage. Some of the problems we have listed are on the petition, and they say to me, as the member, we trust that you can point out the remaining problems.

The residents of this community are concerned with the negligence which the government have displayed in this situation. We feel that if air transportation can be provided to people of other communities around the province to compensate for the loss of their ferry services, then some solution can be found for us. If Premier Moores is a man of his word, then it is high time he took a good, hard look at our situation, and made the ferry a reality instead of a promise.

Mr. Speaker, Mr. Ingram in his letter and the petitioners in their petition have set forth the matter pretty well. I have already spoken on this matter earlier in the session - a couple of days ago. I certainly heartily endorse the petition. I say that the need even here is understated. I believe the Premier and his colleagues are quite familiar with the need, having made a firm commitment on the point.

I can only hope now, Mr. Speaker, that the Premier or the Minister of Transportation will see fit to respond to the petition, which they did not choose to do last week when we presented a similar petition from the people of McCallum about the same subject. But I would hope and I would invite either the Premier or the minister or both to stand in the House and assure the House and the people of Gaultois and McCallum that they will indeed keep their commitment, albeit a year late, but keep their commitment during the forthcoming season to the people of Gaultois and the people of McCallum.

It is my great pleasure to support wholeheartedly the petition and request that it be placed on the table of the House for referral to the appropriate department.

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

HON. J. G. ROUSSEAU (MINISTER OF TRANSPORTATION AND COMMUNICATIONS): First of all, Mr. Speaker, if I may, the question of air transport, of course, that could be a commercial operation over which this department would have no jurisdiction. Of course, in the event of an emergency or a crisis down there, we would, of course, provide any assistance we could on an emergency basis. But respecting air transport, it would purely be a private enterprise that would lie in the hands of one of our three, I would guess, third-level carriers to institute proceedings with the Canadian Transport Commission to have such a service inaugurated.

In respect to the petition it will certainly be given sympathetic consideration by the department. We have just received the one from the other place involved, a couple of days back. We will give it serious consideration, and as I said to the honourable member when

he posed the question to me, it is under consideration. As soon as we have a reply we will indicate to him just what our position is.

REPORTS OF STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Hon. Minister of Justice.

MR. T. HICKMAN: I table under the provisions of Section 178.22 of the Criminal Code of Canada the first report covering the period July 1, 1974 to December 31, 1974. (That should confuse everybody).

MR. SPEAKER: The Hon. Minister of Provincial Affairs and Environment):

HON. G. DAWE: (MINISTER OF PROVINCIAL AFFAIRS AND ENVIRONMENT): I would like to table The Environmental Overview Study done on the Lower Churchill Power Project.

AN HON. MEMBER: Do we get a copy of it, Mr. Speaker?

MR. DAWE: One.

MR. ROBERTS: We have one over here. They are in limited supply so we do not have a copy for everybody because it is a very limited edition.

AN HON. MEMBER: Inaudible.

MR. DAWE: Pardon?

AN HON. MEMBER: Inaudible.

MR. DAWE: It is tabled.

MR. SPEAKER: Order, please!

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. SPEAKER: The Hon. Minister of Health.

DR. A. ROVE (MINISTER OF HEALTH): Mr. Speaker, I would like to answer the oral question asked in the House recently on the question of silicosis in Buchans. There have been a total of eleven cases documented at Buchans over the past nine years, since 1966. These cases have had a history of people working underground for periods exceeding twenty years. The total number of miners at risk or exposed averages over 400 yearly. Two people of the eleven cases reported since 1966 are receiving one hundred per cent disability compensation and are retired. Two people who were receiving thirty-five and forty per cent

disability, and since are now deceased, and their widows are receiving pension awards. One person was withdrawn from the mines and given another job and is receiving seventy-five per cent of a differential in wages. Six people are considered to have a minor degree of silicosis without any disability and they are not qualified for compensation. It would appear that most of these cases developed a lung pathology due to over-exposure to dust in the early years of mining when the silica content was higher than at present.

The Department of Mines and Energy states that the level of dust in the mines at the present time is low, with the silica content as low as one per cent, which I am informed does not indicate any serious health hazard.

However, as a result of the Dyer Report, the Department of Mines and Energy is in the process of doing an expensive study of the dust in the mines. In addition, arrangements are being made to have pulmonary function tests performed on all miners, in addition to the regular x-ray examinations, one each year. There is no evidence to support any allegation of silicosis in the general population.

AN HON. MEMBER: Inaudible.

DR. ROWE: You asked about Buchans.

MR. SPEAKER: Are there any other answers to questions for which notice has been given?

ORAL QUESTIONS:

MR. SPEAKER: The Hon. Member for St. Barbe North.

MR. F. B. ROWE: Mr. Speaker, I would like to direct a question to the Minister of Fisheries, and it follows the ministerial statement that he just made. I was wondering if the minister could clarify, without taking a few slaps at Ottawa, if he could clarify just under whose jurisdiction community stages fall in this province? Is it not a fact that community stages have fallen under the jurisdiction of the provincial government, whether or not they were built by the federal government or winter works projects or any other projects, or by the provincial government itself, because there appears to be

some confusion there, and I think it needs to be clarified, Sir.

MR. SPEAKER: The Hon. Minister of Fisheries.

MR. CROSBIE: Mr. Speaker, I tried to explain this situation the other day but I am glad to attempt to do it again. The position is, Mr. Speaker, that the majority of the community stages now around this province were built by the Government of Canada. I believe the ones they built were built before 1967, for the most part. Since that time there have been some built by the Government of Newfoundland and Labrador, and some renovated and improved by the Government of Newfoundland and Labrador. But certainly in the last several years the federal government have not had anything to do with community stages.

In 1967 an agreement was prepared and signed by the honourable Aiden Maloney who was the then Minister of Fisheries of Newfoundland, prepared in Ottawa and all agreed, then sent back to Ottawa for signature by the Minister of Fisheries of Canada. That agreement provided that Newfoundland would take over all the community stages, provided that the federal government agreed to pay seventy-five per cent of the cost of any major repairs, and provided that the community stages were out in proper shape as they were taken over, but that thereafter the federal government - ordinary repairs and so on the province would meet, and the upkeep and maintenance and so on - but any major repairs would be met seventy-five per cent federal and twenty-five percent provincial. Now for some reason that agreement was never executed by Ottawa. Presumably the Treasury Board or somebody up there had some objection to it. It was never entered into.

Therefore the situation since 1967 with respect to community stages has been quite clouded. Now the Government of Newfoundland have had to spend money on what are in effect federal stages in some areas, either to renovate them because they are becoming useless or they are in such bad shape that someone had to spend some money on them. So we have spent some money on stages built originally by the federal government in some areas. The provincial government have built some community stages in some areas, and those clearly we are

responsible for. We have acknowledged that and we have maintained them to see that they are in proper shape.

The area of concern are the ones originally built by the federal government on which there is no agreement. Now about one year ago or two years ago, there was a study done by the federal and provincial governments together by several federal officials who visited every community stage in the province. They examined the shape they were in, how they were operated - was it by a local committee or a community council, or who were they leased to or rented to. A report was then done in an attempt to straighten out this whole situation. We do not want to accept all those community stages from the Government of Canada without first they are put in the proper shape so that they can be used, and secondly, hopefully so they will agree to assume seventy-five per cent of the major repairs as it becomes necessary in those facilities.

A month ago I wrote the - within the last month, let us say in the last three or four weeks - I wrote the Minister of Fisheries, Mr. LeBlanc a letter outlining this whole situation, enclosing copies of all or relevant correspondence, the suggested agreement of 1967 and the report that was done in 1973, asking him to use his best efforts to see if we can clear this situation up and get an agreement that is satisfactory to both governments so that the community stage situation would be settled, and money spent on upgrading all the ones that are here, and doing some new ones in the areas where they are badly needed.

Now I have had acknowledgement of that letter from him. I have also sent copies to Mr. Jamieson, and presumably some time within the next few weeks as time permits we might be able to make some progress and resolve it.

so a great deal of them are federal. A smaller number are clearly provincial. Then you get in a confused area where the province has had to spend money on a federal facility because they will not spend it, or a LIP group got a grant and they decided to do work on a community stage and so on. So that generally describes the situation. Now I am making strenuous efforts to have it all regularized and get some agreement within the next couple of months and I am sure Mr. LeBlanc will want to do the same.

MR. ROWE: Supplementary, Mr. Speaker; therefore the announcement that the Minister of Fisheries made with respect to the four or five community stages and the renovations thereof for St. Barbe North is contingent upon this agreement being signed with the federal government, and the issue is still clouded; is that correct?

MR. CROSBIE: Yes. I have pointed out where the community stages are that should be upgraded, and one area where it should have a community stage is Bartlett's Harbour. There are other facilities on the Coast of Labrador. This issue really needs to be settled before all that work is done. So we are hopeful that this will be settled.

But apart from settling the whole general issue, we will be asking the federal government to assist us in those particular areas in any event, and apart from the Department of Fisheries we are also making a submission to DREE on a food herring programme for the province which would include monies to cover that area, Labrador South, St. Barbe North and a chill holding facility and so on is part of this herring programme. So these things are all being put forward and are necessary if this is to be a success.

MR. F. ROWE: Mr. Speaker, a question for the Minister of Mines and Energy; in view of the fact that a number of my constituents, Sir, are wondering about the progress of the Daniel's Harbour mine site, and any work associated with it once it goes into production, could the minister indicate whether it is still on schedule, to go into production in the month of April. Secondly, whether tenders have been called for the

trucking of the ore from Daniel's Harbour to Hawkes Bay, and if so when were these tenders called and have they been awarded and to whom were they awarded or whether any agreements have been entered into for the trucking of the ore from Daniel's Harbour to Hawkes Bay?

MR. SPEAKER: The honourable Minister of Mines and Energy.

MR. BARRY: Mr. Speaker, on the first point, I do not have any up-to-date information. The latest information I had was that this mine was proceeding on very good terms to completion and that it should be in operation by April but that was approximately a month ago, the last information I had on that point. I will check for the honourable member and give him whatever additional information we can get.

On the second point, I want to point out that of course government would not be involved in obtaining contracts, bringing about contracts, for the trucking of ore from the Daniel's Harbour mine. This is private enterprise and the company would be involved in making their own trucking contracts. I have no information on whether or not tenders will be called by the company. That will be up to the company.

I am not aware of any contracts having been awarded, Mr. Speaker, at this time and I will try and get information on this point from the company officials as well for the honourable member.

MR. ROWE: Mr. Speaker, I was going to ask the minister if he would undertake to find out from the companies involved whether, number one, any agreements had been entered into up to this point, and whether or not they intend to call tenders themselves for the trucking of the ore.

MR. BARRY: Yes, Mr. Speaker, I will undertake to check with the company but I should point out that the company will be under no obligation to answer. There is a limit as to how far you can go into

the internal operations of any corporation and we will not insist upon the company revealing its policy with respect to the awarding of this contract anymore than any other contract. We do, of course, expect them to make available to residents of the province any business opportunities that arise in the operation of the mine. They are aware of this and we will definitely check with them, but as I say they are under no obligation to throw open the internal workings of their corporation for us, anymore than any other private enterprise in the province is.

MR. NEARY: Supplementary question, would the minister indicate if his department or the Minister of Manpower and Industrial Relations have received any complaints from the people in the area about the hiring practices and procedures of the mine operators in Daniel's Harbour?

MR. BARRY: Mr. Speaker, I have not received a single complaint. I am not aware of any other department.

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

MR. MAYNARD: Mr. Speaker, I have not - from the departmental point of view or as the M.H.A. for the area - I have not received any complaints as to the hiring practices in the Daniel's Harbour area.

MR. NEARY: Mr. Speaker, supplementary, is the Minister of Manpower aware that Mr. Marshall, M.P., is making quite a fuss about this in Ottawa, the hiring practices of this company in Daniel's Harbour, with reference to local people in the area?

MR. MAYNARD: I have not seen any statements by Mr. Marshall but I was talking to him about two or three days ago, Mr. Speaker, and we discussed the Daniel's Harbour thing, and he did not mention it to me. To the best of my knowledge the employees of Daniel's Harbour are being hired through the Canada Manpower Centre, Corner Brook. My department has become involved in the training programme, on the job training programme, trying to set it up with the company, but any of the constituents who have asked me to refer them to the mining

operation for a job, I found that those constituents have been given every consideration and I have not heard of any trouble so far.

MR. SPEAKER: The honourable member for Hermitage.

MR. SIMMONS: Mr. Speaker, a question for the -

MR. NEARY: Shot down again by the Speaker.

MR. SIMMONS: Are you finished?

MR. NEARY: No, I was not finished.

MR. SIMMONS: Do you want to proceed with that one?

MR. NEARY: No. Go ahead. Carry on.

MR. SIMMONS: Mr. Speaker, I have a question for the Minister of Rural Development. Oh, the Minister of Rural Development is not here. Anybody know whether he is still a member of the House? I never can seem to catch him to ask him a question.

MR. SPEAKER: Order, please!

MR. SIMMONS: He leaves before the question period starts. I have a question, Mr. Speaker, for the Minister of Transportation, in view of the rather serious situation which now exists because of the fact that the Harbour Breton Road has been closed since yesterday, a number of thousands of people depending on that road in Fortune Bay and on the Connaigre Peninsula, I understand that one of the problems is the lack of equipment to do the job, I am wondering if the minister would bring us up-to-date on the situation and indicate what his department has done to get additional equipment into the area?

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

MR. ROUSSEAU: I do not have the details but I can assure you that the road is not open and I have not been told exactly what the situation is, but whatever can be done is being done and any additional equipment that is necessary will be hired to get the road open as soon as possible. Of course we have to understand

that at this time in the year now we are going to have some problem with the roads, with the thaw out and so on and so forth. We will try and get the thing passable as soon as possible. I can say that without even having to check with the officials of the department.

MR. SIMMONS: Supplementary, I have been talking to some of the minister's officials in the area and I know there is a need for additional equipment. Would the minister undertake to determine whether the equipment can be moved in there and report either to me privately or to the House?

MR. ROUSSEAU: Yes, I will. I will check and give the member it by tomorrow.

MR. SIMMONS: Thank you. I have a further question for the Minister of Transportation on another subject. In responding to the petition concerning the ferry the minister made references to air services, would the minister indicate whether government would agree to subsidize an air service to Gaultois at such times when it is not possible to get from Hermitage to Gaultois because of weather or ice conditions?

MR. ROUSSEAU: That is an anticipatory question. I do not know, first of all whether a commercial operator - how is that for a word? - whether a commercial operator would be granted that licence indeed by the CTC. And if it then was granted - one of the third level carriers, for example, made application and it was granted - that would have to then go under the policy that we have in respect to subsidies of third level carriers. And if it came within the umbrella of that subsidy something would be done. If it did not, no. But the problem is of course and the first thing that is going to happen is an application made for that service. One of the first things that the third level carrier, any carrier will do in applying for a route under the CTC, will suggest that it is economically viable. If he does not suggest that it is economically viable then of course we would point that out to the CTC ourselves. And we would not want an

air carrier to go in and apply for a route no matter where it is and say it is economically viable and as soon as the route was granted to turn around and ask for a subsidy for it.

MR. SIMMONS: Mr. Speaker, now I am not talking about a regularly scheduled air service, I am talking about an emergency service, Mr. Speaker. Perhaps I could rephrase the question. In the event that an emergency service could be established through a commercial carrier, would the minister indicate whether government would subsidize that on an emergency basis when ice conditions would prevent transportation between Hermitage and Gaultois over the water.

MR. SPEAKER: The question raised is a hypothetical one by the honourable member and as such is out of order.

MR. SIMMONS: Tell that to the people in Gaultois.

MR. SPEAKER: The honourable member for Bell Island.

MR. NEARY: I would like to direct a question, Sir, to the Minister of Social Services. Would the minister care to indicate to the House why his department found it necessary, Sir, to withdraw financial assistance from the United Church Children's Home, thus forcing the Children's Home to close.

MR. SPEAKER: The honourable Minister of Social Services.

HON. A. MURPHY: Mr. Speaker, if I may, This subject has been a matter of great discussion for a number of weeks and months. Unfortunately, I hear, and I have not been able to establish yet, that one of the radio stations had the gall, against the law, to interview some children in that home who are wards of our Director of Child Welfare.

MR. ROBERTS: It was on CBC this morning.

MR. MURPHY: I beg your pardon?

MR. ROBERTS: It was CBC. I heard it.

MR. MURPHY: Was it? Someone phoned me on it.

MR. ROBERTS: Inaudible.

MR. MURPHY: Well, whether it is the CBC or any station, they are not permitted to break the law, whatever, what advertising. That is my honourable friends - you know. But I did issue a statement, Sir, and I just - perhaps in answer to the question, I will read it into the record of the House now. "By joint agreement between the Department of Social Services and the Board of the United Church Children's Home on Hamilton Avenue, that home will close officially on March 31, 1975. Permanent placement plans have already been made for these children presently in the home and the children have been informed individually of the plans for them. The present United Church Children's Home evolved from a combined orphanage and receiving home. Receiving homes are intended for the temporary care of children while permanent plans are then being made.

"The Department of Social Services no longer has need of an institution the size of the United Church Children's Home for the temporary care of children. Other arrangements are now available to the department. The

department is greatly indebted to the United Church Children's Home for the service rendered during the many years in which the church and the department have been in partnership in the field of child care. We are glad that this partnership will continue in the future as the United Church embarks upon a new and broader spectrum of social services within the City of St. John's."

They have opened now a group home on Patrick Street. I think something like eight of the nineteen children will be going there. The great majority of children will be returning to their own homes with relatives, so on and so forth. There will be two that will be placed for adoption. So that is to the satisfaction of my Department of Child Welfare. We think it is far better for children to be restored either to their own homes or to relatives and to have them adopted instead of being in foster homes.

So, Mr. Speaker, that is the answer to the question. I think that should clue the thing up now unless someone else wants to go up and interview these children—six, seven, eight and nine years old - and ask them all about the whole series.

MR. NEARY: Mr. Speaker, a supplementary question: Would the minister care to indicate to the House on the basis of that report, who made the report? Was there somebody commissioned to do a study of the United Church Home? If so, would the minister be prepared to table the report in the House? What was the decision based on? Was it a written report, oral report? What kind of report did the minister get that led him to the conclusion that he should close this home?

MR. MURPHY: Not the Department of Highways, Sir. I take my advice from the Department of Child Welfare, the Director down there, Mr. Simms, who I think has done a tremendous job. I can only trust to my senior officials who are professional people, Sir, and if I cannot accept their advice—perhaps the honourable Member for Bell Island would himself and perhaps Justice Mifflin may like to do an enquiry on this home if he would like to - but basically that is the only source of advice. If there are

any other measures that should be taken, and perhaps he could contact the United Church Home which is a private institution under Reverend B.B. Snow and ask them, because they only look after the children for us. It is not a government home. We only place children there, Sir, and pay them for the service. So it is a private home operated by the United Church and possibly for further information Reverend B.B. Snow may be contacted.

MR. NEARY: Mr. Speaker, a supplementary question: Would the minister care to clarify whether a grant that was made of \$10,000 from the Federal Department of National Health and Welfare, I think it was, whether that \$10,000 was to operate United Church Children's Home or was it granted to a group of individuals or an individual to do some research in connection with the Home? Is the minister aware of that grant of \$10,000?

MR. MURPHY: Well, -

MR. NEARY: Perhaps the minister might want to take it under advisement.

MR. MURPHY: I believe this was put into the Home for the purchase of the group home on Patrick Street which was formally the Home for Retarded Children. I am not quite sure on the thing now, but I will get it if the member wants to table the question. I will certainly get it answered. There is nothing to hide on it.

MR. NEARY: Mr. Speaker, a supplementary, and this will be my final question on this, Sir. Can the minister indicate to the House whether or not a brewery nearby that home is seeking to expand and looking for parking space and this was the prime reason for closing that home? Does the minister care to confirm or deny that statement?

MR. MURPHY: I beg your pardon! Your mean that the United Church, Reverend B.B. Snow, yielded to have these children put out so that he could rent to a brewery - It is not my home, I say. It is a private home operated by the United Church - is that what the member indicates?

MR. NEARY: No, it is the minister who yielded to pressure.

MR. MURPHY: The minister has nothing whatever to do with that any more than he has to do with Mount Cashel or he had to do with Belvedere or any place else. It is a private home and I would like to have that question

put on the record, that the Member for Bell Island has insinuated, Sir -

MR. NEARY: The minister withdrew the grant.

MR. SPEAKER: Order, please!

MR. MURPHY: That the United Church Orphanage are putting these children on the streets so that they can get money from a brewery.

MR. SPEAKER: Order, please!

MR. NEARY: The minister withdrew the grant.

MR. SPEAKER: Order, please!

MR. NEARY: Give them back their grant and they will continue to operate.

MR. SPEAKER: The honourable Leader of the Opposition.

MR. NEARY: It is the minister who is yielding to pressure, not the United Church Home.

MR. ROBERTS: Mr. Speaker, if I could ask a question of the -

MR. MURPHY: Inaudible.

MR. SPEAKER: Order, please!

MR. ROBERTS: - Of the Minister of Transportation and Communications.

The Newfoundland Air Transit Limited at Corner Brook have made application to the minister under the policy -

AN HONOURABLE MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. ROBERTS: If the Minister of Social Services is finished, may I proceed, Sir. The Newfoundland Air Transit Limited at Corner Brook, or Pasadena, have made application to the minister under the policy for a subsidy to enable them to provide an air service between Deer Lake, Harbour Deep, St. Julien's and Flowers Cove. I wonder if the minister has as yet arrived at a decision as to whether or not that subsidy will be granted, that application will be granted? If so, what is the decision, please?

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

HON. J.G. ROUSSEAU: Mr. Speaker, yes, we have received that request.

It has been considered by the department and is now put before government.

A decision has been made. I am unable to communicate it at this time. But

as soon as a decision is made by government, I will certainly do so.

MR. ROBERTS: A supplementary: I understood the minister to say that a decision has not been made, that his department has considered the matter and has referred it to, presumably, the Treasury Board.

MR. ROUSSEAU: There is an expenditure of funds involved.

MR. ROBERTS: Well, obviously, there is an expenditure. So, it is before Treasury Board? Is that - I understand that is where it is in the governmental mill.

MR. ROUSSEAU: Right, yes.

MR. ROBERTS: Could the minister undertake to try to get an answer as quickly as possible because the winter is going and if we do not get a decision quickly, there will not be any need for a winter air service. What we will need is a summer air service then.

MR. ROUSSEAU: We had an original request from a number of air lines lines and we asked for further substantiation from Newfoundland and Labrador Air Transport because, as I suggested originally a few minutes ago, when air lines apply for these services they suggest that they are economically viable. In order for them to prove that it is not we have to look at their books and we have to have substantiation. We are dealing with the taxpayers money. We asked for further substantiation and that has been the cause of the delay. We now have the substantiation and hopefully within a week or two at the most, we should have an answer, probably before.

MR. SPEAKER: The honourable Member for Twillingate.

MR. H.W.C. GILLETTE: Mr. Speaker, I have a question for the honourable the Minister of Fisheries. It has to do with the several marine complexes presently under construction, but I am particularly interested in the one at Durrell, naturally. I am wondering if the minister can tell the House what his department plans to do after they are completed as far as the management is concerned? Who will manage them?

MR. SPEAKER: The honourable Minister of Fisheries.

MR. CROSBIE: Well, Mr. Speaker, the plan is that once the marine service centres are completed, they will be managed by the Department of Fisheries, under the supervision of the Department of Fisheries and they will have to

hire necessary people to do that. I do not know how many are required at each place, but there will be some type of person, responsible person, to look after the, generally in the area and I do not know how many others are required. But they will be operated directly by the Department of Fisheries.

MR. GILLETTE: Mr. Speaker, in other words, the personnel will be local personnel. They will not be -

MR. CROSBIE: If they are the ones who are best suited when they apply. There will be advertisements for the job.

MR. GILLETTE: It will not be a St. John's company, in other words.

MR. CROSBIE: The Department of Fisheries sends out ads everywhere. They do not even tell me where they are sending them.

MR. ROBERTS: Inaudible.

MR. SPEAKER: Order, please!

MR. CROSBIE: Mr. Speaker, most likely it would be local people. I mean, that is what we prefer because they already have their homes there and they are living in the area, But I would imagine that, and this has not been gone into in any detail, but the senior overall person, there will have to be advertisements, but otherwise

certainly the personnel will be local. It may be that for the person who is in general charge we may have to put it through the Public Service Commission.

MR. SPEAKER: Order, please!

The Chair recognizes the honourable member for St. Barbe North. If the honourable member for Twillingate has a supplementary question -

MR. F. ROWE: If it is a supplementary, I yield, Mr. Speaker.

MR. GILLETT: A supplementary, yes. I would like a clarification. Will it or will it not be a St. John's based firm managing the complexes even though they do hire local persons for personnel?

MR. CROSBIE: Oh, I see what you are getting at. Oh, you better have an eagle eye on this one.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: That great digger.

Mr. Speaker, while these centers are being completed, there will be project managers or project management, something or other - I cannot remember their exact name - they are supervising the construction and completing them, and they are going to manage them for us during this year and then turn them over to us, but any personnel they hire, and so on, have to be hired for the department. They will be hiring for the department, not hiring themselves. They are going to supervise these things generally during this period while we get them all into operation but the personnel to be hired are to be hired for the province. We will have to approve the personnel. They will be employees of the department, not of theirs. I will expect that they all will be local people, except we may have to advertise the senior position.

MR. F. ROWE: Mr. Speaker, I would like to direct a question to the Minister of Education. I wonder if the minister could indicate to the honourable House what progress is being made for the Offshore Manpower Needs Conference that was promised in the 1973 speech. They were going to have a conference in the spring of 1973 and to continue on with other regular conferences thereafter. I wonder

if the minister could give some indication of the progress being made with respect to that.

HON. G. OTTENHEIMER (MINISTER OF EDUCATION): Mr. Speaker, progress is very favourable.

MR. SPEAKER: I recognize the honourable member for Hermitage and that concludes the thirty minutes for the question period.

MR. SIMMONS: Mr. Speaker, a question for the Minister of Forestry and Agriculture as soon as I can get his ear. I wonder if he would indicate to the House whether or not he has had an opportunity to check into the question which I raised two or three days ago and if he would be prepared to give an answer now.

HON. E. MAYNARD (MINISTER OF FORESTRY AND AGRICULTURE): Mr. Speaker, I had overlooked doing it before. I have checked with my officials concerning permits for cutting wood in the Bay D'Espoir area. There have been some sections of wood set aside for the Ralland Forest Products which we anticipate will be coming on stream at the large mill sometime this spring providing a fair amount of work. There has been an undertaking given to other people in the area, that we will look after their needs as well.

MR. SIMMONS: This undertaking to provide alternate limits, has this been communicated to the sawmillers in the area or not?

MR. MAYNARD: It is my understanding, Mr. Speaker, that it has been communicated to the Development Association and also to the individuals concerned. We have also gone so far as to tell the people that in the event that some assistance might be needed in terms of assisting in the construction of access roads and so on, we will also help them there.

MR. SPEAKER: I will permit the honourable member one other supplementary, then that will be the end of the question period.

MR. SIMMONS: A supplementary. I wonder would the minister undertake to check whether or not this information has been relayed to the sawmillers and the other people who have been cutting wood for the sawmills because there is a fair amount of confusion, Mr. Speaker, and it would appear

to me that they do not have this information or this understanding very clearly.

ORDERS OF THE DAY:

MR. SPEAKER: Order 3 is the second reading of a Bill, "An Act Respecting The Newfoundland and Labrador Hydro-Electric Corporation." I think the honourable Minister of Transportation and Communications adjourned the debate last day.

MR. ROUSSEAU: I had a few words to say last night, Mr. Speaker, about five minutes, I believe. I would like to say a few more things today if I may.

AN HONOURABLE MEMBER: Inaudible.

MR. ROUSSEAU: Thank you.

I have the approval of the honourable Minister of Justice promising me he will not tell me to shut up for forty minutes. The bill itself, of course, is one that is quite important. I will leave the discussion of the actual contents of that bill to those who are more knowledgeable of the details of it. I am sure the honourable the Minister of Mines and Energy will reply to the questions concerning the bill and the Minister of Fisheries when they have the opportunity to talk on this debate and the Minister of Mines and Energy has an opportunity to clue up.

The thing that is of concern to me is the Lower Churchill development. I think I would like to address myself for a few moments on that particular aspect of the bill. I think we have agreed already that the Lower Churchill question would be Okay to discuss under the aegis of this bill. Last night I mentioned the question of the benefits that would accrue from the development of the Lower Churchill. I have mentioned it in the House on a number of occasions prior to this, and I would like to mention it again, if I may, so that it will be once again put on record, first of all that any benefits that accrue as a result of the development of the Lower Churchill should accrue first to Labrador, then to the island part of the province and then to elsewhere in the country or outside the country - it does not much matter once we have our full potential use

here in Labrador and here on the island part of the province.

I suggested also that any arrangements that are made to sell power outside the province, should such be decided, that it should be done on a short term basis and not on a long term basis as has been done on the Upper Churchill. One would also hope that Labrador would benefit from spin-off industry as a result of the availability of power almost at its source in Eastern Labrador or Western Labrador or Central Labrador, that the power that would be available to them would create industry there that the government would use its best efforts to persuade any prospective companies that would like to settle in the province to try the lay of the land in Labrador, and power available there, one would hope that the arguments for such an area's development would be much easier to sell.

So, that being the case, I would like to talk for a moment, if I may, on employment. One of the most frustrating things for somebody who has lived in Labrador for twelve years is to try and explain to the people on the island part of the province the frustration that people in Labrador feel. I am going to mention two, if I may: the Labrador Liner Board Mill and the oil refinery at Come By Chance. I am talking here, Mr. Speaker, on employment. I want to give a few examples just how we do feel.

There are a number of people in Labrador—not from Labrador, they are from the island part of the province - who, if you ask them where home is, their home is in Arnold's Cove or in Corner Brook or in St. Barbe or what have you. A lot of them are not from Labrador. In Western Labrador I am speaking about now, not in the remaining part of Labrador. A lot of them would like to have the opportunity to come back to their island home and work.

I can say that there were a number of occasions when people from Labrador had applications in to be interviewed for jobs at the Labrador Linerboard mill and were not even granted interviews; people who were tradesmen, who must have been needed at the Labrador Linerboard site since everybody is of one accord in the fact that we do not have an

abundance of tradesmen in this province. Okay, it was accepted, not liked but accepted. Then of course at the Come By Chance development the oil refinery, the same thing happened. I tried for a year and a half to get three people, three tradesmen hired and I did not even get an acknowledgement letter for them, to get a job at Come By Chance Refinery. Again, it is local. They are going to hire local people first. Okay, the people in Labrador, in Labrador West especially, had to accept that. The same happened out at the Labrador Linerboard Mill operation to local Bay St. George area people, or people who were from there, and had moved away. Good, Sir, we accepted that.

Now, the question comes of employment on the Lower Churchill. There can be no doubt in my mind, as a matter of principle, as I said previously in the House, that the first opportunity for employment should go to the people in the area of Labrador, especially

in those jobs, which are classified as labour, non-skilled. Now there are a lot of people in Labrador who are unskilled, and these labourers could very well be put to work on the Lower Churchill, with some priority or some preference.

Now when we hear the term "the rape of Labrador" coming as a result of the Lower Churchill, this is the type of thing we are talking about. If the jobs at the Lower Churchill are not beneficial to the people of Labrador, then that is what they mean by Labrador being raped as a result of the development of it. I can say, gentlemen, in this House of Assembly that the people of Labrador will not accept not being given some preference or priority in respect to jobs created as a result of the Lower Churchill. Now, if they are not qualified, they do not expect to have the trade jobs. If they are qualified, they expect, at least, equal footing. In the labour field, we think, they should be given a preference.

Now one looks at the figures for the Lower Churchill - we are talking about the Lower Churchill, but we went two or three times around, four times around; we went to Wabush, we went to I.O.C. the expansion of I.O.C. in the Upper Churchill - and the most difficult feat that a man could try and perform in his life is trying to get some statistics on the number of Newfoundlanders versus non-Newfoundlanders at any of these sites.

I am still not satisfied that I received accurate figures from the Upper Churchill. I am not satisfied, nor will anybody convince me that the figures I received are correct. At one point the peak was eighty-three per cent Newfoundlanders. I do not know whether they were referring to the total work force, or just to the manual labour on the site. There are a number of ways. As Disraeli once said, "There are lies, damn lies and statistics." One can easily be confused by statistics.

I would like to, unequivocally, state that I think that Newfoundlanders and Labradorians should be given the first opportunity

to work on the Lower Churchill, and especially in the jobs that are non-skilled, that the opportunity should be open with a priority and a preference first to the people of Labrador, that is their area, the same as the people in Labrador lived in the Bay St. George area for the Labrador Linerboard Mill, and for the Come By Chance area for the second oil refinery. Furthermore, it would be my wish that government would have a representative on the site so that any charges of discrimination, or any charges of a lack of job opportunities, or any charges of discrimination in respect to our own provincial people's employment, would be looked into right away. There is no question in my mind that this would alleviate a lot of the troubles and stresses and strains that accompany the Upper Churchill development and other developments around the province, not so much here on the island part, we have had some influx from the mainland, but especially up in the western part of Labrador.

I would think that such an individual would be necessary to allay the fears of people up there to have somebody to whom they could make representations in respect to job opportunities that are not being given to Newfoundlanders. I feel very strongly about that. I think it is about the only way that the situation can be met in such a way that the problems that existed in other similar projects would not develop. For example, during the final construction phase of the Come By Chance refinery I think there were a few outbreaks of labour problems there, but during the time I took over as Minister of Manpower and Industrial Relations, the Hon. Premier indicated that we should have somebody on site at Come By Chance and I think as a result of the appointment of an individual down there on site that many of the problems that could have arisen did not arise because there was somebody down there to meet the problems immediately when they developed. I think this certainly bears consideration by the minister responsible. I am sure he will give it every consideration.

Of course, also the question of supplies and materials, where possible, should come from the province. I know it is difficult. There is a short shipping season up north, six to eight months of water-free ports on the eastern coast of Labrador. I can indicate first hand the problems there are of getting supplies from the inland part of the province, or from the rest of Labrador, to that area. I think, where possible, there should certainly be preference given to those companies which are operating within our own province, and that any preference that is normally given to companies which operate in our own province, in any bids and tender calls, should also be extended to the companies in this situation.

The question of the tunnel, of course, I heartily endorse. I would think that it would be rather difficult to build a tunnel, and then have to think in five, or six, or ten years time, that we should have a tunnel for vehicular traffic, be it a train, or be it merely a tunnel that vehicles would be able to negotiate themselves, and that the cost would then become prohibitive. I would like to be convinced that a tunnel to provide transportation across for vehicular traffic is not an economically viable situation. I certainly would like to see one, or I would like to see the plan in for it, and hopefully, if we could not have a tunnel at this point in time, at least to have the apparatus that will be built, built in such a way that at some point in the very near future, before the costs spiral, that such a situation could be brought to fruition.

There was mention of the Trans-Labrador Highway, by the way. Of course, we are working on that. There has been some suggestion that it is either one or the other, I do not know. I read from the federal people that probably the development of the Lower Churchill will enhance the possibility of the completion of the Trans-Labrador Highway. Certainly, we intend to push forth. We now have the report in, and we have sent a copy, with our problems, to the Government of Quebec, and they have sent us a copy of theirs, and we have both written Mr. Marchand, the Minister of Transport, in an effort to meet with

him at the officials level to discuss this question. We certainly intend to push this.

The question of environment is a very important one, I think. I would have to say, for my part, that I am sure that the question will be dealt with by this government, and that there will not be a complete hell on earth made in that area, that whatever is done to complete the project. will be rectified from an environment point of view. I know my colleague, the Minister of Provincial Affairs and Environment, will see to that.

The only question that I would like to talk about, if I may for a moment on the bill, and I read this again as the layman reads it, is the question of the injunctions and so on and so forth, in respect to actions against the company, are such that it reads, "only after the power is on stream." Now I may be wrong. I would hope that one of the honourable and most learned members of the House might enlighten us on this. My understanding, from a layman's point of view in reading the bill, would be that it refers to that only after the power has been put on stream.

These are just a few of the points that I wanted to raise in respect to it. I have stood up in the House, and I say it again, and I say it here, that the people of Labrador, and the people of the island part of the province, are not going to accept loss of jobs to non-Newfoundlanders on the Lower Churchill. They are not going to do it. I am certainly going to support them in their efforts not to do it, as I know this government will do. That is a point that the people should not ask in the future. It is set. It is government's policy. Newfoundlanders, where they are qualified, will be hired first. Where there is no qualification necessary, there is no question, there is no need to see one labourer from the Province of Quebec, or any other province of Canada on the Lower Churchill site, not one labourer. Now there may be, and we do not want to shut the doors, of course, either, to tradesmen where we do not have enough in this province -

AN HON. MEMBER: (Inaudible).

MR. ROUSSEAU: Well, I think the burden of proof must lie with the company to show that they cannot hire in this province. One thing, since some day we will have a chance to talk about Canada Manpower, and their contribution to Labrador, which I would like to some time, in the future debate in the House - there is no question in my mind that not one labourer, not one unskilled tradesman - we have built the Upper Churchill, we have the people here on the island, and I have phone calls daily from people who have been on the Upper Churchill just waiting to try and secure employment on the Lower Churchill, ready to go back. A lot of them are not skilled tradesmen, but they know a development of this nature - I am certain to have something to offer in the development of that project.

With regard to employment, supplies, and materials, certainly Newfoundland should be first, the same as within the country, of course. When we are talking about international, it should be Canada first. I stand for that. This government stands for that.

In speaking to this bill, I wanted to make those points evident again. I had a difference of opinion at one point - I am sorry my friend from Labrador North is not here today - on the question of where the power should go. I think he was all for sending it down to Quebec.

But I think that any province who receives that will -

AN HONOURABLE MEMBER: Inaudible.

MR. ROUSSEAU: No, I am not being political. I think at one point in time he did mention that. We talked here one night. I remember getting hot under the collar.

AN HONOURABLE MEMBER: Any surplus.

MR. ROUSSEAU: Oh, any surplus, okay. With any surplus, we agree on that then, if it is surplus. But Labrador first and the island and then the rest of Canada or whoever may need it, any surplus power would be done but it would be done on a short term basis. So, I thank you for giving me the opportunity, Mr. Speaker, to probably not talk to the bill itself, but I think the points that we mentioned are important, and certainly I would like to get them on as a matter of record as to my personal feelings on this topic. Thank you.

MR. WELLS: Mr. Speaker, I too would like to have a few words on this bill. As I understand it, this is a bill that would allow this Hydro Corporation which is to be created to be a successor to the Power Commission and also, if I am correct, the sort of parent corporation to CFLCo and any other public corporation that is dealing with power in the Province of Newfoundland and Labrador. So that I think it would be appropriate in the course of my remarks, Mr. Speaker, to probably deal generally, as I notice other speakers have done, with the concept of the Lower Churchill. Then, of course, I would like to make specific references to some parts of the bill itself.

Now, I think anyone in Newfoundland, any thoughtful person, any person concerned with the welfare of this province, would hope and pray and wish very strongly that this province can get the Lower Churchill, the Gull Island site developed. I do not think there is any question about that. I do not think anybody can knock that concept, particularly in the climate of the last year or two when we have been hit with the concept, which we should have realized a long time ago and did not, that the world's energy resources are not

inexhaustible, that the old resources particularly are not inexhaustible and are going to get more and more and more expensive, I suspect, during our lifetimes, that the sources of energy, such as coal, though much more plentiful, are going to get, nonetheless, more expensive because it is going to cost more to get people to extract it. So that everywhere we look anything that is going to be available to us as a civilized people for fuel is going to be more expensive even when it is available. I am afraid looking ahead to the next fifty or sixty years, perhaps beyond the lifetime of most of us, these fuels are not going to be available. Therefore something like electricity, which we can generate not by the use of other fuels such as coal or oil, but by the use of water power, anything like this is, in my view, a top priority and has to be developed.

If we look at the Lower Churchill we must say to ourselves, this resource must be developed. It is a pity that it could not have been developed before. A start has been made with the Upper Churchill. It must now be developed. If it is not going to be developed now in our time, it is going to have to be developed by people in the future because no way can we face the next fifty years and say to ourselves, that particular source of energy is going to lie untapped.

Now, having said that on the principle of developing the Lower Churchill there are a few questions, of course, that I would ask of the minister with regard to the actual practical mechanics of doing so because, of course, these things are more in the particular knowledge of members of the government, members of the executive council, and, of course, particularly the minister himself, than they would be in the day to day knowledge of private members such as I.

I had the opportunity of looking at volume one last night of the summary of the Teshmont and H. Zinder Associates Incorporated Study. I cannot say for a moment that I have digested it, but certain things emerge. As I say, they leave me with one or two questions which I would address to the minister and which, no doubt, he will deal with later on in his remarks.

On the question of the technical feasibility of developing

Gull Island, I gather from this study there does not seem to be any doubt at all. It is technically feasible and possible. Of course, it is going to cost money to do it, but we know that. I gather from the study that it is going to cost - when they did the study, which I believe was in the late fall of 1973 and the early winter of 1974, in round figures I think it was going to cost something like \$500 million or close to that to do the development of the Gull Island site itself, and then the transmission facilities, I think, were going to cost slightly more, if I am not mistaken, about the same, or slightly more. The whole thing, I think, when they did their study, as I read it, was going to cost \$1 billion, one hundred odd million.

Now, that study, I believe was finished in the winter or early spring of 1974. I believe that the figures that they came up with were predicated on a start being made mid-1974 - the letting of contracts as I recall in it somewhere a graph, and a series of times beginning with the letting of preliminary contracts mid-1974 - and let right through the following twelve or fourteen months until the middle of 1975 when I think the final contract would be let. The figure then would be something of the order of \$1,200,000,000, some \$150 million or \$200 million.

Now, obviously these contracts have not yet been let. I do not know but I should imagine common sense would tell us that it has something to do with the financing of a project of this magnitude. Now, I think that when you come to the question of financing this one does not have to be an expert to know that the whole Western World is in a monetary crisis. The crisis did not start here in Newfoundland. It has not reached its maximum here in Newfoundland. It is affecting the whole Western World, every country in the Western World, and it goes beyond the Western World for all I know.

What has emerged - I think the seeds of this were there all the time, Mr. Speaker. I think the seeds that were there have been enlarged upon and brought into sharp focus by the oil crisis. There is no question about the problem and what it has meant, and particularly the oil crisis has brought this to the fore, is that, as somebody put it,

somebody that I read, you have a vast river of dollars flowing out of the countries of the Western World into the oil rich countries of the Middle East. Now, this is an undeniable fact. The price of a barrel of oil has increased, I do not know, what? Four or five fold? Whatever it is, it varies from Venezuela to Kuwait to where have you.

The fact is that this tremendous increase has meant, oil being what it is to our economy, a vast river of dollars flowing into the Middle East and to other countries such as Venezuela, perhaps, who knows, to Alberta for that matter, but that is what has happened.

Now, when I ask myself, as a layman, unfamiliar with all these things, how are we going to finance the Lower Churchill, I am bound to say to myself, with all that money going out of regular investment sources, with all that money going into the Middle East, it obviously has to be more difficult to finance any major project in the Western World, not only Newfoundland but elsewhere in Canada, in the United States, in England, in Italy, in all of these countries, because money which would otherwise be available for long term projects in the Western World is obviously going into the Middle East.

Now, that is not to say that a project like the Lower Churchill, if it is economically sound and viable, cannot be financed. I think and I hope that it can be financed. I am sure it can be. The only thing I would say is it is going to be more difficult to finance it and it is going to take longer to arrange the appropriate financing. I suspect that this is part of the reason that the, not the deadlines but the suggested times in the Zinder and Teshmont Study could not be met because it is more difficult to finance this project than anybody in Newfoundland, or elsewhere for that matter, thought perhaps two years ago.

Now, of course, I think also when thinking about this we have to consider whether or not there is a possibility of getting money elsewhere than the usual and conventional sources which are available for funding large projects. Now, I think it is interesting to note that this study says that the best way and the most economical

way for the thing to be financed would be for it to be financed by the federal government.

I doubt very much if the federal government is going to finance one hundred per cent of this project. It is going to help with the financing of part of it, as was announced last week, but I suspect also that the cost of doing this project has significantly increased since the Teshmont Zinder Report so that it would not surprise me now if it is \$1.3 billion, \$1.4 billion or even \$1.5 billion that it will cost if this has to be done sometime in the future from now and obviously -

AN HON. MEMBER: The Premier said \$1.6 billion.

MR. WELLS: \$1.6 billion, well there you are. \$1.5 billion, it is a guess. It is a guesstimate on anybody's part, but it has to be something of this order and it is obvious with the amount of aid that has been promised by the federal government, that the federal government is certainly a long way from getting involved in one hundred per cent financing. That means that other sources are going to have to be considered in conjunction with what the federal government will provide.

Now I think it is also interesting to note in that report that they say flatly and categorically that a project of this scope and magnitude is beyond the resources of the Province of Newfoundland to finance, and common sense would also tell us that that is correct. This province with half a million people surely cannot of itself get into the financing of something that is going to cost \$1.5 billion.

So obviously, Mr. Speaker, it is going to turn partially on federal financing, partially perhaps, guarantees in financing arranged by the Province of Newfoundland through the Crown Corporations or this Hydro Corporation and CFLCo, and partly money from private sources.

Now it is interesting to speculate as to whether or not money might be available from the Middle East where this river of dollars is flowing as a result of oil. In fact I think I heard the Premier say that this is something that has to be examined. Whether

there is much hope there, of course, we have no way of knowing at this stage. I have been told or read that the Middle Eastern countries and principalities that have all this money are very loath and very reluctant to lend it for anything other than the short term. In fact, I am told that Saudi Arabia, for instance, lending money to England, will do it on a three year basis only and that this is putting England very much in a crisis state because these Middle Eastern countries are no fools and they say to themselves, "Well, the rate of inflation in the Western Countries is advancing anywhere from a low of eleven or twelve per cent in Canada and the United States to something of the order of fifteen, twenty, twenty-five per cent in Great Britain and Italy. Therefore, if we lend money on long term, what are we going to get back at the end of twenty or twenty-five years? We are going to get back worthless dollars."

This is what they are afraid of, and they are also afraid, of course, that the increasing rate of inflation makes their interest payments almost useless too, because what is the good of a rate of ten or twelve or fourteen per cent interest if inflation is eating twelve per cent of it. That is the very best in the western world at the moment, ten or twelve. What is the good of fifteen if you are going to lose ten or twelve right off the top. And then look into the long term, what is the good of the money that you lent coming back to you anyway.

I was reading a financial letter the other day, Mr. Speaker, and I thought it was quite fascinating, and they said, and stated categorically, that the Canadian dollar - well let us take the American dollar, that was lowest, the American dollar since 1970 has dropped twenty-five per cent in purchasing power. The Canadian dollar twenty-five point five per cent, the British pound thirty-two per cent.

I think these are fantastic figures when you think of them and then you consider yourself in the Middle East or anywhere else thinking to lend money on long term, are you going to do it because of

what is going to be at the end of it? Where is this going to stop? Are we ever going to get back to a sensible, straight-forward, non-inflationary financial order and I do not know, Mr. Speaker. Nobody knows. So that all I say is that we are going to, much as though we hope and pray that this project can be started, we have to bear in mind that the world in which we live and the financial and economic considerations facing this western world, and it may well be that we will not get this started maybe for two, three or four years, maybe we will not get it started until world financial conditions settle down and I would think that we would be foolish and hiding our heads in the sand if we think that we are going to wave a magic wand and it is going to start this year or next. We may have to be realistic. We may have to recognize and be caught up in forces which are beyond our control, particularly financial and monetary forces which are beyond our control. So that it may not come as soon as we would hope and wish.

Now there is another factor -

AN HON. MEMBER: Would you hazard a guess?

MR. WELLS: I could not hazard a guess as an ordinary layman living in Newfoundland. I could not because it is beyond the control of this province. It is in the hands -

AN HON. MEMBER: It is federal.

MR. WELLS: Of course it is, beyond the control, I suspect, of Canada unless Canada is going to finance it one hundred per cent, because you are looking at private lenders of money, situated in various parts of the western world, who are going to have to make up their minds on interest rate and the term of the money that they are going to lend.

MR. NEARY: It is beyond that government.

MR. WELLS: It is beyond and it would be beyond there if you sat there or anybody else. These are things -

MR. NEARY: They said that about the Upper Churchill.

MR. WELLS: And that was beyond the control of the Government of Newfoundland also. These are things which we have to bear in mind

in considering this matter.

The other thing, of course, that strikes me, and I would like the minister to deal with it as I am sure he will when he closes the debate, the other thing is to what extent are we going to have to have major customers, major industrial customers, signed up, as it were, in some form of contract, before financing can be arranged.

MR. NEARY: Mind if I give the legal terms?

MR. WELLS: Well, thank you very much and I am sure the honourable member will enlighten me in the law anytime at all. My seventeen years go for nothing. If the honourable member will enlighten me, well very good. Very good. Very good.

MR. NEARY: Make me an honorary member of the Bar.

MR. WELLS: I think we will have to do that and then you will be quiet during my speeches. I am sorry, Mr. Speaker.

The point I am getting at, Mr. Speaker, you know we are going to have to bear in mind that investors are going to look at what we are offering in terms of security, and will investors be satisfied simply with the projections of the Province of Newfoundland, that a certain amount of power will be used domestically within the Province of Newfoundland and Labrador, according to normal load growth, because there would come a time, vast though this project is, there would come a time when the normal load growth in the Province of Newfoundland would use the whole thing. But are the people who are going to invest the money going to be satisfied with that or are they going to look and say, "No, we want the XYZ Company making aluminum or making something else, large chunks of power or perhaps some sold to Hydro-Quebec, whether it be short term or long term or what." They are going to want, I suspect, to know that kind of information before laying out the money. This is something I would like to hear the minister, and I am sure he will, deal with in some detail. Because if in order to finance the project we are going to have

to sign up, say, for eighty or ninety per cent of the power to go into major projects, then we are going to have to be very careful, we might even have to think again. It might even cause a delay.

Certainly there are going to have to be some major projects which will take a substantial chunk, but obviously if the thing can be designed in such a way that a large chunk of power will also be available, maybe not on stream all the same day, but available for the future, for the normal projected load growth in Newfoundland, then that is absolutely important. That is something that I am sure the government will be looking at and something that it ought to look at to preserve this energy, this power, for us and our children. Maybe it will not be our children because perhaps to take the whole of it we are only looking at fifteen or twenty years, so phenomenal has been the increase in the use of power in the Province of Newfoundland.

So these are things that I am sure the minister will deal with and I am sure the government will look at.

MR. NEARY: Do you not have any caucus meetings over there? Does the minister know what is going on?

MR. WELLS: The member makes his speeches and he hopes that the member for Bell Island is elucidated, entertained, that his education is improved and that he goes out of the House this afternoon a better man, more well rounded, more able to face the demands that his constituents make upon him. There you are.

MR. NEARY: Is there any communication at all.

MR. WELLS: Of course there is, all kinds of communication. But some of these, Mr. Speaker, rhetorical questions for the elucidation of the Member for Bell Island and he should thank me, he should thank me for contributing to his general knowledge.

MR. NEARY: Be sincere. Be sincere.

MR. WELLS:

Now I think, having made these remarks on the general principle of this question of the development of the Lower Churchill, I would like to talk about the principle of the bill itself. Now, as I say, the Power Commission did or was the organ, the agency which did this sort of work, the sort of work that this corporation is going to do, up until now, and the very guts of this is set out in Section (4) Subsection (1) - No, I am sorry, Section (5) the objects - the objects of the corporation are to develop the use of power on an economic and efficient basis, and in particular but without limitation of the generality of the foregoing to engage in the province and elsewhere the development, generation, production etc. etc. etc. of power.

Now nobody could have any complaint with that. It is a perfectly straightforward legitimate object for a publicly formed, public in the sense of being done by the legislature, corporation which will be in charge of the generation and distribution of power in Newfoundland, subject of course to the legislature, to the government and the legislature ultimately. I make that point because I am going to come back to it afterwards in my remarks.

So this is the object of it. Most of the clauses of it are housekeeping clauses. They are clauses designed to let the corporation go about its duties, and I have no quarrel with them.

I would refer to certain specific clauses which have already provoked some comment in the debate which has gone on up to this point. I propose to refer to, and I think I have no doubt others will refer to also.

Clause (6) refers to M.H.A.'s being able to be appointed to the Power Corporation. Now I myself would like to see that removed, and I gather from remarks made yesterday by various ministers who have spoken that this will be done, and this ought to be done. There is no need, Mr. Speaker, I think, for members of the House of Assembly to be members of such a corporation. I believe we have a debate going on here, Mr. Speaker.

AN HON. MEMBER: Inaudible.

MR. WELLS: Aw, I see! The honourable member, of course, is still at it.

But anyway, Mr. Speaker, this, I think, should go for very good reasons. Nobody has been perhaps too clear on the reasons but I think they should be examined into. They should go because it is desirable that we have as many members of this House as possible as private members able to express themselves without having any fetter on them, without having any salary coming from another source, that he is appointed by the Lieutenant-Governor-in-Council. This is what is important here.

For instance, I as a private member can come in here and I can use my own thoughts on these subjects, and I can speak on them. But supposing I were a member of the Power Corporation, and supposing I were being paid in addition to my member's salary, \$10,000 - \$15,000 a year for being a member of this Hydro Corporation, then I might think twice. There is where the danger lies. Not that it is going to bankrupt the province of Newfoundland to give two or three members an extra \$10,000. That is not the point. The real point is that when you interfere, when you give members salaries from the public purse in addition to their salaries as members. I am not talking about cabinet now, which is a separate thing. But when you go into the backbenches and you start giving members salaries for this sort of work - what does it really do? It puts the private member more greatly under the control of the Lieutenant-Governor-in-Council or the Executive Council. This is where it would be wrong, because it would inhibit the freedom of the private member to stand up and speak on matters which affect the people who elected him and the people at large of this province. That is the significance, I think, Mr. Speaker, of taking that section out. Of course, I understand it is going to be taken out. I hope it is going to be taken out. I hope it will be discussed in committee and taken out. I think it would do good rather than harm for it to be so dealt with.

Now there are one or two other things that have been dealt with -

AN HON. MEMBER: Inaudible.

MR. WELLS: I am in a good mood this afternoon. What was that comment? We will hear the honourable member.

AN HON. MEMBER: I said, all members cannot take it

MR. WELLS: Cannot take it, eh! Cannot take it.

AN HON. MEMBER: Inaudible.

MR. WELLS: Well as long as the member can move back in his own seat, and interject if he must from his own seat, and as long as he can take it, which I am sure he can. I suppose he can.

AN HON. MEMBER: Inaudible.

MR. WELLS: Wait! Wait! Wait! Just wait!

AN HON. MEMBER: Inaudible.

MR. WELLS: You see the process of learning is never perhaps as exciting as the honourable member might think. A painstaking process.

Now the other section I would like to deal with, Mr. Speaker, is this -

AN HON. MEMBER: Inaudible.

MR. WELLS: Well! Legal action, the prerogative writs referred to in Section (24).

AN HON. MEMBER: Inaudible.

MR. WELLS: I believe, Mr. Speaker, I must be getting to the honourable member.

AN HON. MEMBER: Inaudible.

MR. WELLS: Oh, no, the Premier is happy and cheerful. There is something getting to the honourable member. He is getting fidgety in his seat this afternoon, Mr. Speaker. However!

Section (24) talks about certain legal actions barred. The Hon. Leader of the Opposition had a fair bit of comment to say about this. The impression I got from the way he interpreted this section was, "That people could lose their rights by action of the court, by prohibitions in this statute" which meant that action could not be taken by the courts against people whose rights may be

trod on. To put it simply, by reason of power development.

Now I do not interpret it that way. What is referred to here are injunctions, mandamus, prohibition or other restraining process or proceeding of any nature. Now these, as Your Honour well knows, are the prerogative writs. They are not your ordinary actions. Another section later on in the bill provides that "You can sue this corporation if you want to." And you are at perfect liberty to sue it and have your rights adjudicated in the court. But what it restrains you from doing that is if some person hinders the supply of power. Now if, for instance, an earth dam is being constructed in the early stages of construction of the Gull Island site down in Labrador or up in Labrador, and somebody brought an injunction saying, "You are trespassing on my land" or something like that, with your earth dam. To me, as I interpret it, that is not hindering the supply of power. If you want to be fanciful about it, if you want to push it to extreme degrees you may be delaying the project by a day or a week three or four years hence when it is supposed to be finished. But you are not delaying the supply of power. I interpret that in its narrow sense as the direct delaying of the supply of power, just as if this afternoon I put some sort of injunction on the Newfoundland Light and Power prohibiting them from fixing a transformer on a pole in my yard. That would be hindering the supply of power, as I see it in this section.

We are talking here about prerogative writs, and the most usual, of course, is an injunction which prohibits or stops the thing. I do not think there is any application here that need disturb or worry anybody. I think that if power is being supplied there are cases, and this is probably one of them, when the overall good to the community at large sometimes has to override individual rights. So that if I had some beef with the corporation, and they have a transformer in my yard and that transformer is out, and they have to put that transformer back in operation, in order to supply power to

my learned friend for Bell Island who lives down the road, then he and the other people living down the road, I think, have a right to receive that electricity and let my rights be adjudicated in court and let my remedy be in damages, if that is the way it has to be. I think this is a sensible application of the principle. I think the learned and Hon. Leader of the Opposition is unnecessarily worried by this section. I do not think it is going to cause the hardship to any member of the community that he feels. Rights can be taken into court. They can be adjudicated by the court. The prerogative writs like mandamus or injunction can apply during the construction process but in the actual supply of power, as I interpret it, there would be a curb on the prerogative writs. I think that is necessary just as I should not, I submit, be able to go and get an injunction in St. John's this afternoon because of something to do with my property that would put the Member for Bell Island without heat and light tonight, because they could not supply power to him. I think that is the principle we are looking at. I hope that my few remarks on this made it clear.

MR. NEARY: Does the member have any water over there? He is not too well.

MR. WELLS: The member is in perfect health. I have not touched this glass. I would offer the member this glass, I have not yet drank from it.

MR. NEARY: Inaudible.

MR. WELLS: No? All right!

MR. NEARY: Inaudible.

MR. WELLS: He needs something more. He is gone now, Mr. Speaker. He is good. Too bad!

The other thing that I would like to refer to when talking about the principle of this bill - this has given me a fair bit of concern, Mr. Speaker. I read the bill through a couple of times since it has been tabled in the House, thought about it. Of course, this did not apply to this Teshmont thing. As I have been thinking either walking around or shaving, cogitating on this bill, there are a few sections and a certain principle in it that give me some worry, some concern. These are the sections beginning at section twenty-six and running through to section thirty-two, thirty-three. Basically this is the area of the bill that deals with loans and guarantees.

It starts off, "Subject to the prior approval of the Lieutenant-Governor-in-Council, the Corporation may:

- (a) borrow money for any of its purposes, including, without limiting the generality of the foregoing, the installation and maintenance of any system for the development, generation, production, transmission, distribution, delivery, supply, sale or use of power.

In other words, as I interpret these sections lumped together, the Lieutenant-Governor-in-Council and the Minister of Finance is referred to elsewhere in this - this act in section twenty-eight says, "Notwithstanding The Financial Administration Act, 1973." It gives the power to the corporation with the approval of the Lieutenant-Governor-in-Council, the right to borrow money. Now, when we are thinking in terms of borrowing for this corporation, as I understand the set up of this corporation, we are talking now about the right of this corporation, if necessary, and I am sure it will be necessary because this is the parent corporation as it were, to borrow one way or another the billion or billion-and-a-half dollars that may be necessary for the development of the Lower Churchill.

So that as I interpret this, there is no limitation on here in terms of the size of the amount that can be borrowed. In other words, if this corporation finds it necessary it may have to borrow a billion dollars or a billion-and-a-half dollars or who knows, two

billion dollars or cumulatively if you are looking ahead fifteen years, perhaps it might have to borrow \$3 billion or \$4 billion dollars. As this act is presently drafted it would have to have the approval of the Lieutenant-Governor-in-Council to do this and in certain other cases, the approval of the Minister of Finance.

Now, this, Mr. Speaker, is the principle here that gives me some concern. My thinking for a long time is that when large amounts of money are borrowed, when large amounts of money are expended, when large amounts of money are guaranteed, that the principle, that the authority for doing this should not be the authority of the crown as represented by the ministers because that is what really the executive council is. It is the crown represented by ministers, by a Premier or chief minister and ministers, whereas the House of Assembly, we here in this House of Assembly are the representatives of the people. So that, when major financial matters come to the fore as here, when large amounts of money have to be borrowed or guaranteed or raised, then I think that the responsibility for passing on it should be the direct responsibility of the House of Assembly, of the members who are in it, of the people who are responsible directly with nobody between them, to the people of this province.

Now, I have held that belief, I suppose, since I studied political science in university, since I studied in law school and had occasion to think about these matters and constitutional law, since I thought and worked for the Conservative Party over a great many years, since I campaigned for the Conservative Party and was elected and since I have served as a member of this House of Assembly, I have believed that in major financial matters the responsibility is here where it is public, where when you stand up and speak you take it on the chin, you have the public of this province watching you, you have the public and the press assessing your words. This, in other words, is where accountability is.

The other place of accountability is the polls, but we are the people who have to face the accountability here in this

House and the accountability at the polls when we go to them, whoever of us go back to them again or the new people who seek to be elected. So, therefore, Mr. Speaker, it is fundamental in my own thinking that the responsibility should be here. If a billion-and-a-half dollars have to be borrowed or \$2 billion or whatever it is - I am not afraid of the figure, not shrinking from the figure for this province to develop that facility in Labrador, not for one moment, but it is here that the responsibility lies. It is not in cabinet which is an organization representing the crown, It is the executive. True these people in the cabinet are elected but that is not the point. They are responsible to the House once removed. The point is that we, the members of the House, are responsible directly to the public. When you are talking about the kind of money that may be borrowed and expended by the authority of this act, then, Mr. Speaker, it appears to me - this is a fundamental conviction on my part - that the place where this corporation should come for its authority to do this, either in specific amounts or up to certain amounts, or after it has borrowed, to seek ratification before it can actually get the cash.

However you want to cut the cake or look at it, this, to me, is the place of accountability. Now, having said that, I would ask the government to change this so that this corporation does not have to go to the Lieutenant-Governor-in-Council and the Minister of Finance for the authority to do this, but rather to come back to the House. I think that in saying this I am on good, solid, constitutional principle. I am certainly, I think, on the principles of the party of which I am proud to be a member. I would ask the government to consider this, to discuss it. I would like to hear ministers in their remarks to the House analyse the question and deal with it. I would like to hear other private members in their remarks to the House analyse and discuss the question because I feel it is here that the accountability and the responsibility should be, because it is we as members who have the direct accountability straight to the people who put us here, the people who are really going to make

the guarantee and the people who in the final analysis when money is paid are the people who are really going to pay any shot that the public treasury of Newfoundland pays or guarantees directly, contingently or any way you like.

I would ask members of this House to consider this, to speak on it, to analysis it and to express their feelings on it because I have to say, and I say this, Mr. Speaker, after having given a great deal of consideration to this, particularly in the last few hours when I knew that I intended to speak on the principle of this bill today, because unfortunately, much as I think that this bill is a fine bill and a necessary bill, I would not be able to support it in this House without the accountability with respect to borrowing money directly to the House. I want to be able to support this bill. I think it is a necessary step in the chain of process culminating, for instance, in the development of the Lower Churchill. I want to support it. I applaud it. I am a hundred per cent with it, but that kind of money and the accountability for it should be directly in this House.

I would ask the government to get the feelings of members in this House because I cannot support and vote for this bill as long as this direct accountability is not in the House. Unfortunately, if it is not changed, I would have to vote against it. I do not blame anybody who votes for it. They may see matters differently than I, but I have to be true to what I feel and believe. This is why I would ask the government and all members of this House most seriously to consider this particular clause. I think, Mr. Speaker, it is not too late for an amendment to be introduced at the committee stage and for this bill to more truly express the principles, I think, that led the public of Newfoundland to elect us to this chamber. Thank you.

MR. SPEAKER: The honourable Member for St. John's East.

MR. W. MARSHALL: Mr. Speaker, I want to address a few words concerning this bill, but before I do, because the House of Assembly has the written word, the Hansard, and does not have pictures, I would like to just record for the present time that I speak on the right hand right now of the honourable Member for Burgeo - LaPoile, instead of on the right hand of the Premier. As a result of certain facts that I shall not go into at the present time, I have already gone into them in public and will make more allusions to them as this session goes on. But right at this particular time, I want to address myself to the principle of this bill and particularly to the last words that were uttered by the honourable the Member for St. John's South and were also noted by the honourable the Leader of the Opposition when he spoke.

First of all, I do not think anybody can fault the principle of this bill, that is the concept of this bill for the harnessing of the power of the Lower Churchill, harnessing our resources for Newfoundland, using them in Newfoundland and Labrador instead of shipping them out and selling them to the mainland and the United States, a very bad and possible unenviable bargain. So I want to make it quite clear that I think everybody, I know everybody in the government, on the government side of the House and I know most Newfoundlanders are for this type of development. But there are matters that I want to address myself to that the honourable the Leader of the Opposition mentioned, one matter in particular that I would like to dispose of first. That is, he made reference to section (17) of the bill and said that it enabled the corporation to enter into contracts without the calling of public tenders.

Now, I think it could be expected and quite well known that I have not, did not and will not support any action at any time that does not require full public tenders for public works, but with the greatest respect to the Leader of the Opposition, he was misreading the act at the time because all that section does is define what the powers of the corporation are. A corporation cannot do anything. It is an unnatural person, as we say, and it can only do those things which it is authorized to do. Amongst the things it is authorized to do is to contract with persons for the

construction, maintenance and operation of works, etc. But my interpretation of that section is that it is covered by the Public Tenders Act and the exception to which the honourable Leader of the Opposition referred, subsection (d), related to the purchase of petroleum products notwithstanding the provision of any other act. Now the any other act would refer to the unequitable deal that was made by the previous administration with respect to Golden Eagle. I can state from my own experience with the honourable Minister of Mines and Energy, the way in which he has certainly conducted his department, that he is just as concerned as I am with respect to public tendering and has reported in all practical, feasible cases right to the stage where the Newfoundland and Labrador Power Commission some time ago, I believe, was calling public tenders for scotch tape. It had got to that stage.

So I have no fears there and I say the honourable Leader of the Opposition was completely wrong and had completely misinterpreted the nature of that section when he said that public tenders were dispensed with, because I would not vote, quite frankly, for the bill if I thought otherwise.

However, I have to agree with his observations, Mr. Speaker, with respect to section (26) and certainly with the words of the honourable Member for St. John's South, which I wholeheartedly and completely endorse. I do not believe, as I read the act it says, "Subject to the prior approval of the Lieutenant-Governor-in-Council, the Corporation may ", and this will result, in effect, the Cabinet being given power to borrow. Now I do not think that was intended and I would hope and believe that when the minister speaks he would explain further, and if our interpretation is correct, that in committee stage an amendment can be brought in and just off the bat I would suggest such words as "Subject to the provisions of the Financial Administration Act, the Lieutenant-Governor-in-Council may authorize the corporation to borrow," or words to that effect, but we can get - words are semantics, I am talking about the words that are here and these words are really unacceptable.

I will tell you why they are unacceptable. In 1966-67, in the

session of the House at that time, an amendment was passed to the Revenue and Audit Act which empowered the Lieutenant-Governor-in-Council to borrow such amounts as would realize a net sum of money required for the Consolidated Revenue Fund. That provision was repugnant. It went against the whole principles of parliamentary government, but it remained there on the books and the honourable the Leader of the Opposition, of course, was one of the ones who supported it. So it ill behoves him now to come out and attempt to champion the other side. That is another situation.

Now this resulted in a blanket power to borrow without any legislative assent whatsoever and it resulted in the most undesirable consequences for this Province, in my opinion. Contrary to statements made by defenders of the provision at the time, in my opinion it was a radical and complete departure from Canadian practice and it was a radical and complete departure from all principles of parliamentary government which required the government to get its authority to spend from the legislature itself.

The consequences of this, the unfavourable consequences of this particular act, of this particular provision of authorizing the Lieutenant-Governor-in-Council to borrow such amounts as it wishes were most unfavourable - the actual consequences of it, because prior to these changes there was pretty well an identity between the amount of the estimated borrowings of government and the actual borrowings of government. For example, in 1962-63, \$11 million were estimated and \$11 million actually were borrowed. In 1965-66, \$20 millions were estimated and \$20 millions were the actual borrowings.

However, let us look at the effect after 1966-67. \$28 millions were estimated. What happened? It was required, \$56 millions were actually borrowed. This variation continued and became more acute each year. Around 1970, the last years of the previous administration, \$70 millions were estimated as required but \$118 million were actually borrowed. A predictable consequence of this secret Cabinet borrowing was also an increase in supplementary supply. This generally speaking is the estimated additional amount of money that may be needed from time to time. Prior to 1966-67

the largest amount of supplementary supply sought was \$20 million, but after this blanket borrowing and secret Cabinet session were empowered, it increased to \$54 millions. This is supplementary supply, extra money, extra cash, if you want to put it that way, and it amounted again to \$43 millions in 1970-71. This amounted as a result of the blanket power of borrowing to irretrievable commitments of public money by the executive arm of government and because no legislature could really refuse to grant the supplementary supply, it became granted as a matter of course. So it was an open sesame as it was.

I am happy to say that this government has a very fine record with respect to supplementary supply. It is on a much more rational, reasonable basis and a large part of the rational, reasonable basis of the small supplementary supply has been the fact that we have been conscious in this government of the necessity of coming to the legislature for powers of this nature.

Now, as

the Hon. Member for St. John's South has indicated, this has always been an engrained policy of the Progressive Conservative Party. When we were in opposition, we fought tooth and nail against the blanket borrowing powers. When I was in opposition in 1971 I introduced a private members' act to amend the Revenue and Audit Act, and attempted at the time to get these blanket provisions repealed. The government of that day, aided and abetted by the Hon. Leader of the Opposition, the Hon. Member for Bell Island, 1971, and others, refused to support this particular measure. I, Mr. Speaker, on basic things, such as public tendering, and on things which are equally basic, such as the secret borrowing powers in cabinet, have no intention, and cannot be inconsistent in my position as a supporter of the government, and in the opposition -

AN HON. MEMBER: (Inaudible).

MR. MARSHALL: Just let us look briefly at the arguments which were used by proponents of this power, by proponents of a measure which is similar to this section 26. The arguments that were used were that they came down to statements that such powers existed in every province, and that the delegation of borrowing powers to the executive was necessary to give flexibility to government in arranging borrowings. In my opinion both of these arguments are completely fallacious.

Now on that day, I remember, when I got up in the House to introduce this amendment to the Revenue and Audit Act, the Premier of the day, as was his wont, got up and said, "does the honourable member realize that this is a provision which is similar to provisions in every province of Canada, the same as in Ontario, British Columbia?" and you know the repetitious way he went on. In those days, Mr. Speaker, the people on the other side of the House, it was not their wont as it is today, to get up and say this is deceptive, this is deceit, this is untrue, and all the rest of it. Perhaps we ought to. I must confess at that particular time, when he mentioned so many of the provinces, you know, you sort of - the Premier on the other side was making the statements - did not enquire, and by the time the thing was voted on,

this was a trick of his, one never came to check out the statements which he made. The fact of the matter is, when we look into it, I found that this was completely untrue, and without any foundation whatsoever. In fact section 29 of the Financial Administration of Ontario, that act stipulated that no money shall be raised by way of loan except under this , or any other act of the legislature. The act then went on to permit the cabinet to raise loans merely for the purpose of refunding existing loans on securities, which is reasonable and necessary. Similarly, Alberta and Manitoba had similar provisions in their statutes. The Federal Act, the Financial Administration Act, in Canada - now this is the same - we laboured here under the impression that this is what was done everywhere. I am just saying it was not. Section 36 of the act said that no money shall be borrowed, or security issued by or on behalf of Her Majesty, without the authority of parliament, and so on. So that was completely unfounded.

Similarly, the argument that the cabinet borrowing power is necessary to provide flexibility, is an argument, as far as I am concerned, with the bureaucrats of this world. It is an argument of the people, the builders, if you want to put it that way, who do not appreciate that when general public monies are being expended that you must in all needs, and in all cases, refer to the public itself, and to the legislative chambers, so anyway we moved in that area.

I would also like to point out another factor; there was another act, the Melville Act, the Melville Pulp and Paper Act, which under section 10 had a provision which was somewhat similar to this. It had a section which allowed the Lieutenant-Governor-in-Council, the cabinet of the day to borrow, in effect, as much money as it wished. And the net result of that, as far as I am concerned, was that

the problem with the Labrador Linerboard Mill, I do not think, would have escalated to the acute extent that it had escalated if the government of that day, the Liberal Government, had come back, as it ought to, to the legislature for the purpose of getting approval to borrow or for the purpose of spending money.

So therein, as far as I am concerned, Mr. Speaker, effectively demonstrates the necessity of having such matters rounded in the legislative chamber, in the House of Assembly. We moved in that direction. This government moved to change the law, as it did in 1973 in the Financial Administration Act. For one reason or another there had to be a change in the Revenue and Audit Act because it was outdated in many areas. There had to be a change of updating it and upgrading it, making it easier for the purpose of administering the affairs of the province. It was a very good Act. Included in it was this particular reform. Included in this Act there were provisions which were the same as I had advocated when I was in opposition. They were the same as were advocated by the Progressive Conservative Party. They carried out a promise and an undertaking to the people of this province.

Section (48) of the Act says "Except as provided under Subsection (1) of Section (37), Section (39), Sections (43), (44), and (51)."

Nothing in this Act authorizes any increase in the public debt without the express authority of a legislature. The exception, of course, is the refunding of existing securities, and the reason for that is government have already voted on the expenditure of a certain amount of money. So if you take \$40 million and you are going to borrow, to turn it over as it was, in order to redeem bonds that were issued years ago, well you do not necessarily need to do it. There is a provision there for emergency where you have to come back to the legislature afterwards. There is provision there with respect to the terms, the interest rate and what have you, being determined by the Lieutenant-Governor-in-Council, as it must be for a proper administration. But there is also provision in there that "There may

be exceptions in any other Acts."

Now I do not personally agree with any such exceptions as the one that has been set forth in this particular piece of legislation. As I say, I do not think that really it is intended. The purpose of this Act is to create a corporation which eventually is, as the Member for St. John's South has indicated, going to have the possibility, and will in fact, spend huge amounts of money, huge sums of money for which the people of this province will have to pay. It will become a major Crown Corporation in this province. It will have the greatest responsibilities of any corporation in this province. I feel that if one single cent of public money is to be diverted to its purposes that the reason for the expenditure ought to be brought before the legislature and explained to the people of Newfoundland through its elected representatives.

AN HON. MEMBER: Hear! Hear!

MR. MARSHALL: Otherwise, Mr. Speaker, we are going to create an elitist type of society, as it were. As it is, you have a crown corporation, on the one hand, and then you have the cabinet, and then you have the legislature. So you have a three-tier situation. I feel myself that I cannot say one thing in opposition and another in government.

AN HON. MEMBER: Hear! Hear!

MR. MARSHALL: I have no intention of gainsaying anything that I really, basically believed in in opposition. There were three or four things as everyone knows, public tendering was one of them. Another one that everyone knows about is the fact that the secret powers of cabinet to borrow were to me utterly and completely repugnant. They were utterly and completely repugnant to this party.

AN HON. MEMBER: Inaudible.

MR. MARSHALL: As the Member for St. John's North said, that is even more repugnant to me.

We have a government on this side of the House that is able to listen to views of its members.

AN HON. MEMBER: Inaudible.

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Tape 142 (Afternoon)

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MR. MARSHALL: And it is effectively demonstrated, and I have no doubt that it will be effectively demonstrated in this particular situation.

MR. MURPHY: We would have been down in the submarine cable -

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. MARSHALL: Mr. Speaker, I do not think there is any necessity to go any further into the reasons. I have given them. This is a commitment of a huge amount of public funds for a very beneficial purpose, and to allow, as it reads in section twenty-six, "Subject to the prior approval of the Lieutenant-Governor-in-Council the Corporation may;

(a) borrow money for any of its purposes, etc. etc. "

Its purposes as set forth in the act are the development, for instance, of the Lower Churchill. I am not really concerned about the large sum, although it is relevant, but the fact of the matter is not one cent of public money should be spent by the executive arm of this province except under the same conditions and provisions as are contained in the Financial Administration Act. I have, as I say, no doubt and great confidence in the fact that I believe that the government will, in its wisdom, in committee stage make the appropriate amendment to achieve this. I would hope that the honourable minister when he closes the debate can indicate government's intention in this area.

HON. H.R.V. EARLE (MINISTER OF FINANCE): Mr. Speaker, I feel that this bill is of such importance to the future economy and the social and economic future of the province that every member in the House, on either side, that has anything to say about this should now get on his feet and say something about it.

It has tremendous implications for the whole future of the province in every imaginable way. Mr. Speaker, as Minister of Finance I think I would look awfully silly if I did not get up and make some comments on this particular bill at this time. To begin with I disagree thoroughly with the remarks made yesterday by the honourable member for Bell Island in which he stated that this bill could very well be incorporated in the present Newfoundland and Labrador Power Corporation and there was no need of new legislation. That is one of the silliest remarks I have heard in a long time, for

this reason, that the very scope and size of this project, talking about \$1,600,000,000 certainly, if anything ever warranted special legislation in this chamber something of this size should warrant such attention.

We pass all kinds of bills in this house for accountant associations, for denturists, for various health matters and all sorts of minor and major things which in themselves are important. There was nothing in my time in this House and I am sure of all those who went before me, that measures up in any way in importance to this measure which is now before us. It must be obvious to anyone in Newfoundland who stops to think at all that the services—social services and every type of services which are public, are demanded with an ever increasing clamor—cannot be provided in this province unless a stronger economic base is formed so that the revenues will be obtained to support the needs of our people and their demands.

The only hope there is in this province of getting the additional revenues is to develop our natural resources.

MR. NEARY: And fling that crowd over there out. That is the only hope we have.

MR. EARLE: The honourable member for Bell Island I noticed was giving blood this afternoon. I had hoped that he would lose a little steam, but obviously he has not. I would think I should caution the Red Cross -

MR. SPEAKER: Order, please!

MR. NEARY: At least mine is red.

MR. SPEAKER: Order, please!

MR. EARLE: I think I should caution the group downstairs. They should put a special label on that bottle because I would be very afraid that somebody might get that blood and it would have an ulterior effect. It would be a disaster.

However, Mr. Speaker, not to be distracted from what I was saying, It must be increasingly obvious that with the rapid demand for services of all kinds in this province, from water and sewer, to

education, to health, to whatever you want to talk about, that this province on its present economic base cannot provide this ever increasing demand for services unless it does enlarge its economic base. I am only

repeating that one of the ways in which we have to do this, is to develop the assets from natural resources which we have so that we can increase that economic base. The size of this project would appear to be frightening when you are talking about \$1,600 million. That sounds like a tremendous sum of money, which of course it is, and it may possibly, before the thing is finished, go to \$2 billion.

I recall very vividly at the time when the BRINCO deal was talked about, and \$500 million was thrown around rather loosely at that time, that that was also considered a very frightening sum of money. There were many people who got up and said it could not be done. But world conditions today are vastly different from what they were in those days.

Over the past ten or twelve years since that scheme was originally thought of, monetary conditions, financial conditions, social conditions, and everything else throughout the world have changed very greatly indeed. I think it is possibly somewhat unfair, in this I agree with some people, to compare the thinking of those days and the thinking of today. because it is like comparing apples and grapes.

This was a new project back in those days. I was part of the Cabinet that had to deal with it. We were entering into a new field whereas I said \$500 million seemed like an impossible amount. Therefore, we of that day who considered this particular project, the BRINCO deal, I think did so with own interpretation. But there is one big difference in the way this particular project is being handled and the former BRINCO project was handled and it is very important.

The BRINCO deal was always conducted in an aura and an atmosphere of crisis. There was always a battle going on between the Premier of that day and Mr. Lesage of Quebec. There were headlines screaming all the time about a deal that was about to be made and could not be made because of Quebec, and there was all

kinds of excitement and drama wound into this thing.

The result was that the members of the government of that day and the public at large, I think, did not have very much concept of what was really going on. In fact, the members of government of that particular period, very few of them knew anything about what was happening. This was being done in a very secretive sort of manner.

But nowadays, when we are entering into a deal three times the size, there are no screaming headlines. There is no dramatic announcement. There are no fights with anybody hitting the headlines all the time as to how these negotiations are being conducted. They are being conducted in a quiet, sensible, methodic, businesslike manner, and that, in my opinion, is the way a deal of this sort should be handled.

Another big point; in those days it was a private company, BRINCO, that was taking on this tremendous deal and we had to give all credit to BRINCO for developing the Churchill Falls. I think they did an outstanding service to the Province of Newfoundland and also I give credit to the previous government for getting them interested.

But there was one great comparison between that deal and this which I think everybody should note, and that is the fact that BRINCO -

MR. NEARY: If we did it you would talk about it.

MR. EARLE: BRINCO was a private company. BRINCO had private directors, a private chairman and so on. It was not a provincial company. While I think they showed a real interest in the development of Newfoundland, there were at times what appeared to be more interest on the part of that company, as would naturally be the case, that they were operating strictly in the interests of the company, sometimes without the full interest or concern for the Province of Newfoundland.

Now today, by taking over the power rights and the water

powers in Labrador, the province itself is the body that will control this, and the province, having an elected government, has to answer to the people. BRINCO as such, did not have to answer to the people. This government has to. If this government makes tremendous mistakes in an undertaking such as this, or any undertaking, the people know what to do about it. When you are dealing with a private company such as BRINCO was, they only had to answer to their board of directors and there is a vast difference in that conception. That is why I feel that having the province, lock, stock and barrel, committed to this deal will make a vast difference to its ultimate benefits to the people of Newfoundland.

Now I would like to refer briefly to the discussion by the Leader of the Opposition and by other members this afternoon on the financing of this particular project and the control of the House over the expenditures. I have to say at the outset that I disagree completely with the statements by the last two speakers. Now that may sound something extraordinary coming from me, because as a member of the opposition I spoke and voted for control of the expenditures by this House. I also at the time -

AN HON. MEMBER: Inaudible.

MR. EARLE: was part and parcel of the opposition who objected vehemently to the control lying with the Lieutenant-Governor-in-Council.

But as I said in the first part of my address, conditions have changed tremendously. Conditions in the money markets today are not what they were five or ten years ago. When you are trying to contemplate or thinking of financing an operation of this size, of possibly \$2 billion before it is finished, there will have to be extreme flexibility given in the borrowing policy for that. If limitations were set by this House on how much could be borrowed at any one time until the House met again, under the conditions that prevail in the money market today you might very quickly lose the opportunity of borrowing vast sums of money.

The thing is, with the energy crisis in the world today the moods of the lending public change almost from week to week. A government have to be in a position to take advantage of the market. For instance, at the present time, because short term interest rates have fallen quite dramatically, the long term bond market is very good. Therefore this government and other governments are availing of the bond market at the present time because it is a good time to go to the market.

Now on a project of this size, which may represent \$2 billion eventually, it might be most essential that the province go to the bond market or go to the lenders for very huge sums of money. The only way any possible limitation on this could work is for the House of Assembly to say, we will treat it as project financing, and

we will authorize the House to authorize this Hydro Corporation to borrow the whole lot. Because it is not beyond the realms of possibility that that may have to be done. If the opportunity arises and the money is available, it might well be the case that within a twelve month period or a two year period the whole required capital of this project could be borrowed at one time.

MR. NEARY: How long would it take to get the House together?

MR. EARLE: It takes time enough, fifteen days or whatever it is it takes.

MR. NEARY: One day is all it takes to get this House together. Do not be talking such nonsense.

MR. EARLE: Well I bow to the superior -

AN HON. MEMBER: Inaudible.

MR. EARLE: Of course, we all bow to the superior financing knowledge of our Member for Bell Island.

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. EARLE: That goes without saying.

But I am repeating, Mr. Speaker, that the financial conditions today are extremely flexible and fluent in that respect, and any government must be in a position to take advantage of the market as conditions warrant it. Otherwise -

MR. NEARY: You are talking more like Joey every day.

MR. EARLE: Otherwise I am sure that we may have very well missed the boat.

I think, Mr. Speaker, it is a fact that this project is of such an enormous size that these worries are being expressed here in the House today. As Minister of Finance, I would be a stupid ass completely -

MR. NEARY: Hear! Hear!

MR. EARLE: If I did not worry about a project that could, in essence, affect the credit of the whole province forever hereafter. Because

this is what it could very well do. But I have this safeguard to any worries that I may have in this respect, that this project will not be financed, that cannot be financed unless it is a viable project. You cannot go to the money markets or anywhere else and borrow \$2 billion or \$1,600,000,000 unless you are borrowing it for a viable project. Believe me, this thing has been and will be looked at so carefully and gone over with a fine-toothed comb that before the money is available for this it will be examined inside out and upside down, and every way around so that experts, even beyond anything that we have in this government, will know that this is a viable proposition. Otherwise they would not lend the province the money.

AN HON. MEMBER: Inaudible.

MR. EARLE:

Why the House needs to worry about coming back to the House or opening the House suddenly for a project of this size is beyond me, because this will be reported, as the thing proceeds, from year to year, in each sitting of the House. The expenditures that are made for that year will be carefully gone over, and every argument that can be given, will be given as to why this was spent, and why that was spent and so on. The House will have ample opportunity to examine it.

My only statement is, and this I am repeating time and time again, that for a project of this size, something of this stature, I do not see how the Hydro Corporation could operate efficiently, or could operate at all unless it is given a very free hand indeed. It has to be able to go out and get this money when it is available, and it is useless to say that because you can open the House within fifteen days, or something, this is easy enough to cover, because it is not something that is easy to cover.

In the normal borrowing pattern of the province, where we can predict from year to year almost what we need to borrow, I contend that the restrictions on borrowing by this House are very essential, because this is the normal borrowing for provincial needs, both capital and expenditures. In the case of a project of this size, it is far from normal. It is an extraordinary step. It is something that will mean the life or death of this province, and it has to be treated in an extraordinary manner, if we are to get it off the ground at all. It would be a disaster, in my opinion, if this House puts restrictions on it that does not allow it to be financed. Thank you, Mr. Speaker.

MR. SPEAKER: The Hon. Minister of Fisheries.

MR. CROSBIE: Mr. Speaker, I am speechless from some of the drivel I have heard in the House of Assembly, in this debate, particularly from the other side of the House, and the inconsistent positions taken. The Hon. Leader of the Opposition should be called leader of the knockers. He did all he could to knock this bill, and all he could to knock the Lower Churchill project, and to knock it by inference, and to knock it directly

and to knock it wherever he could knock it, and yet still pretend, hypocritically, that he is for the principle of the bill. It was on a par with his performance last fall or last spring, when we brought in the legislation to take over the Churchill Falls Corporation. He dithered and dathered, he was for it, he was against it, and he took both sides of the question, and if there were more than two sides, he took ten sides of the question then, Mr. Speaker, When we took over the Churchill Falls Corporation he said that he could not take a position, he did not have enough information, and he took that position for weeks, and then he finally never did take a position. He tut tutted, he thought there was something to it, but then he would tut, tut. He was not honest enough to come out, like Mr. Smallwood, who was dead against it, but no, he was for both sides of the question, and he has done the same thing, Mr. Speaker, with this legislation which is now before the House. He is for the bill in principle, but he is against it in every detail.

The honourable gentleman says that if the Lower Churchill goes ahead, we may have to borrow \$1.5 billion, which is many, many millions, it is \$1,000 million, and then again \$500 million, we could have to borrow to do the Lower Churchill, and he has threatened us with inflation that it might go from \$1.6 billion, to \$2 billion, and he threw out these frightening prospects to us, to frighten us off from this Lower Churchill project. The Leader of the Opposition wants to frighten us off, and he said what an awful huge amount of money this was for the province to borrow, and how gigantic it was, and how awe inspiring, and how it should inspire fear, and the hesitation, and intimidation in the ranks of the government. We are not intimidated.

Then he went on after all that, Mr. Speaker, to tell us that we should put a vehicular tunnel across the Straits of Belle Isle. He was not worried that that

might cost another \$150 million. No, his worries then about all these costs had vanished. Was he deterred by the prospect of another \$150 million on the \$1,600,000,000? Not likely. He was not deterred by that, Mr. Speaker. No, because he wants us to nationalize every other power company on the island. He wants us to nationalize Bowater Power and he wants us to nationalize Newfoundland Light and Power and he is going to nationalize every blessed kilowatt of electricity on the island. He was not worried about that cost, Mr. Speaker. Now, is that not a little inconsistent? Do we not detect a note of inconsistency in that position? Now, you are either for this project going ahead or you are not for it. There is no good damning it with faint praise and saying it should go ahead but it is a huge amount of money for the province to borrow and warn us about how great it is. No, you cannot have it both ways.

The Leader of the Opposition should vote against the bill, that he is against this Lower Churchill project. If he is against us borrowing \$1,600,000,000 for the project let him vote against the bill. If there was anyone here against us guaranteeing \$1,600,000,000 for the Lower Churchill, let him vote against the bill because this government is going to borrow \$1,600,000,000 for the Lower Churchill unless it is defeated. The way to stop us from this mad plan is to vote against the bill and we will resign and get out of office and someone else can take it over because if you vote for this bill and we stay in office, we are going to do the Lower Churchill and that is going to cost at least \$1,600,000,000. That is what it is going to cost. So, vote against it if you do not want it. Vote against us if you do not want the Lower Churchill project. Vote against us if you do not want us to guarantee \$1,600,000,000 over the next five years. That is the way to end it and that will terminate it and that will do it directly and not indirectly.

Now, there are a few new principles of constitutional procedure that I have heard about this afternoon. As I understand it, Mr. Speaker, the public of the province votes and elects members

to the House of Assembly. The majority of the members of the House of Assembly decide whom they wish to have as government. Of the forty-two elected, whom do they wish to have out of that forty-two to form the government? One man in our system today leads a party and another man leads a party. There are usually two. There may be three. One of them has a majority of the members in the House or else a majority of the members decide to support some one man in his group. Therefore, they form a government, and they only stay as a government as long as the majority of the House keeps them there.

Now, if a majority of the House does not like the guaranteeing they are doing, and if the majority of the House does not like what actions they are taking, then they desert them and then they cross the House, they sit as independent or they defeat the government.

Now, let us take this business of limiting the clauses that are in this bill about guarantees, Mr. Speaker. Let us just look at that. The Newfoundland and Labrador Power Commission has had its borrowing guaranteed by the Government of Newfoundland ever since it was set up in 1964 or 1965, whenever it was. It was done by the last government. It is being done by this one. That guaranteeing is reported in their budget, is reported in their annual statement as filed in the House. When the Loan and Guarantee Act is amended every session - every year you have to amend the Loan and Guarantee Act - that is included, and the guarantees that they have had are approved by the House. If they are disapproved by the House, the government will have to resign, of course.

If a municipality has its loan - if they want water and sewerage in Conche, if they want water and sewerage anywhere in the province and the government guarantees by Order-in-Council their borrowing or the borrowing of Newfoundland Municipal Finance Corporation, that is brought into the House as an amendment to that

particular piece of legislation and it lists, as we will in this session, the whole series of municipalities where the government guaranteed some loans for that municipality to put in the water and sewerage or whatever and the House is asked to approve it. The House usually does approve it because the government has a majority, Is there anything terrible or wrong about that? If there is some industrial project starts, everybody knows the practice. You tell if the government is going to help them or guarantee money for them. The government says, "We will give you a guarantee", and they get an Order-in-Council, but they know and their financiers know that the House of Assembly has to be asked to approve that after the fact. They know that there is a government in power and the government has a majority and that there is only one chance in one million that the guarantee will not be approved, and so they proceed on that basis. The House still has to approve it.

So, in my view the suggestion that in addition to the government having to come each year to the House and say how much it is going to borrow directly, that the government must also have the House's consent as to what it is going to borrow indirectly or guarantee, is just not practical nor feasible nor is it necessary nor is it required by parliamentary tradition or parliamentary convention. Ontario Hydro, every hydro-electric system in the country today are borrowing billions. The estimate in the next five years of what hydro authorities have to borrow is in an average of between \$3 billion and \$4 billion a year.

I frankly do not know of one of them who has to get the consent of the House of Assembly of that province before it borrows under the provincial guarantee.

AN HONOURABLE MEMBER: There are two.

MR. CROSBIE: Are there two?

AN HONOURABLE MEMBER: B.C. and one other.

MR. CROSBIE: B.C. and one other do, apparently.

AN HONOURABLE MEMBER: B.C. has -

MR. CROSBIE: Right. Now, that is not to say that since some honourable members seem to feel seriously about this that we cannot consider putting in some limit or putting a limit in the bill that will not restrict the government unduly nor will not restrict this corporation unduly. This is a \$1.5 billion project. Who is going to lend it money if there appears to be some chance that half way through the House of Assembly of the province concerned will not guarantee any more borrowings for it? So it will only be half completed. The province is not going to be able, the Minister of Finance said, will not be able to borrow anything on it if the financial people do not think the whole thing hangs together in the first place. This project would not be proceeded with at all, Mr. Speaker, if the Government of Canada had not satisfied itself, after a most rigorous examination from last May to December, had not satisfied itself that this was the best alternative for Newfoundland, that what was suggested, to bring the power from Labrador to Newfoundland, was the most feasible and the least expensive way of the Province developing energy in the future, and that it was feasible as far as they could see based on all the studies that were done.

If they had not found that, after having their experts look into it for six months, they would not have agreed to give us a loan of \$343 million plus another \$80 odd million which represents the value of the fact that they will not charge us interest during the construction period. So, it has already shown, the Government of Canada is already satisfied to commit some \$420 million to the project, Mr. Speaker. They are not hesitant. They were careful the same as we were and have decided -

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: No brush off. And have decided to assist this project. Not only that, Mr. Speaker, but we are not foreclosed from going back to the Government of Canada to ask them for further assistance should it appear to us that we need it because of the large sums of money involved. So as far as the guarantee part of this bill is concerned, I see nothing unusual in it, nothing constitutionally wrong with it. You either have confidence in the government or you do not have confidence in the government. If you think the Cabinet is not capable of satisfactorily handling guarantees to municipalities or to power authorities or to whatever, surely you should put the Cabinet out and put one in that you are satisfied will do the job properly.

There is no sound constitutional position that there should be any amendment on the guarantee section of this bill.

MR. NEARY: Put them out.

MR. CROSBIE: There is a suggestion that the project might not start for three or four years because of financing conditions in the world. Well, that is possible.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: I say a suggestion. I never said who said it. That is possible. Anything is possible. It may be that the Province alone cannot finance it, but we are certainly going to have a very good attempt to do just that. Mr. Speaker, I know that it is six o'clock.

MR. SPEAKER: It now being 6:00 p.m., I do now leave the Chair until 8:00 p.m. this evening.

The House resumed at 8:00 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

The honourable Minister of Fisheries adjourned the debate at six o'clock. I recognize the honourable Minister of Fisheries.

MR. CROSBIE: Yes, Mr. Speaker, before we adjourned I was addressing myself to some of the comments of the Leader of the Opposition and pointing out their fantastic inconsistency. Once again, he is trying to straddle both sides of the same issue. Now, some of the other comments and I pointed that out in connection with his bewailing the fact that the project might cost \$1.6 billion or more, and then on the other hand criticizing the government because we are not building a vehicular tunnel under the Straits of Bell Isle and are not going to nationalize all the other power companies on the Island and spend several hundred million dollars more.

What are some of the other points the honourable gentleman made? He made a point about a clause that provides that if an M.R.A. is appointed as a director of the corporation he does not have to vacate his seat. Well, the government has already said, of course, that we are willing to withdraw that, not that it is a point of any importance because this government, and it has three years in office, has yet to appoint an M.H.A. to any position on any such board or corporation. The Power Corporation itself, we could have, as soon as we assumed office, dismissed Mr. Charlie Ballam, Mr. Pat Canning and the other members and appointed some of our own backbenchers but did not do it and have not done it because we do not believe that it should be used, these commissions should be used as a place to put members so that they can get some extra remuneration as was done in the days of the previous government when honourable gentlemen opposite were in the Cabinet.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: And me, but I was not in any position to have much influence in that Cabinet and when I discovered that, Mr. Speaker, I got

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out.

AN HONOURABLE MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. CROSBIE: I did not stay there, I did not stay there calming my conscience and going along with everything that went on as some other honourable gentlemen did. Now that power has never been used by this government and would not be used by this government, but in the unlikely event that the honourable gentlemen opposite might be elected some time in the future, eight or ten years, we will take out that provision of the act so that they will not be able to appoint any of their backbenchers, if they do get elected some dim time in the future, to the Power Corporation. We are glad that the Leader of the Opposition brought that to our attention because it was a loophole that he and his cohorts might have used had they gotten in power some time in the future.

MR. CROSBIE: The honourable gentleman opposite said that section 17 (d) which deals with oil and in particular it says that, "The Corporation may contract with any person for the purchase of petroleum products notwithstanding the provisions of any other act", and tried to make that sound sinister as though it had something to do with public tenders. All it has to do with is to ensure that the monopoly which honourable gentlemen gave Golden Eagle some fifteen years ago no longer applies to the Power Corporation. That is the purpose. Where was the honourable gentleman's concern about public tenders when he was in the government and did nothing to change that from 1969 to 1972? That provision simply means that the Power Corporation now has the right to call for tenders and to purchase their oil supplies from other than Golden Eagle who had a monopoly on all government and Crown Corporation business until that change was made. Yet the honourable gentleman opposite tries to pretend that there is something sinister about that clause and it does away with the need of this Corporation to call public tenders.

The new Hydro Authority is subject to the Public Tenders Act, the same as the other Crown Corporations of the province and can operate under that act, or if an exception has to be made for any reason it has to be tabled in the House.

The honourable gentleman, the Leader of the Opposition, knows these things. But he deliberately wants to mislead the people of the province by making such a prejudiced statement and a criticism which he knows is not correct, legal actions - the honourable gentleman is suddenly the hero of the Indians and the Inuit Eskimos and he refers to a clause that says, Certain legal actions are barred, actions by way of injunction and mandamus and so on.

If the Indians of Labrador have any claim or right to the Lower Churchill or any part of that territory, that clause does not prevent them from taking action. They can take action against the Government of Newfoundland. This clause only applies to the Power

Corporation. So, number one, if they have any aboriginal rights to the land up there involved in the Lower Churchill they can take their action against the Province of Newfoundland who are giving the Corporation the right to go ahead with the hydro development on that land. That is number one. They can do that.

Number two, they can sue the Power Corporation although they would not be able to get an injunction or a mandamus to hold the whole project up while it is underway. They can still sue them for damages. They can still sue them to establish their rights and to be compensated for their rights. In addition to that they can sue the province. That is if they have any rights there, Mr. Speaker, which is certainly not clear. But they have been given funds to retain lawyers and to see whether or not they do have any rights to that.

Now was there any talk of aboriginal or Indian rights on the Upper Churchill, or that the Innuit or the Indians might have any rights to any territory given to Churchill Falls Labrador Corporation and BRINCO private corporations by the previous government? - never heard of, the Indians were not heard of in Labrador in those days. Apparently they have only established themselves in Labrador since 1972. What a piece of hypocrisy. I can assure the Indian people of Labrador, Mr. Speaker, that if they have any rights to any land that is subject to the flooding of the hydro development on the Lower Churchill, this bill does not prevent them establishing them and if they establish them, being compensated for them. But they may not be able to get an injunction or a mandamus against the Power Corporation, a clause that was in the previous legislation approved by this House and in the legislation before that.

So, so much for the tender concern shown by the honourable Leader of the Opposition for the Indians and the Eskimos. Now there is no possibility, as far as anyone knows, that the Eskimos have any

claims but the Indians might because of their trapping and hunting rights. So much for that criticism of the bill.

Environmental impact he is all upset and concerned about the environmental impact. We had just had an environmental impact study done, a copy of which was tabled in the House today and which has been given to the federal government. Let me also reassure the honourable gentleman that it is one of the conditions of federal assistance that they must be satisfied that adequate environmental impact studies are being done and that the environmental problems are being looked after.

MR. NEARY: How many did they have done on the Upper Churchill?

MR. CROSBIE: The Newfoundland Government, the Liberal Government of Newfoundland had no environmental impact studies done on the Upper Churchill, not a study, nor did they have one done on Bay D'Espoir when they flooded everything in Bay D'Espoir and you can fly over now and see the trees sticking up through the water down in Bay D'Espoir.

They are heroes of the environmentalists.

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. CROSBIE: They are lately come to this new faith and belief in the environment that lot opposite,are lately come to this great belief in the environment.

MR. DOODY: They would need a skin-diving suit to go rabbit-hunting, down there.

MR. CROSBIE: Yes. The leader of the knockers. That is four main points he presented against the bill which are completely fictitious, and false, and incorrect. Did he have any others? Well we have already mentioned -

Now I just want to mention briefly in passing. The honourable gentleman said that I had left the cabinet about \$5 million in interim financing. Now he knows better than that. I left the cabinet in 1968 for a whole series of reasons outlined in certain letters. The event was brought about by a certain \$5 million suggestion of interim financing at Come By Chance, but that was not the only issue as he well knows. Sir, there are a dozen reasons why I left that cabinet. One of them because the cabinet was never told what was going on about BRINCO or the Upper Churchill or ERCO.

The honourable gentleman had the gall to mention ERCO, and tried to pretend that I was a member of the cabinet at the time that the ERCO deal went through the House. I was. But I never saw the ERCO agreement until it was presented to the House. It was certainly never presented to the cabinet. It was all agreed and entered into before I ever entered the cabinet. No one in the cabinet but the Premier himself knew much about it. Yet what is that piece of stupidity?

The greatest piece of stupidity, the stupidest agreement ever entered into by the Province of Newfoundland, that was. Now

who should have known about it? The Hon. Leader of the Opposition who was then executive secretary to the Premier, and everywhere the Premier went his executive assistant went to.

AN HON. MEMBER: Inaudible.

MR. CROSSIE: Everywhere. He had a little office outside of his door, you could not get in or out to see the then Premier without going through the Leader of the Opposition, who was totting at his coattails on every occasion, checking his correspondence, vetting it all - eminence grise. He was an eminence grise in those days before he ran for the House of Assembly and got elected. That is who has the responsibility for these things. Did he leave the previous Government of Newfoundland? Not likely! I've hopped into the cabinet so quick that your head would spin, as soon as Wells and I had been eliminated and annihilated. They sped right into the cabinet, and from 1969 on words - there was not a peep and not an objection from one of them to all of the things that went on.

AN HON. MEMBER: Inaudible.

MR. CROSSIE: Well, what has the ERCO business cost the province? That great ERCO industry, that great Liberal power policy, what has that cost the province to date? And what is it going to cost the province? What does it cost I wonder. Just let us see. Let us see. Now what has it cost to date? The ERCO subsidy to date from the time it started operating has totalled \$18.3 million to the end of 1974. That is what the people of Newfoundland have paid so far for the ERCO subsidy. What will it cost by 1980? It will cost another \$64 million.

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. F. ROWE: On a point of order, Mr. Speaker. I submit that any discussion about ERCO is totally irrelevant to the bill at hand, and the minister is totally out of order, Mr. Speaker.

HON. MEMBERS: Inaudible.

MR. SPEAKER: Order, please! When this debate commenced it was the feeling, I think, of all honourable members that the debate should be wide ranging and they wanted certain latitudes. The Chair has certainly permitted that, and feels that the Hon. Minister of Fisheries should be allowed the same courtesies as other honourable members on both sides of the House have enjoyed.

HON. MEMBERS: Hear! Hear!

MR. CROSBIE: Oh, they do not like the truth. They do not like to hear the facts, Mr. Speaker. It has cost \$18 million to date and it will cost another \$64 million by 1980. And what will it cost by the time the agreement runs out? \$220 million it will cost the taxpayers of this province. That great Liberal power development - \$220 million. Now why worry about \$1.6 billion to develop the Lower Churchill and bring power to Newfoundland to save this province when you can fire away \$220 million to bring ERCO to the province?

AN HON. MEMBER: Shame!

MR. CROSBIE: Now I would not have mentioned ERCO but the honourable gentleman did. So I thought that perhaps the facts should just be elucidated.

The honourable gentleman tried to defend the record of the past government in the Upper Churchill deal, and said it was not a giveaway. You know, nobody could have known at that time. Well there is a certain amount of truth that hindsight certainly helps. But how could anybody else make any suggestions as to what should or should not be done on the Upper Churchill when they were never asked, when they were never given a chance, when the public never had the facts, when the cabinet never had the facts, when the House of Assembly certainly never had the facts. No one had the facts. Only one man had the facts and his executive assistant. He may have had them, that little old executive assistant. They did not need a cabinet between the two of them.

The honourable gentleman has the gall to get up and try to defend that. It turns out in hindsight to be the greatest giveaway ever in the history of this province, only matched by ERCO. ERCO was really worse, I believe.

AN HONOURABLE MEMBER: Shame.

MR. CROSBIE: Shame, that is right. Shame is right.

Now, what could have been done to develop the Upper Churchill that would have saved us \$160 million last year? If it had been nationalized in 1965 when the Province of Quebec and Rene Levesque said to the Government of Newfoundland that this should be done by a publicly owned power corporation - you should nationalize the development and then we will enter into an agreement with you - that is when it should have been nationalized. We would have owned it from the start and would not have had to pay \$160 million nine years later to get back control of our own future and our own hydro rights. That is what should have been done in 1965

But the honourable gentleman who now says, "Nationalize Newfoundland Light and nationalize Bowaters", when his master not do that in 1965 because Mr. deRothschild or Winston Churchill or somebody once had something to say about BRINCO, that they were the great East India Company of the future. So, they would not nationalize BRINCO in 1965. That is when it should have been done. We would have owned it.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Cyril always called it that, right. Oh, I wish I had the time to go into this in depth, Mr. Speaker. I wish I had the time, but I do not unfortunately. The clock runs on. There are many things which could have been done. There could have been an escalation clause in the Upper Churchill contract. That could have been thought of. We did not have to sign it away at a fixed price for sixty-five years, and it goes down in forty. Six for forty, and then they get it cheaper for the last twenty-five years. We did not have to do that. We did not have to enter into an agreement with

Newfoundland Light and Power in 1965 for a fixed price that would give them power for ten years without an escalation clause, and with Bowsters and Price, all of which the public of Newfoundland have been paying for the last four or five years. The honourable gentleman conveniently forgets that, and there could have been the same thing done on the Upper Churchill.

So, while some of this certainly is hindsight, any government with intelligence that operated democratically would have acted differently on the Upper Churchill, as this government did when it came to the Lower Churchill. If we had not gotten in power in January, 1972, the lease would have been signed on the Lower Churchill with BRINCO. They had the lease all ready, the same terms and conditions as the Upper Churchill, all ready to be signed. Thank God the election was called before they got their hands on the then Premier and got him to sign it, or we would have had the Lower Churchill signed away and the power gone again to Hydro Quebec for sixty-five years.

The only thing that saved the Lower Churchill for Newfoundland was our election in January of 1972 after all the chicanery and flumology that went on from October, 1971 onwards. So, the honourable gentleman should not mention the Upper Churchill. He should keep his mouth quite about the Upper Churchill and slink around pretending he had nothing to do with it and knows nothing about it, because apparently he does not know anything about it.

I wish I had the time to really go into this. Now, Mr. Speaker, what else did he have to say? Not much. No, I do not think he had much to say except for his inconsistencies. The honourable gentleman from Bell Island, who is not here tonight had something to say, and what he said was choice. It was vintage Nearyism. Straight from his programme, "Nausea with Neary" he came into the House to make this speech. He said that our relations were not good with Ottawa and he attacked DREE and said they were not giving us enough money. He said Ottawa will only give Newfoundland

more if there is the right political climate here in Newfoundland. In other words, Ottawa will not give Newfoundland anything because we have not got a Liberal, Provincial Government. That is the honourable gentleman's opinion about the state of federal-provincial relations with Ottawa, that if Newfoundland does not elect a Liberal Government - God help them, what a choice - if they do not elect the Liberal Party, then we will not get anything from Ottawa. That is his slogan. Now, Mr. Smallwood said that for years and we have not done too badly with them over the last three. And we will do a great deal better with them on the Lower Churchill before this is all through.

The honourable gentleman opposite, I hope his statement will be repudiated by the federal minister who represents this province and the federal members, that we have not got the right political climate here, "Vote Liberal or get nothing from Ottawa" - that is not

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the message they gave us from Ottawa. They sighed with relief when the Liberal regime here was finally put out of office. They sighed with relief. They were delighted and thrilled, and they are delighted and thrilled if you are kept out of power here for another few years so that they will not be further embarrassed by Liberal regimes in Newfoundland. Now that is what the opposition has had to say so far about this bill. I wish I had another couple of hours, but just to go back now, Mr. Speaker, to the background.

When we came into office, BRINCO came to visit us, with their little, old lease in their hands of the Lower Churchill. Now we sent them back on the same plane, and we said, do not bother us with that nonsense. We are not signing any lease from the Lower Churchill, and we negotiated with them for one year and one-half, and we could not get them to turn their minds from Quebec. They wanted the development, to sell it to Quebec. That is all they could think of. We could not change their minds, and they had this concession, so last year we had to nationalize them so that we did not need to change their minds any longer, so that we got those rights back for Newfoundland, the greatest act this government have done to date. There have been many other great ones, but that is the greatest, and got it back into our own hands. Then we have had these studies done that every member of the House has gotten. There is nothing hidden here. The federal government have gotten them, and they have tested them for six months, and they now agree that this is our best alternative.

SOME HON. MEMBERS: Hear! Hear!

MR. CROSBIE: We will be getting another copy. I know the honourable gentleman spent all summer down on his spud farm reading these Teshmont reports.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Well, we will get him another one.

MR. CROSBIE: It has been tested out for six months by the federal government in every detail, and certain work is being done, and certain work has been done already on faith. Because of our faith in the project some \$5 or \$6 million has been spent getting it ready to start next year. As a result of our having to wait for Ottawa to do this, inflation costs have risen a bit. The interest rates, of course, are up, and now they are coming down again. This all may be a help, but the date when the power may come on stream here in Newfoundland has now changed to October, 1980, at the earliest, as against the full go ahead this year, and the cost is going to total \$1.6 billion. Well, we do not know whether that will be the final cost. It may not. We cannot tell what interest rates will be for the next five years.

The next step now, Mr. Speaker, is to proceed to see if we can arrange the financing over the next five years, and no one is going to give it to us unless they think the project hangs together. They will not advance us the money. It will have to be guaranteed by the province. We know that. It is the same as Ontario Hydro. which is guaranteed by their province, and the rest of them are all guaranteed. That will have to be done. If we can satisfy ourselves in the next six months that this financing can all be arranged, and it is over five years, not one year, then the project will get the complete go-ahead to start. That is the position. I think the final go-ahead has to be by next October. We have until next October for that to happen. We are not just going to run into this blindly. We cannot say one hundred per cent certain that this is going to go now. It depends on our raising the finances and doing the rest of it, but all the work is underway, and we have faith that it will. Because unless we can do it and bring the power to Newfoundland our power costs from 1980 onwards will be astronomical based on coal and oil. Now this is not going to be really cheap power either when it gets here. It will be cheap relative to what the costs of competing sources of power are in 1980, but it will not be two-and-one-half mil power or five

or ten mils or perhaps it will be fifteen, we are not sure yet. We do not know yet.

Now my time is limited. I want to answer some questions the Leader of the Opposition asked about the - he is not here tonight but I suppose it will be in Hansard - financing of the purchase of the shares of CFLCo last year. Now last year we bought the shares that were owned by BRINCO and CFLCo for \$160 million, and all the water rights they had in Labrador. There was \$130 million for the shares of CFLCo, fifty-seven per cent, and the water rights for the rest of Labrador, \$30 million, a total of \$160 million. Since that time our experts in the top management have been assessing what the best financial strategy is for CFLCo in connection with this great development, and the situation is this: CFLCo is now owned by two governments, the Government of Quebec and the Government of Newfoundland. This means that it should qualify for exemption from income taxes as a crown corporation, although we have to get the agreement of the federal government technically to that. There should be no problem there. We have fifty-seven per cent of the shares we bought from BRINCO. The Government of Newfoundland owned nine per cent of the shares before that. We have a total of sixty-six per cent, using round numbers, and the Government of Quebec have thirty-four per cent. It should

qualify for exemption from income tax. When it was privately owned CFLCo were going to pay to the Province, and still will pay to the Province, fifty cents per horsepower as a horsepower tax each year. That still is paid to the Province, fifty cents per horsepower developed and eight per cent of their gross revenue. These things will still be paid. It is very difficult to estimate but it might be around \$6 million to \$8 million a year. Those amounts will still be paid to the Province.

In addition to that, when it was privately owned the Province was to receive back from Ottawa ninety-five per cent of the corporation tax paid by CFLCo and was to return forty-seven-and-a-half per cent of it to CFLCo. So, in effect, the Province would receive twenty-two and a half per cent of the tax. There will not be any tax paid now, and CFLCo has agreed that in view of this they should pay to the Government of Newfoundland or to the owner of their shares the amount that would equal the twenty-one-and-a-half per cent tax that we would have gotten had it remained as a taxable corporation.

That has certain advantages for us. The advantage it has is that done that way, the twenty-two-and-a-half per cent will not affect our tax equalization that we receive from Ottawa. When it was privately owned, for every dollar we received from Ottawa in taxes, we would have lost a dollar in the equalization tax, but that will no longer be lost. So we are going to receive, in addition to those amounts, a payment in lieu of taxes from CFLCo amounting to twenty-two-and-a-half per cent of their net income.

From September 1st, 1976, we will start receiving dividend payments from CFLCo and our sixty-six per cent of the shares. There are possibilities that CFLCo can engage in other activities that will increase their profits, for example, the diversion of the Romaine River. The Romaine River can be diverted into the present water shed and increase the energy output in the Upper Churchill - increase their energy output by ten per cent, 3.5 billion kilowatt hours. So, this is subject to an agreement

Forgetting that for a moment, forgetting the fact that CFLCo itself may yet be able to produce more energy from the Upper Churchill, which it can sell and increase its revenue, we will receive dividends from them from September 1st, 1976 onwards. The water rights, the shares at CFLCo will be transferred by the Province to the new Hydro Electric Authority. The water rights will be held by the Province through Newfoundland Industrial Development Corporation and sold to the Hydro Authority as they develop the various hydro sites. For example, the Gull Island site, the water rights there will be sold by NIDC to the Hydro Authority so they can go ahead with the development. Then if the Muskrat Falls is developed, that hydro right will be transferred, and so on for the rest of Labrador hydro rights.

The projected annual average profits of CFLCo before taxes is \$37 million per annum. It is the estimate for the years 1975-1999. In other words, CFLCo should make before taxes, \$37 million a year. The taxes payable, or the grant payable by CFLCo to us in lieu of taxes at twenty-two-and-a-half per cent will be about \$8.3 million per annum. As I said, we are going to save, we are going to save the part that corresponds to the provincial corporation tax and tax equalization amounting to about \$4.8 million a year.

So, what is the benefit to the Province accruing from the purchase of these shares? First, we should get, forgetting our other nine per cent of the shares we have, fifty-seven per cent of the profits after deducting the twenty-two-and-a-half per cent payment in lieu of taxes, will amount to \$16.4 million a year. The favourable equalization adjustment, which is thirteen per cent of the \$37 million profits, is \$4.8 million. The annual average benefits to the Province in cash alone from that purchase is \$21.2 million which is a return of 16.3 per cent on the purchase price of \$130 million. Now, that is forgetting the other nine per cent

of the shares. The cash receipts from CFLCo with reference to those fifty-seven per cent of the shares, if we assume interest costs at ten per cent per annum over the period, we will produce the funds necessary to service and repay the \$130 million paid for the shares in seventeen years. So, the dividends, the benefit we get from the purchase of the fifty-seven per cent shares that we bought last year should repay the amount borrowed in seventeen years.

Now, the financing of this \$160 million was arranged last year through the Bank of Nova Scotia and a five year loan. The loan we have to start repaying in the year 1976-79. It will have to put on a long term basis in twelve instalments. The interest rate was three-quarters-of-one per cent over the London Interbank rate and so it changes every six months. The present interest rate on that borrowing is under nine per cent. It is the London Interbank rate plus three-quarters-of-one per cent and at the present moment it is just under nine per cent, I have not got the exact figure, or less than the prime rate that the banks are now charging here in Canada. Now the rate may change in the next six month period, when it expires or whatever.

The honourable Leader of the Opposition is not here but those are some of the -

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: There are, and perhaps it could not absorb it. I would be glad to try to explain it to him privately if he did not. But that is the picture at the present moment, Mr. Speaker, of how the shares will be paid for and how long it will take to pay them off. Now, that is assuming that CFLCo stays exactly as it is, that it does not go on with the Romaine diversion, which is possible if the Province of Quebec agrees, or if there is no change in the rates for which it sells its power because it is a sixty-five year contract. If nothing changes at all, looking at it from the first, we will have our money repaid for the purchase of those shares in seventeen years. Then after that, of course, the money just comes to the public treasury.

Now, in addition to buying the shares of this asset, which is returning something to us, we have bought back the right to control our own

destiny by getting back control of all the hydro resources of the Labrador part of our Province.

SOME HONOURABLE MEMBERS: Hear! Hear!

MR. SPEAKER: I would like to interrupt the honourable minister and advise him that he has five minutes left.

MR. CROSBIE: Thank you, Mr. Speaker.

AN HONOURABLE MEMBER: Carry on by leave.

MR. CROSBIE: I am not sure whether if that - I have five minutes anyway.

So, I have tried to answer the Leader of the Opposition's questions about the financing arrangements on the purchase last year.

Now, Mr. Speaker, nobody is going to pretend that this is going to be an easy project to carry off. The Upper Churchill project was not easy and it cost altogether, I think, \$950 million, and this will cost \$1.6 billion and perhaps more. We all know that syncrude, two years ago, was supposed to cost \$250 million and has gone to \$2 billion. That is a competing source of energy, oil. Now, the figures on the Lower Churchill project have also escalated. The biggest part of the cost is the transmission cost to bring the power from Gull Island down to Newfoundland and to join up the Lower Churchill with the Upper.

We think that it can be tackled. We do not think it is going to be easy for a small Province like this to borrow \$1.6 billion over the next five years. We have to make a decision in the next six months and satisfy ourselves that it can be done.

Now, the route to getting more assistance from the Federal Government is not foreclosed. They have made it quite clear that if we find we need further assistance we are free to go back to them, either through DREE, look at it perhaps through DREE, or through some other agency. But because the national energy policy today, which they changed a year ago, is only to provide financing of fifty per cent of the cost of transmission lines, that is all they are allowing us at the present time together with the interest that will be accrued during construction. We know that five or six years ago it was one hundred per cent on the transmission line to

Manitoba but they have changed the policy. But if we find we cannot do it under these terms and conditions, we are free to go back to them and if we do, I have no doubt they will assist. Because if they do not assist they are saying the Province of Newfoundland has no future, it has no viability, it can never exist really apart from standing on its own feet, it is a doomed Province so we are going to let it lie there, we are going to let them stay there and receive their transfer payments. I do not think that they would ever do that.

So if we find that this small Province just cannot arrange or see how we can arrange over the next five years the necessary financing, we will go back to Ottawa and see what further can be done with them and they have said that that is the proper procedure for us to take. We are not going to be foolish and plunge ahead if it appears that we may not be able to do it. But I want to stress again, Mr. Speaker, there should be no giveaway of power, there should no giveaway of power to any heavy industrial users by this Province. We have been through that with Erco and we have been through it with others. We should not sell one scrap of power that does not at least give us back our costs, the very least if not a profit and certainly not under cost under any circumstances. We have not got it to give away. We should not fool ourselves, Mr. Speaker, that this is cheap power in the old sense of people thinking it is cheap, this two-and-a-half or five or six mils per kilowatt hour. Those days are gone forever because of inflation and interest rates. Cheap power in 1980 is going to be fifteen mil power or twenty mil power. It is not going to be two-and-a-half or five mil power. The people of this Province and everywhere else in North America and the United Kingdom have to understand and realize that, and I am sure they are getting to the realization of it with the facts that have turned up since the energy crisis began. So we cannot give it away.

Someone asked a question about heavy industrial users. We said to the Government of Canada, "Look, do not force us to go out to find several heavy industrial users before you will agree to go ahead with this project

because if you do, you will force us into giving it away, to entering into some unwise contract with an aluminum company or some other heavy industrial user of power. If you do that, you will force us to do something foolish. Let us agree to the project." If Newfoundland has power available in 1980 as we will have, ample power, surplus power available, the industry will come here that needs that power and we certainly do not want to commit too much of it and find that we have too much committed to some heavy industrial user. We used the argument with them, "Look, let us do the project and forget forcing us into having all the power committed before the project even starts, so that we create another Erco or some other tremendous abomination in the Province of Newfoundland," and they agreed that this was sound. If we have the power and the rates are attractive, the users will be found.

In the meantime, the surplus energy will be sold, we hope, to Hydro Quebec, who can use it, and negotiations will go on to make it possible. Perhaps we will have to sell them surplus energy for five or seven years. Perhaps we will find we do not have to.

MR. SPEAKER: Order, please! If the honourable minister wishes to speak by leave, I will ask the honourable House. Does the honourable -

SOME HON. MEMBERS: (Inaudible)

MR. CROSBIE: No leave?

MR. SPEAKER: Does the honourable minister have leave?

SOME HON. MEMBERS: (Inaudible)

MR. CROSBIE: Mr. Speaker, I have no wish to speak by leave of the honourable gentlemen opposite. If I carry on I might have to give them an out again. I just send them this note, Mr. Speaker, that it is a pity to see this carping attitude taken by members of the opposition on this great project, the Lower Churchill, that we are going to do ourselves, that we have got back now by paying out the people's money, \$160 million, to reclaim our heritage. It is a pity to see them take this carping attitude. We hope that the next speakers that come into the debate will take a broader view than the Leader of the Opposition.

SOME HONOURABLE MEMBERS: Hear! Hear!

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. F. ROWE: Mr. Speaker, what an act to follow, Sir, because that is exactly what it was, Sir, an act. The honourable Minister of Fisheries for three quarters of his speech, at least, there was nothing but a pure act on his part. At least he got -

AN HONOURABLE MEMBER: As an act, it is pure, eh?

MR. ROWE: As an act, it is pure, right. I will even define it as a pure act. He settled down to some facts and figures towards the end of his speech, Sir, but I would like to - at least, his version of the situation with respect to facts and figures - I would like, Sir, to refer to the Leader of the Opposition in his remarks concerning this bill because the Leader of the Opposition, Sir, delivered a magnificent exercise in logic, in order to show the offensive and the dictatorial sections or aspects of this particular bill.

Sir, it would have done a student of politics or a student of parliamentary procedure or a lawyer good -

AN HONOURABLE MEMBER: Political science.

MR. ROWE: Or political science good to hear the Leader of the Opposition point out the very offensive sections within this bill. Sir, personally, I did not think it would be necessary at all for us to have a particularly long debate on this bill. I thought it would be a simple matter of the Minister of Mines and Energy accepting the sensible

and the constructive recommendations, and proposals, and criticisms of the Leader of the Opposition and give notice of the amendments that will come at the committee stage.

Sir, I thought the Minister of Mines and Energy would be leaping to his feet to give notice of the amendments as a result of the constructive criticism of the Leader of the Opposition.

Sir, I really had not intended to speak on this particular bill, but needless to say I have been provoked by the Minister of Fisheries to speak out on this bill because -
SOME HON. MEMBERS: Inaudible.

MR. ROWE: Yes, that is right, Mr. Speaker, at least they can wonder, they can think. That is all they can do. All they have to do is get their facts straight, Sir.

But the Minister of Fisheries did lash out with a vicious personal attack on the Leader of the Opposition for fifteen minutes this afternoon and for nearly twenty minutes tonight, Sir, and he used the old scapegoat to try to cover up their own shambles with respect to this bill by referring to the previous administration and criticising the previous administration.

Sir, that does not go down the throats of the Newfoundland people any longer. This government can no longer camouflage its own inaction, its own shambles, its own splitting apart at the seams over there, by criticising the previous Liberal Administration. The people of Newfoundland spoke in an election and they got the massed mess that they have over there at the present time.

MR. MURPHY: Are you saying the people were not right?

MR. ROWE: The people were conned. The people did not even make a mistake, Sir, they were conned by this honourable crowd opposite and we will soon see what will happen in the next election when the whole situation will be rectified.

But, Sir, what did the Leader of the Opposition say with respect to this bill -

AN HON. MEMBER: Inaudible.

MR. F. ROWE: Well I will tell the honourable the Premier what the Leader of the Opposition said.

AN HON. MEMBER: Inaudible.

MR. F. ROWE: Mr. Speaker, no doubt the Leader of the Opposition is home lying under his bed in fear of the remarks that he anticipated would come from the Minister of Fisheries. Now, Mr. Speaker, if I may be allowed to continue and be heard.

What did the Leader of the Opposition have to say, Sir? He said that section 6 of this bill was an offensive section and that M.H.A.'s should not be allowed to serve, with an unlimited salary possibly, on this corporation. The Minister of Mines and Energy deplored the idea. Honourable members opposite deplored the idea and since this recommendation has come from the Leader of the Opposition, the government has seen fit to give notice that they will amend that particular section of the bill. It is factual, Mr. Speaker, it is factual, The government have finally listened to at least one suggestion of this Honourable Opposition here and have seen fit to amend a section of the bill, one of their few enlightened moments, Mr. Speaker.

Sir, I wonder why the government was so quick to accept that recommendation. I would not be surprised, Mr. Speaker, that instead of seeing M.H.A.'s now being appointed to the directorship of this company, we will see some of the honourable crowd's old buddies opposite being appointed to the corporation.

MR. MURPHY: John Doyle,

MR. F. ROWE: But, Sir, at least they saw the wisdom of the recommendation that this particular section be amended. Sir, another section that the Leader of the Opposition pointed out as offensive was section 24 that dealt with native claims. I am not a legal expert, Mr. Speaker, but you do not have to be a lawyer to have common sense, although common sense does not appear to be so common after all on that honourable side of the House.

The simple fact of the matter is, from what I can understand

and nobody has said anything any differently since, is that the only time a person can make a claim or sue the Power Corporation or the government is after the damage is done.

MR. CROSBIE: Crazy. Crazy.

MR. ROWE: Exactly what the Minister of Fisheries just said. Now if the honourable Minister of Mines and Energy wants to re-explain that one in closing the debate, we will only be too happy to hear from him.

Sir, another point that the honourable the Leader of the Opposition brought up was the section 17 which says that, "The Corporation may on behalf of Her Majesty in right of the province, enter into contracts or other agreements and acquire and dispose of and otherwise deal with real and personal property and all rights of all kinds in name of the Corporation. (b) Acquire, lease, establish, construct, maintain, operate works in any part of the province for the development and generation of power from water power, " etc., etc., etc.

Now, Sir, we pointed out that that meant that agreements could be entered into without tenders being called.

MR. BARRY: It does not say that.

MR. ROWE: It does not say it, but it allows for it. Agreements can be entered into without tenders being called.

AN HON. MEMBER: Inaudible.

MR. ROWE: If I may be heard, Mr. Speaker. The member for St. John's East, who is still smarting from his expulsion from Cabinet on that very issue, for his courageous stand on public tendering, tended to brush this aside and he suggested that the Leader of the Opposition was wrong and that it falls under the jurisdiction of the Public Tenders Act.

Now if that is so, Sir, it does not say it in this act.

MR. BARRY: It does not say the opposite either.

MR. ROWE: I agree with the Minister of Mines and Energy wholeheartedly. It does not say the opposite.

MR. THOMS: There is a big loophole in it.

MR. ROWE: Now that is the loophole. I would suggest, Sir, that in that particular section of the act that it be specifically stated in that section of the act.

MR. BARRY: On a point of order, Mr. Speaker, I think the honourable member is going off on a wild goose chase. You know he has obviously misunderstood what his leader pointed out earlier. His leader was referring to 17(d) which has a clause in there notwithstanding the provisions of any other act. 17 (g) does not have that provision. Will you read the act again, please.

MR. ROWE: Mr. Speaker, I still maintain that incorporated in this section 17 should be that this come under the jurisdiction of the Public Tenders Act and then that would seal it once and for all.

Now the minister in cluing up may be able to explain it in such a way that I would tend to agree with him. But so far I have not heard anything to convince me otherwise.

Now, Sir, what other point did the honourable Leader of the Opposition make? He drew to the attention of this honourable House section 26 which gives the Lieutenant-Governor-in-Council, in other words the Cabinet, or as it is sometimes suggested the trio—the honourable the Premier, the honourable junior member for Harbour Main and the honourable Minister of Public Works—the complete power to borrow or expend huge sums of money in this province. Sir, two, Sir, two honourable members, namely the honourable member for St. John's East and the honourable member for St. John's South stood up and voiced their objection to that particular section of the bill, section 26, and Sir, they were in fact in agreement with the opposition's stand on that particular section of the act, Sir, I would submit that there are others on the other side of the House of Assembly who feel exactly the same way and, Sir, I hope they will have the courage to stand up and have their say with respect to section 26, without going through it, which says in fact that this Cabinet can borrow or expend

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huge and large sums of money without the approval or the knowledge of this honourable House of Assembly, which is another way of saying, without the knowledge of the people of this province.

Sir, these two honourable Tories standing on their principles fought and campaigned hard for the Progressive Conservative Party in this province on that very principle. They wanted the honourable House of Assembly to have some say, particularly when it came to expenditures of large sums of money or the borrowing of large sums of money in this province. I congratulate the two honourable members for having the courage to get up and voice their opposition to this particular section of the bill.

Sir, what was the reaction of the honourable Minister of Fisheries? It was nothing, Sir, but political trickery, to say the least, parliamentary gymnastics. Sir, I never honestly thought that the honourable Minister of Fisheries would have learned so much from his old adversary, Joey. Sir, Joey had the -

AN HONOURABLE MEMBER: Inaudible.

MR. F. ROWE: Very funny. If that is the best contribution the honourable minister can make, we feel sorry for him. Sir, Joey had the ability to sway and to convince even the opposition of the day, that if you are against one particular section of a bill, you are against the whole thing, or the whole bill. Now, Sir, I will admit that his ability to get away with that was aided somewhat by the incompetence of the opposition of the day. Sir, we are dealing with a different opposition who have done their homework at this stage of the game because the Minister of Fisheries tried the same tired, old Joey trick by saying, "If you are against one section or two sections or three sections or if you are against a dot over an "i", you are against this whole bill." What junk!

Sir, he even went so far as to say that if we are against some of these sections that some of his own honourable colleagues are against, if you are against that, you are against the development of the Lower Churchill. Sir, how green does the honourable Minister of Fisheries think we are on this honourable side of the House? What an insult, Sir, to the people of this province. How low, Sir, can the honourable minister stoop to try and defend the indefensible

when we are doing our job on this honourable side of the House by pointing out dictatorial, offensive, rotten sections of this particular bill. Then the honourable minister has the gall to stand up and say that we are against the Lower Churchill development. Would he not love to be able to put us into that trap and go to the people of Newfoundland because, Sir, that is precisely what that honourable crowd have been trying to do for the past year. They have been trying to get up and say, "We are all for ownership of our natural resources. We are all for Newfoundland." They try to trap us into protecting BRINCO and then accuse us of protecting BRINCO and not being in the best interests of Newfoundland.

Well, we have very grave concerns about the way this honourable crowd were taking over the ownership of our natural resources. Now, Sir, as I have said, we have done our homework and we will not stand by and hear the honourable the Minister of Fisheries through parliamentary gymnastics or political trickery or being less than candid, trying to suggest, in our honest and sincere effort in trying to improve certain aspects of this bill, that we are against the Lower Churchill. It is nothing but gump, pure gump and I expected more from the honourable the Minister of Fisheries. I do not expect him to apologize, Sir.

Sir, how do the sincere and honourable gentlemen from St. John's East and St. John's South, these members who fought and waved the Tory, Progressive Conservative flag in past elections for this very thing, the elimination of section twenty-six of this bill - how can they stand by, Sir, and take the kind of thing that we hear from the Minister of Fisheries. Sir, their blood must be charged with adrenalin and their stomach must be full of bile having heard what he had said.

Now, Sir, to the Minister of Finance, who has admitted in the past that he does not even write the Budget Speeches himself, Sir, in his wavering voice, and I would submit as a result of some documentation that I will provide in a few minutes, and his wavering

mind and certainly, Sir, in his wavering principles, stood up and defended the Lieutenant-Governor-in-Council, the cabinet on section twenty-six.

Now, Sir, if you will remember back in April of 1971 the honourable member for St. John's East moved a bill called, "An Act Further To Amend The Revenue And Audit Act". Sir, Mr. Marshall at the time in speaking to this bill said, Mr. Speaker, that this bill to amend the Revenue and Audit Act was brought in for the purpose of removing from the statute books pieces of legislation allowing the cabinet or executive arm of government to borrow monies and pledge to the credit of this province. The honourable member for St. John's East, Sir, in opposition, was asking this honourable House to amend the Revenue and Audit Act in such a way that it would be this honourable House that would have the full power to borrow and expend large sums of money.

Sir, if you will recall, on that day, the honourable Minister of Finance -

AN HONOURABLE MEMBER: The present minister?

MR. F. ROWE: The present Minister of Finance who was a member in the Liberal Administration, who leaped or crawled or dragged himself across the floor, spoke in support of that bill, Sir. He spoke in support of it. I think the people of the province would feel far happier, supposing the amount extended the budget by another twenty or twenty-five per cent, if they knew the government were actually enlightening the people when the House was meeting rather than concealing it until the next session of the House when the damage has been done and the money has been spent.

AN HONOURABLE MEMBER: Who said that?

MR. F. ROWE: The honourable the Minister of Finance who for the third time, Sir, has changed his principles. I think my honourable friend, the member for St. John's East, has a valid point in this legislation and I support it wholeheartedly. What happened to the

minister since that time, Mr. Speaker? What happened to his principles?

MR. SIMMONS: He got a job he wants to hold on to.

MR. F. ROWE: He supported that principle wholeheartedly back in 1971.

In 1975 he reverts his stand completely. "I do not think that the people of this province feel that there is sufficient protection in the borrowing of money under credit when done simply by cabinet and later reverted to the House for confirmation."

MR. SIMMONS: Who said that?

MR. F. ROWE: Said by the honourable Minister of Finance, Mr. Speaker. The damage has already been done. The money is borrowed, and in many cases, of course, it is spent and committed. This honourable minister - it makes me sick, Mr. Speaker, to continue on with it - this honourable minister has the gall to get up in this House today and defend the exact opposite for which he stood in 1972. Sir, I cannot understand it.

AN HONOURABLE MEMBER: Inaudible.

MR. F. ROWE: He knows he has a job, Mr. Speaker, that is for sure. If he does not stand up for the principles he had in 1971, he will be flicked back there in the backbenchers along with the Ex-Minister Without Portfolio.

I can imagine the minister can manufacture all sorts of reasons. It is incredible what the minister has been able to manufacture over the years, Sir, in his wanderings about from one side of the House - the honourable Minister of Fisheries suggests that the Leader of the Opposition was inconsistent. How inconsistent can you be, Sir? How more inconsistent can you be than what the honourable Minister of Finance has been?

MR. SIMMONS: He will live to pay for that.

MR. F. ROWE: Now, Mr. Speaker, if I may I would like to make yet another positive suggestion, that is in connection with section forty-seven of this act.

Pensions and other benefits. I hope the Hon. Minister of Mines and Energy is listening. This phrase is so sickening throughout this act that that is why we object to it. "Subject to the approval of the Lieutenant-Governor-in-Council, the corporation may by regulations made in accordance with subsection (4) establish a plan for the president, the chairman, the other directors, the officers, the staff and all other employees of the corporation providing for the payment of a pension, annuity, allowance or gratuity to any such person or to any of his beneficiaries or dependents on his retirement," so forth and so on.

Sir, once again, I suggest that this is another one of these sections that could very well come under the jurisdiction of the House of Assembly, instead of only being under the jurisdiction of the Lieutenant-Governor-in-Council.

AN HON. MEMBER: (Inaudible).

MR. F. ROWE: Mr. Speaker, it is no good for the honourable ministers opposite to suggest that it is difficult to call the House together. With the wanderings of the present cabinet, it is just as difficult to get the cabinet together as it is to get the House of Assembly together. It is no good for them to suggest that Houses of Assembly change.

AN HON. MEMBER: (Inaudible).

MR. F. ROWE: So do cabinets, so do governments change. At least, in connection with this expenditure of money, the size of pensions and what have you, the honourable House has some say in the matter. I would suggest and recommend, Sir, that this is an offensive part of the bill, and I would like for the minister, when he concludes his remarks, to make some reference to that along the lines of the objections we raised to the other four sections of the bill.

Now, Sir, the Minister of Mines and Energy made some reference to the great, imaginative Progressive Conservative vision in bringing electricity to the island part of our province. Now,

Sir, that is so much hogwash, it is hardly worth spending one's voice on. But, Sir, the Hon. Minister of Energy knows full well that the bringing of electricity to the island part of this province was wholly and solely dependent upon the technological feasibility of bringing that electricity across to the island, wholly and solely dependent upon the technological feasibility of bringing it across the province. Secondly, Sir, wholly and solely dependent upon whether there is a market in the province, the island part of the province, for that electricity. It has got nothing, Sir, whatsoever to do with this great P.C. imaginative vision. If Sir Robert Bond or Sir Richard Squires, if it were feasible technologically and financially in their day and age, it would have been done then, just as the Upper Churchill and the Lower Churchill would have been done then. Sir, let us not hear anything about a great P.C. visionary, imaginative, visionary power in this particular case.

Now, Sir, the minister talks about the great giveaway. This is another example, Sir, of the government trying to camouflage its own inaction, its own lack of progress. They got a tiger by the tail, Sir. They waltzed in there and flicked BRINCO out, and all of a sudden, they realized that they have to look for \$2 billion to develop the Lower Churchill.

AN HON. MEMBER: (Inaudible).

MR. F. ROWE: No, I did not say that, but the honourable gentleman would love for me to say it, but I am not going to be stund enough to fall into that trap.

So, in order to camouflage their own inaction, and the fact that they might have acted in haste, Sir, they talk about the great giveaway to Quebec. Sir, Quebec, had us by the neck. Quebec had us by the neck! At the time, Sir, there was even talk at the time we were negotiating and trying to get a group of experts together, financial experts and technical experts, to develop the Upper Churchill, there was even a question as to whether or not Labrador belonged to Newfoundland.

AN HON. MEMBER: (Inaudible).

MR. F. ROWE: Oh, it was not very funny, Sir. There were riots in the streets of Montreal, the F.L.Q., Sir.

SOME HON. MEMBERS: (Inaudible).

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

MR. F. ROWE: Quebec was ready to rebel. Nobody knew what was going to happen in Quebec, and we were fighting that, and when we were surrounded by Quebec, and it was not technologically feasible to get the electricity across to this province, across the Straits of Belle Isle and across the Gulf of St. Lawrence.

AN HON. MEMBER: We are doing it. Why could you not do it?

MR. F. ROWE: You were doing nothing. They are doing absolutely nothing, Mr. Speaker.

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

MR. F. ROWE: They are only talking. They are talking motherhood.

AN HON. MEMBER: What is wrong with that?

MR. F. ROWE: We would like a little bit of motherhood, we do not want to hear about it. That is what is wrong with it.

Now, Mr. Speaker, if I may be heard -

AN HON. MEMBER: (Inaudible).

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

MR. F. ROWE: We were surrounded by Quebec. We did not have the technological feasibility to get the electricity to this province. There simply would not have been any Upper Churchill, Sir, if it were not for the agreement that we were forced to sign or which the previous Liberal Administration was forced to sign. Sir, hindsight of that is a heck of a lot better than foresight. These jokers on the other side, Sir, can look back and talk about the two-point-eight mils and compare it with ten mils at the present time, and talk about the miserable deal. It was not a miserable deal, Sir, it was the only

deal that was possible at the time, and if we did not go through with that deal, there would be no Upper Churchill, there would be no employment for a lot of the people in Labrador and on the island part of our province. Sir, we would not be in a position now -

SOME HON. MEMBERS: (Inaudible).

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

The Chair feels that the debate has been degenerating somewhat.

I appreciate that the members to my left may not agree with what is being said, but at the same time, I would ask the member speaking to refrain from provocative remarks in calling people in this honourable House children, etc.

SOME HON. MEMBER: Hear! Hear!

MR. SPEAKER (Mr. Wells): It may be that we can get the debate back on the ground.

MR. F. ROWE: Mr. Speaker, I was provoked into calling them jokers, and for that I apologize.

AN HON. MEMBER: (Inaudible).

MR. F. ROWE: I could use another one. Too bad you are not just plain jokers.

Now, Mr. Speaker, the fact of the matter is that that was the only deal possible, and I would submit that this present administration, with or without BRINCO, or simply no government would be in a position to even think or consider the development of the Lower Churchill without the Upper Churchill.

MR. DOODY: Would the honourable member yield?

MR. F. ROWE: I will not yield, Mr. Speaker. The honourable minister has the opportunity to clue up the debate.

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

MR. F. ROWE: No, Mr. Speaker, it is only taking from my time, and I have more than fifteen minutes worth to say, although the honourable member may not agree with it.

Now, Sir, the price of that electricity was not bad at the time. I am saying that it was not bad at the time. The price of a house nowadays compared with that time has increased considerably and so has the price of oil. The sales price for electricity has gone from about two-point-eight mils to, say, ten on an average - two-point-eight to ten. Sir, everything inflates including the sale of the power. It is as simple as that, Sir.

MR. DOODY: (Inaudible).

MR. F. ROWE: When I need assistance from the Junior Member from Harbour Main, Sir, I will ask for it.

Sir, they talk about the great give away. Now let us look at it, Sir. I was glad to see the Hon. Premier up in Churchill Falls, with his Colgate smile, paying tribute to Joey Smallwood in the opening of the Churchill Falls.

AN HON. MEMBER: (Inaudible).

MR. F. ROWE: Mr. Smallwood, yes, Sir, the Hon. Mr. Smallwood. The Premier paid tribute to Joey at the time.

AN HON. MEMBER: (Inaudible).

MR. F. ROWE: Sir, two-point-eight mils was the price. Is that correct? Honourable members suggested now that it could be ten mils. Now, Sir, that is a point of view, and they can say it is a giveaway but let us listen to some other form of logic, because they obviously, Sir, think we are naive on this side of the House. It cost approximately \$500 million to develop the Upper Churchill, for three times the generating capacity that we will have on the Lower Churchill, \$500 million to develop three times the generating capacity, it is going to cost at least \$2 billion to develop the Lower Churchill to give us one-third of the generating capacity of the Upper Churchill.

When I was saying three times first I was obviously relating it to the Lower Churchill. In other words, what I am saying, Mr. Speaker, is that it cost half a million dollars to generate a certain number of units of power. It is going to cost us \$2 billion to develop or generate one-third of the generating capacity of the Upper Churchill. Sir, the cost factor under these circumstances has gone up by a factor of twelve. In other words, Sir, the increased cost to this province, and the Premier still has not mentioned where the money is coming from, the cost has increased by twelve hundred per cent.

AN HON. MEMBER: What is?

MR. F. ROWE: The cost. Well if you were not listening, I am not going to waste my time repeating it.

AN HON. MEMBER: Do not try.

MR. F. ROWE: The cost is increased by twelve hundred per cent and the profits in going from 2.8 mils to 10 mils have been increased by, let us say, round it off, four hundred per cent.

AN HON. MEMBER: Inaudible.

MR. F. ROWE: Now, Sir, what I am saying is that in the final analysis, if you study this, the Upper Churchill will yield more per dollar spent than the Lower Churchill will because this government flicked out BRINCO without doing the necessary planning and getting the necessary commitments to go ahead with the Lower Churchill. What do we have, Sir? Since the completion of the Upper Churchill we have had people on the Northwest Coast who were depending on the Upper Churchill for employment, and we are hoping for employment on the Lower Churchill, people in the province of building the transmission lines, consumer industry being set up. We have had one, two, three years delay. And the Hon. Minister of Fisheries said a few minutes ago, Sir, that we may have to be prepared to wait another five years.

AN HON. MEMBER: For what?

MR. F. ROWE: In order to get the money to develop this Lower Churchill.

AN HON. MEMBER: Inaudible.

MR. F. ROWE: He did so say that, Sir, even if we have to wait another five years.

AN HON. MEMBER: That is what he said.

MR. F. ROWE: That is what he said.

AN HON. MEMBER: It is not true.

MR. F. ROWE: Where will the cost escalate at that point? Where will our people be employed at that point?

MR. CROSBIE: Mr. Speaker, on a point of order. The honourable gentleman is not quoting me correctly. The Member for St. John's South suggested that the financial conditions were thus and so, that it might be four or five years. I never suggested that.

MR. F. ROWE: Well, Mr. Speaker, on that point of order. I am willing to accept the word of the Member for St. John's South as much as the word by the Hon. Minister of Finance. So I apologize to the Hon. Minister of Fisheries. And say that the honourable Member for St. John's South said that it might be five years before this government can get the money to develop the Lower Churchill. In the meantime, Sir, our people are here unemployed. No industry is being developed in the province. Costs are escalating on the Lower Churchill. What a mess, Sir! Why are we in this mess? Because this government, Sir, flicked out BRINCO without getting any firm commitments from any financial houses throughout this world or from the federal government or from any other source. Sir, they are spending their time, now they are running to the Far East in order to try -

AN HON. MEMBER: Inaudible.

MR. F. ROWE: I am not against ownership of our natural resources, Sir. The Hon. the Premier and his honourable colleagues on that side of the House would love for us to say that we were for BRINCO, that we are against ownership of our natural resources, so that they can call an election.

AN HON. MEMBER: Inaudible.

MR. F. ROWE: But, Sir, the point is -

MR. P.S. THOMS: Listen and you will hear.

MR. F. ROWE: The point is that I would submit that we would be far better off if this government had not acted in haste, and had had some commitments before they chucked out the expertise that were brought forward for the development of the Upper Churchill.

Sir, let us never forget one thing, that the Upper Churchill was built ahead of schedule.

AN HON. MEMBER: Inaudible.

MR. F. ROWE: Ahead of schedule. It was built within the estimated cost. Sir, such an achievement, I think, there is nothing you can compare it with in the rest of the world, except now for this honourable government can sit back in hindsight and say that we gave it away. What a lot of foolishness!

AN HON. MEMBER: Inaudible.

MR. F. ROWE: Gave it away.

I already explained to the honourable gentleman on the other side, Mr. Speaker, that I would submit that before it is all over that we will be getting more for our dollars spent on the Upper Churchill than we will be getting for our dollars spent on the Lower Churchill.

AN HON. MEMBER: Inaudible.

MR. F. ROWE: Now, Sir, instead of the Hon. Minister of Finance, the Hon. Minister of Fisheries and the Hon. the Premier trying to con us in to saying we are all for BRINCO, and we are against ownership of our natural resources, let me point out one important thing, Sir, There is one big difference. There is one big difference between ownership of developed natural resources and ownership of undeveloped natural resources. When you take ownership of undeveloped natural resources you have to have the money to develop these resources. We are not Alberta. Our tax basis cannot support the development of the Lower Churchill.

AN HON. MEMBER: Inaudible.

MR. F. ROWE: I want this government, Mr. Speaker, and I sincerely express the hope that they will be successful in raising the money one way or another, and I sincerely hope, and when the day comes I will be the first one to jump to my feet and congratulate this government, if they are successful in developing the Lower Churchill within a reasonable period of time before costs inflate out of all proportion and the people of this province, the Island and the Mainland, see benefits from the Lower Churchill. I will be the first one to congratulate, Sir. If I were a very religious person I would be down there on my knees every morning before coming into the House of Assembly praying for the success of the Premier in his venture.

MR. SIMMONS: He needs it.

MR. F. ROWE: He certainly needs it, Sir.

AN HON. MEMBER: Inaudible.

MR. F. ROWE: I will be the very first, Sir, to congratulate the government.

Now, Sir, I have a few more remarks here but I can tell by the tones and the questions and the yaps from the other side that this honourable government would like nothing more than to trap us into a position of defending Ottawa, of defending BRINCO -

AN HON. MEMBER: We have no weasel traps.

MR. SIMMONS: Tell that to Marshall.

MR. F. ROWE: of being against ownership of our natural resources so that they can go to the people and say, Okay boys, there you are. There is your choice. We did not fall into the trap a year ago, Sir, and we will not fall into the trap this year nor any other year.

AN HON. MEMBER: Inaudible.

MR. F. ROWE: But there are some very offensive, dictatorial, sections of this Act. The Hon. the Leader of the Opposition has pointed out four of them. I pointed out one of them, probably not so important as the other four. Two honourable gentlemen on the other side agree with the opposition on these points. I would submit, Sir, that they take our recommendations, give notice that they will

amend the bill at the committee stage.

Sir, in closing, and I sincerely mean this, I wish -

AN HON. MEMBER: Inaudible.

MR. F. ROWE: The great debater. Brilliant, is he not.
Intellectual.

MR. SPEAKER (WELLS): I might remind the honourable member that he has
five minutes.

MR. F. ROWE: Thank you.

I would like to close, Sir, by sincerely and honestly wishing
this government every success in the development of the Lower
Churchill. It is as simple as that. Because the development of
the Lower Churchill as has been stated by members on the other side
is of utmost importance to the survival of this particular province.
But, Sir, let me not hear the Hon. Minister of Fisheries get up and
viciously assault our poor old leader, with a personality attack,
poor defenseless leader, and lash out at the previous Liberal Administration.

AN HON. MEMBER: Inaudible.

MR. F. ROWE: I did not say that, Mr. Speaker. They are always
so anxious, Mr. Speaker, to put words in one's mouth.

MR. MURPHY: I agree with you, he is not old.

MR. F. ROWE: But, Sir, I wish them all the success. But there
are these very offensive and dictatorial sections of the bill, I
hope they do remove from the bill. And I hope they stop playing
politics with this whole issue. We are for the development of
the Lower Churchill. In ten years time, in five years time, we may
be able to say one of two things obviously - that the government did
the wise thing, or it made a very serious error. I hope it is the
former, and that they did a very wise thing.

HON. MEMBERS: Hear! Hear!

MR. F. ROWE: Thank you, Mr. Speaker.

MR. SIMMONS: Oh, he has made the speech. He has made the speech.

HON. T.A. HICKMAN (MINISTER OF JUSTICE): Mr. Speaker, first may I, on behalf of government, thank the honourable the member for White Bay North for his sincere best wishes in the future of the development of the Lower Churchill.

AN HONOURABLE MEMBER: St. Barbe North.

MR. HICKMAN: St. Barbe North, that is right.

May I say, Mr. Speaker, that having listened to the honourable the member for St. Barbe North articulate the position of the opposition party, then I am reluctantly driven to the conclusion that they really are not supporting the development of the Lower Churchill.

AN HONOURABLE MEMBER: The interpreter.

MR. HICKMAN: It is not a question of interpretation.

Let us just take a very quick look at some of the remarks by the honourable gentleman who just sat down. He suggests that we should not have flicked out BRINCO without getting the necessary commitments for the Lower Churchill. Now, that is a far cry from saying, "You must get the Lower Churchill at all cost and you must get it now. You cannot wait until next year or the year after or a year later until you have negotiated a firm price for the delivery of all the production, all the power that is going to be produced from the Lower Churchill and the other rivers flowing into the St. Lawrence." That is, in my opinion, Mr. Speaker, a very, very qualified support, I would almost call it, in the law, without prejudice support for the actions that the government is taking and the actions that are culminated to some extent in this bill.

The honourable the Minister of Fisheries outlined very clearly the actions that were taken by the government, this government, soon after we assumed office. We could have - maybe some people will argue we should have - within the first month of assuming office taken back either by legislation or by negotiation whatever rights that were alienated on the Lower Churchill in favour of BRINCO.

We did not do that. We negotiated for over a year with BRINCO. We made a very simple request. That resource happens to be ours. That power happens to be ours. We give you full marks for the engineering expertise you showed in developing the Upper Churchill, but we are not prepared to have you develop the Lower Churchill on terms and conditions that are even remotely similar to those under which the Upper Churchill were developed.

Now, you might argue that we were in the driver's seat, and so we were to an extent, and I am the first to admit that times have changed. If the pioneering work had been done - the engineering accomplishments of BRINCO in developing the Upper Churchill are quite well known and highly commendable. The simple fact is that the position that was put to the people of Newfoundland by BRINCO was in effect that we want to develop the Lower Churchill under terms and conditions that are not that much better for the province of Newfoundland than our first project.

When I was listening to the honourable the member for St. Barbe North as he talked about the various reasons why these great concessions had to be given to the BRINCO people at the time the Upper Churchill was first being promoted, he did not deal with - I suppose it is really not much point in dealing with all the historical facts that went into the development of the Upper Churchill that started in the fifties. The main act that was passed on BRINCO was passed long before anyone, with a possible exception of the honourable member for Fogo, was in this House. I plead guilty, as if everyone did not know it, that I actually was sitting on this side of the House when in 1967 an act to amend the Churchill Act was passed. Imagine that.

Now, that great imperial concept was long since consummated. The negotiations with Quebec had been ongoing, off again, on again. The troops were on the border. The then Premier of Newfoundland was saying all sorts of nasty things about a gentleman named Lesage who was the Prime Minister of Quebec, and eventually we were told, and I can recall so well a speech before I was a member of this House,

of the then Premier down before the engineering institute where every engineer around that table knew at that time that the idea of bringing power by cable across the Gulf and then across the Straits of Belle Isle - remember the Anglo-Saxon route? - everyone around that table knew that it was engineeringly impossible. Even that report, if you will recall, that came from Pierre somebody in the United Kingdom, was so full of qualifications that no one could move on it.

Well, the then leader of the government, he made a magnificent speech. We declared war on the people who inhabited the Province of Quebec. We talked about the Anglo-Saxon route, and Newfoundland's future was to get this power and to get this power into Newfoundland. This is where it was going to stay except for our surplus power. It was an amazing thing. I give the honourable gentleman full marks. When he finished his address to the engineering institute, he got a standing ovation from every engineer there who knew that what he was saying just could not be accomplished. I can recall the president of the association going along and putting his hand on his shoulder and he said, "Brother, we are right with you."

Now, these great negotiations, the brinkmanship that went on in the developing, in the trying to get the Upper Churchill developed - then, if you will recall Rene Levesque was a member of the Lesage government at the time that we were on the brink of open warfare with Quebec. He came down here to a thinkers' conference. Remember the thinkers' conference? Oh, it was a tremendous thing. The honourable the Minister of Fisheries was there in all his glory. Anyway, it was a tremendous output.

Mr. Levesque made it very clear then, and I suspect that as a minister of the crown he was speaking on behalf of his government, he pointed out very clearly the taxes that would be saved to the people of Newfoundland if it was a crown corporation. He said, "Nationalize it". Well, there was nothing to nationalize really then. There might have been some rights in the headwaters. "Do

it yourself. Set up your own crown corporation. The federal government, they do not tax Quebec Hydro because it is a crown corporation. Then you will see the government of the Province of Quebec ready, willing and able to sit down and talk as between two governments and two crown corporations." It was never done. No way was the government of the day prepared to abandon the imperial concept and have a crown corporation, namely the Newfoundland Power Corporation, negotiate satisfactory terms with Quebec. Eventually we had somewhere - I do not know when it was. I came into politics in 1966. The honourable gentleman from Fogo can tell me in this - but I think it was somewhere in 1964 or 1965 that the main agreement was entered into, or at least there were announcements of the letters of intent.

About that time we saw the main act passed in this legislature and eventually certain amending acts passed. I would direct honourable gentlemen's attention to the act of 1966-1967. In that act there were certain things accomplished. I am speaking from memory now. One was the exclusion of any social or SSA tax on any of the equipment used in constructing the site and any of the equipment that went into the site. There was some extension on the lease and there was another one that caused a great deal of anxiety, that was expressed in the House by the then government leader which gave the trustee the right in the event of bankruptcy to go in and appoint someone, or not the trustee, the bondholders to go in and appoint a trustee to take over and operate it in the event of default on the bonds.

This was supposed to have been the subtle way for Quebec to get control over our territorial rights. Mr. Speaker, there is really not much point in talking any more about the history of the first BRINCO deal. We have the first BRINCO deal. We have to live with it. We would never be forgiven if we perpetuated it on the development of the Lower Churchill. This is why there was very decisive action taken by this administration and not the kind of precipitous action that the honourable member for St. Barbe North has suggested.

May I direct

this House's attention to the fact that after negotiating for a year with BRINCO and finding that they were not prepared to give us terms and conditions that were satisfactory to the people of this Province we then engaged Teshmont to do the survey. This was done in 1973, quite some time before the lords and gentlemen who controlled BRINCO in London had any idea of what the real intentions of government were. After their feasibility study, which has been made available to honourable members opposite, indicated that the nationalization route was the only acceptable route if we are going to protect our peoples' interests, did we then move in and advise in March or April of 1974 the owners of BRINCO that we were not prepared to have them develop the Lower Churchill and that we intended either at that time to acquire all of BRINCO's assets or alternatively, as we subsequently did, the rights to the Lower Churchill and certain other rights.

Insofar as having a tiger by the tail is concerned, having something that we cannot handle is concerned, that not availing of the - refusing to avail of the engineering expertise that was acquired in the development of the Upper Churchill, may I remind this House, and I suppose it is offensive in a sense to single out people who play a leading role in the engineering, in the actual construction and design of the site, but I would think that no one who worked on that great project would be offended if I said that the man, the real construction engineer was a gentleman named Mr. Jack Beaver. So that there can be no misunderstanding or apprehension on the part of Newfoundlanders or the honourable gentlemen from opposite as to the capabilities of doing the engineering work on the Lower Churchill, without any difficulty at all, this Province acquired the services of Mr. Jack Beaver who has undertaken in his capacity as President and General Manager of Churchill Falls Power Corporation to develop the Lower Churchill.

The amount of planning, Mr. Speaker, and studies and engineering studies and work that went on on the ground last year in surveys and whatever else, whatever the technical terms are, on the Lower Churchill, I hope will satisfy the people of this Province that we have indeed not gotten a tiger

by the tail but rather we have a well planned and hopefully adequately financed development of the Lower Churchill River in our Province.

There are two points, or three or four points, that have been debated ad nauseam, Mr. Speaker. There are just two that I would like to refer to. One is the suggestion by the honourable gentlemen opposite that there should be provision, or that the Public Tenders Act does not apply to this act. This is just not correct. It cannot be correct. Let me explain it. The Public Tenders Act which was passed by this House last year, the Public Tenders Act, 1974, includes in its interpretation crown corporations. A crown corporation means a company in which not less than ninety per cent of all the issued common shares are owned by Her Majesty and includes a corporation established by an act under which the corporation has made an agent of Her Majesty in the right of the Province. That is this act. We are making the corporation an agency in the right of Her Majesty and in the right of the Province. Every public work that is carried out by a crown corporation or by the government, and they list them, certainly everything over \$15,000 and this is going to be more than that, then the Public Tender Act comes into play and public tenders must be called.

Now, it is a very fundamental principle of law that if you have on the statute books of the Province an act, that act cannot be amended by implication. That act can only be amended or excluded if a subsequent act specifically excludes the public, in this case, the Public Tender Act from its operation. This is not done. I am absolutely certain. There is no question about it. If there is any honourable learned gentleman or any honourable gentleman who has been in the House of Assembly who wishes to disagree with that, I would love to hear. This is why, for instance, in the act, I have lost the section now, where reference is made to the petroleum because there is an act governing -

AN HONOURABLE MEMBER: 17(d).

MR. NICKMAN: 17(d) that is specifically spelled out. If the Public Tender Act was not to come into play insofar as the bill that is presently before the House is concerned it has to be spelled out specifically, either

notwithstanding the provision of the Public Tender Act, 1974, or alternatively, the Public Tender Act, 1974 does not apply.

AN HONOURABLE MEMBER: Inaudible.

MR. HICKMAN: Pardon?

AN HONOURABLE MEMBER: What about leasing -

MR. HICKMAN: If the leasing in 17(b) is in conflict with the Public Tender Act, then the Public Tender Act prevail. And the same prevails to say there are no loopholes, the thing prevails throughout any act that is passed by this legislature.

Now, Mr. Speaker, there is also - my honourable and learned friend, the Minister of Fisheries, has explained, I think very clearly, to this House the effect of section (24) of the act as it relates to any alleged rights of native people. It does not take away from them the right to sue the Crown. It does not take away from them the right to recover damages if they can establish title to the land that has been flooded or taken over by the corporation in the establishment and the development of the Lower Churchill. It simply says, and this surely is a piece of legislation and a provision that is indeed in the public interest - I can see some lawyer standing up in court or some great civil libertarian making a great speech about the right of a particular individual, and so they should - but there are times when the public right, the right of the entire Province and the needs must take priority over any other rights which may exist. All that is saying, that we as a legislature and as a government having come to the conclusion that the Lower Churchill must be developed and having set up the time frame in which this development must be carried out and having arranged the financing and the draw downs over a particular period of time, that there is no way that we should leave this Province open to a frivolous or vexatious action where someone can come along and seek an injunction because remember, Mr. Speaker, an injunction is granted before the rights are determined, which is a far cry from awarding damages to someone who comes into court and says that I have suffered damages and I now seek to be compensated for it. These are not impositions, Mr.

Speaker, that are not imposed on all our people. If it is decided that it is in the public interest to put up a public structure somewhere in this Province, a new school or a new hospital or a new building or build a new highway, we have the right under the Expropriation Act to move in the public good, title immediately vested in the Crown and the damages are paid to the land owner when they are provable later on.

I have never heard anyone suggest that in the public interest that the government, the Lieutenant-Governor in Council should not have that right of expropriation. It seems to me that we would be less than prudent, Mr. Speaker, if that provision was not put in there.

The one thing that concerns me about this debate, and the reference and the dwelling on this particular section as it relates to native people, is that someone may come to the conclusion that indeed our native people have very well established rights in Labrador. There has been a fair amount of research done on the aboriginal property rights in Labrador

and any work that has been completed so far indicates, in my opinion very clearly, that the rights of the native people in Newfoundland are quite different from those of the rights of the native people, the Treaty Indians, that you find in other parts of Canada.

Indeed, I think, Mr. Speaker, that - we certainly up until the last year or so when there has been some debate and some talk of funds being made available so that our native people can examine their legal rights, if any, to the areas in question - that we are always proud of the fact that when we went into Confederation all residents of our province were of equal status. That is something that very few Canadian provinces can boast about. The western provinces cannot boast about it because it is an absolute fact, it is a historical fact, it is a treaty fact that the status of the Treaty Indians quite different from the white Albertan. But in Newfoundland the fact is that all of us, as Newfoundlanders, not as Indians, or Innuits, or Labradorians, or English, or Irish, or Scottish, we all went in as Newfoundlanders without any special rights. It would be a pity indeed if our Indian friends in Labrador were misled or arrived at the false impression that they may have particular rights, rights similar to those possessed by the Indians in Quebec, because these were Treaty Indians.

This issue, Mr. Speaker, was dealt with. Any rights, as I am sure Your Honour knows, any Indian rights in Canada came by the Royal Proclamation of 1763. That proclamation, which has the force of a statute, is not indeed a statute but it is the charter of Indian rights from which flows the claims that Treaty Indians throughout Canada have been pursuing, and with some success in Quebec, and it looks like they will have a great deal of success in the Mackenzie River Valley.

When the great and momentous case came before the Privy Council in 1927, the Labrador boundary dispute, council for the Province of Quebec, and for the Government of Canada who argued that Labrador, or a great deal, except Coastal Labrador, belonged to Canada as it then was, and not to the Dominion of Newfoundland, used in their argument the provisions of the Royal Proclamation of

1763, and said that Royal Proclamation covered all the Indians including the Naskaupj and the other tribe, the Montagnais in Labrador. Because of this it was obviously intended by British Government when they made that proclamation in 1783 that they regarded Labrador as part of Quebec. This was used by council for both the Government of Canada and the Government of Quebec. It was dealt with by the Lordships of the Privy Council, and dealt with and treated as one of the main arguments for the unsuccessful litigants of the Government of Canada and the Government of Quebec.

The Privy Council stated very clearly and very categorically that this proclamation, the Royal Proclamation, did not apply to the Indians of Labrador. Any research that has been carried out, as I say, confirms that, in my mind at least, either by custom, or by law the Indians of Labrador are in the same category, they are entitled to the same protection as other Newfoundlanders. I do not think that is anything for us to be ashamed about. What I do think would be a shame, what I think would be a crying shame, is if by ill-considered statements, or to try and get our names in the press, or to try and pose as the great defenders of the Indians, or the Innuits, particularly the Indians, we misled them into spending great effort, and great time on a research the outcome of which I believe is sufficiently well known now as to convince them that they do not indeed have any particular claim to these lands that will be flooded during the development of the Lower Churchill.

On behalf of government I want to make it absolutely clear to any people, not just native people, but any people living in the area that they have the same rights as all Canadians, to be compensated for any damages that ensue arising out of any, and flowing from any great public development. They will be dealt with fairly and equitably.

My personal opinion is that we could spend our efforts much more beneficially insofar as the Innuits and the Indian communities of Labrador are concerned instead of giving the money to research,

to any alleged claims that someone may think they have to the land down there, if we spent a great deal more of our time and efforts in trying to convince these people, these native people of Newfoundland, they live in Labrador, but they are Newfoundlanders, these native people in Labrador that the rest of their fellow Newfoundlanders are prepared to show some concern for their welfare.

Recently I attended a conference where we, for the first time, had representatives from the Inuit and Indian communities in Labrador accompany us to a federal-provincial conference. In these groups you will find leaders who are ready, willing, and able to work with their white Newfoundlanders, if they are given half a chance. They are not agitators. They do not want to disrupt society. And they look with a great deal of scorn on some of their fellow white Newfoundlanders who for political reasons or publicity reasons, or because they think they are crusaders, try to stir these people into an atmosphere, or bring them into an atmosphere of frenzy which in the long run can only do them irreputable damage.

I would hope that our Indian and Inuit people in Newfoundland will take full advantage of the development of the Lower Churchill, that they will take advantage of any training programmes that are available so that their skills can be used in the development of that project. Those Indian and Inuit who have, over the last ten or twenty years, availed of training courses, worked in sophisticated areas on sophisticated machinery, have satisfied people with whom they worked that they had the same capabilities as their fellow citizens from Newfoundland. Unfortunately only a few have availed of this so far. I am very, very conscious, more so in the last couple of months because of the exposure I have had to these problems, to the stress, and strain that is imposed upon our native people in the various communities where in many instances they were herded in the fifties against their will. And the difficulty particularly that their children are having in adjusting to the white man's law, and the white man's customs. It seems to me that these difficulties will not be helped, or will not

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be overcome if we try and spread the word that the white man again is going to screw the native into the ground when the development of the Lower Churchill takes place. This is certainly not the intention.

If they have any rights, Mr. Speaker, they have full recourse to our courts to recover whatever damages will be awarded to anyone in like circumstances. It certainly must be accepted by everyone that it is in the public interest that when once this project starts moving no one individual or two individuals can come by way of an injunction and hold this project up.

Mr. Speaker, in closing, whilst this bill itself is a fairly massive piece of legislation, and it is a culmination of a great deal of intensive, responsible negotiations that went on between the Premier, in particular the Premier, and some of his ministers, prior to the acquisition of BRINCO rights to the Upper Churchill, it seems to me that we should not accept the philosophy that was recently exposed by the honourable gentleman who preceded me, when he tried to draw a distinction between the undeveloped resources and the developed resources and says that before we acquire - I wrote it down - the undeveloped natural resources, we must have the money to develop it. I cannot accept that philosophy. I will read his exact words again, Mr. Speaker, just in case there is any mistake. The honourable gentleman from St. Barbe North said that we must have the money to develop undeveloped natural resources before we take it over.

Now, Mr. Speaker, that philosophy cannot find any place within the rooms of the Progressive Conservative Government of this province or on the benches of this province. If we followed that philosophy we would not have bought back for the people of this province the Reid property. We do not have the money right now to develop all of the Reid property. It is an undeveloped natural resource of this province, but we bought it back. We were bold, we were daring, we decided we would buy it back without the money to develop it. As of today, we do not have the money in our pockets to develop the Lower Churchill. We feel quite confident that we will get this money, but we do believe, Mr. Speaker, that we have a very solemn obligation to all Newfoundlanders to make sure that we are absolutely certain that this undeveloped natural resource is brought back to the

people of this province as we now have done and accomplished, and that when we find the money, as surely we will, to develop it, it will be developed for Newfoundlanders and really for no one else.

MR. F. AYLWARD: Mr. Speaker, this debate has been exceedingly interesting, and I suppose it is one of the rare occasions which provides all of us with an opportunity to express our opinions on matters of a really great moment to all the people of the province.

I would, I suppose, certainly like every member, be much happier telling you all the troubles of Placentia East, our need for a hospital, our roads, a new fish plant, and I could go on and on and on, Mr. Speaker, and as I said before, it probably would do me a lot more good. We must remember our duty really to the province as a whole, and while this may not have the immediate political bread and butter appeal the hospitals and roads and other such items may have for us, I think we are dealing here with an issue for which our children's children will be really grateful to us. If there is any one decision that this government made, if there is any one decision that they made, which should really deserve their re-election, re-election, and re-election, it was the nationalization of BRINCO.

SOME HON. MEMBERS: Hear! Hear!

MR. AYLWARD: Every Newfoundlander, Mr. Speaker, regardless of his political affiliation, should stand on his feet and be glad to say that he supports one hundred per cent, unequivocally, the position of the province to regain control of that great natural resource in Labrador. I defy any of these honourable gentlemen when they stand on a platform in any part of this province, to seriously quarrel with the decision of this administration to take over control of the Lower Churchill and the Upper Churchill.

Mr. Speaker, I, myself, was really never, I suppose, so proud of any decision made by any government as I was to learn on that very, very stormy morning, when we heard the Hon. Minister of Finance was in Montreal with a letter and the Premier was in London - it appeared

to be a cloak and dagger deal - but certainly when everyone realized what they had in mind and now they set about to accomplish it and when you talk about elections and mandates, Mr. Speaker, I would say this to the Premier of this province and to the leader of any party, if he wanted any issue to put before the people of Newfoundland, he could not have had a better one.

SOME HON. MEMBER: Hear! Hear!

MR. AYLWARD: He could not have had a better one.

AN HON. MEMBER: (Inaudible). - tomorrow.

MR. AYLWARD: No, it is too late now. You have gone. But, Mr. Speaker, if there was all this political conniving and backroom dagger affairs, and they were going to do it, and they were not going to do it, so the proper thing to do with that was to wait until you were ready for your election and go on. Because, Mr. Speaker, what did the opposition do on that? All the people of Newfoundland were waiting anxiously to see really where they stood because it was a big deal, it was a big deal, and everybody properly asked themselves, could we afford to spend - we did not know at that time, of course, the type of money that was needed to acquire these, and every thinking Newfoundlander would say to himself, do they know what they are doing, and is it right? They were looking to the only place they could look for the other side of the coin in a democracy, to the opposition, and what did they find? Where were they?

AN HON. MEMBER: (Inaudible).

MR. AYLWARD: Where were they?

AN HON. MEMBER: In the wilderness.

MR. AYLWARD: Where were they, Mr. Speaker? They were worst than in the wilderness, worst.

AN HON. MEMBER: (Inaudible).

MR. AYLWARD: No, Mr. Speaker, I think that they owed it to the people of Newfoundland, if there was another side to it to explain it.

They kept putting it off, they were going to make their position known, and they were going to do this, and they were going to do that. I will say this for the Hon. Member for Bell Island. He came on gloriously, and he supported nationalization. They should have done it before.

SOME HON. MEMBERS: Hear! Hear!

MR. AYLWARD: Then he kept quiet. For once in his life, he kept quiet because he did not know what was going on. He did not know. The Leader of the Opposition, at that time, was going to make a statement. There was no statement, neither for it or against it. Then, Mr. Speaker, when he did come on television, he wanted more facts. Everyone knows that you cannot debate that.

AN HON. MEMBER: (Inaudible).

MR. AYLWARD: Yes, he had a good ride, I hear, on the jet.

Anyway, Mr. Speaker, he comes on, and he does not know enough about it. Then, Mr. Speaker, later than that, when it is finally determined that the province was going to buy - after that period they were going to nationalize it unless they agreed - when finally the figure was agreed upon, rather when the bill proceeded in the House, the answer was then that they paid too much. Now what was the contribution that these gentlemen made to that great decision? Mr. Speaker, I say myself that if that was put to the people of Newfoundland, and every honourable member on this side of the House are carrying that banner, if he were defeated, he could think to himself, thank God, I did the best thing for Newfoundland, and I am sure that in years to come, as I said before, our children's children will realize that the acquisition of the water rights on Labrador was the best decision any government had made. For people to try to go half way, this way or that way, Mr. Speaker, is utter nonsense, because that is too big an issue, Mr. Speaker. That is really too big an issue for any honourable member to afford the luxury of debate - I do not mean debate - but almost really nonsensical, no position. If we are elected,

we have a duty to the people of this province to take stands on issues like this.

SOME HON. MEMBERS: Hear! Hear!

MR. AYLWARD: Even the opposition has that duty. They cannot afford that luxury to do nothing. If they do,

they will pay the price, and they would have if the people in Newfoundland had to decide on that issue. They would have ended up here, Mr. Speaker, with forty-two seats on that, forty-two seats on that.

Now, Mr. Speaker, what is the position with respect to the existing contracts between the Province of Newfoundland and Quebec Hydro on the quantity of power that is presently generated? It was really startling, Mr. Speaker, to hear, I think it was the honourable Minister of Industrial Development, tell us in this debate - if you would listen to this figure now - he told us that if the Province of Newfoundland - well, it was BRINCO but now we own BRINCO - if the Province of Newfoundland received for the power that they sell to Quebec Hydro, five mils instead of the existing two or three, we would receive \$150 million more a year. Can you imagine, Mr. Speaker? I hope I am quoting him correctly.

AN HONOURABLE MEMBER: Five more mils.

MR. AYLWARD: An extra five. I am sorry, I thought he said five, an extra five.

Mr. Speaker, when we talk about what it is going to cost to develop the Lower Churchill, where are we going to get the money? They are very good and valid questions and they are hard questions for these gentlemen who are close to these issues and who are wrestling with it. Imagine, Mr. Speaker, just imagine - ask yourself, here we are selling that power today, I think, it is at two-and-a-half or three mils. If that just went to eight mils - and power cannot be generated in any part of the Western World for practically half that amount - we would have \$150 million. Multiply that by ten years. There is your billion and a half. There, Mr. Speaker, is what we are searching for all over the world today, I suppose these men who are close to it, trying to raise it. Can you imagine? In ten years we could go to any of the financial markets and say, "Here is a quantity of power that we are selling. We will get five mils more for that. That will pay for the development." Can you imagine? Then you can see what a deal, what a fantastic - I can understand the position taken by these honourable gentlemen when they said that

it was the greatest sellout.

I can appreciate the position that, it is easy enough, hindsight is better than foresight. Everyone realizes that, Mr. Speaker. Can you appreciate - here you made a contract, ten years ago, was it 1964? I forget.

AN HONOURABLE MEMBER: Inaudible.

MR. AYLWARD: 1966 or 1967? 1965 - well, I will say ten years ago, Mr. Speaker. Supposing you were unfortunate enough yourself to have made a comparable deal ten years ago and you could prove to the people with whom you are dealing that here you are today with the resource that we have. We are looking for money to develop it, and here is what you are getting from us.

Whether they could have done better or whether they could not have done better, I do not think, Mr. Speaker, if the people of Newfoundland, if we should be unfortunate enough to experience tighter financial times, and they really realize the deal that Quebec Hydro is getting off of us, they just will not take it. Somebody would rise up in Newfoundland and say, "I, if elected, will do away with that contract."

You know, Mr. Speaker, this is what happened in places like Chile, poor, old Allende, in Uganda with Amin, with Castro in Cuba, in all the underdeveloped countries of the world. When the average citizens began to realize that he was really being shafted by the multi-nationals or by anybody, they took the law into their own hands. While we must - everybody recognizes the sanctity of a contract and that we have a contract with Quebec Hydro. Well, I think, Mr. Speaker, we are in a very, very powerful position. I say to the Premier, I would go as far as to suggest to the Premier that he take with him the heaviest timber that he has here, the best informed ministers, the biggest figuratively and literally, and say to the Premier of Quebec, say to Mr. Bourassa, explain really, Mr. Speaker, what this means to Newfoundland. Any person who is elected in Newfoundland, they have to explain that situation and justify it.

It is all very well to say that you have a contract, but, Mr. Speaker, if that contract is working and continues to work to the

detriment of the province to this extent that we are finding it so hard that we cannot develop, and if we had only some type of a better deal, surely they would be prepared to look at it. I think, Mr. Speaker, that this is a very, very big decision and it is a serious and really a yeoman task facing this administration, the development of the Lower Churchill. I do feel that the approach that this government has taken to the nationalization, then to their feasibility studies, to their present approach to financing the project, appears to me to be very reasonable and commendable. I was never as proud, Mr. Speaker, to support any piece of legislation brought in by this administration as I am this particular piece of legislation.

I do not suppose we will ever, or any legislature, really, for years to come, will be asked to express an opinion on a matter of such importance as the one presently before us. I only hope that some way can be found, Mr. Speaker, to take this province really out of the clutches of Quebec in as far as this new energy that is going to be developed, because really, you know, when you analyse it, that is what happened to this province when we developed the Upper Churchill. Because here is poor Newfoundland, a province of 500,000 people, with, I suppose, the best resource we had developed, and all kinds of markets, and what happened? We could not get it to market. Why? Because we had to transmit our power over and through the Province of Quebec.

Really what did Quebec say to us? Quebec said, "You are not taking your power through our province. You will take it here. We will buy it and then we will sell it." You know, Mr. Speaker, individuals cannot do that. Take for example your good self. If you owned a piece of land and it was necessary to transmit energy over that land for the greater benefit of a subdivision or anything else, what do the laws of the country say? The laws enable the utility companies for the benefit, of course, of the public to expropriate in this matter, if you are not prepared to give it to the company, and if necessary even expropriate the property.

Now, I know the political ramifications of telling the Province of Quebec that Newfoundland is going to take a piece of Quebec, but that is all this province needed, Mr. Speaker. That is all we needed from Canada really, was the right to transmit that power to the markets of the world over Quebec. Now, we did not get it. We did not get it, and I say, Mr. Speaker, that really that is where Confederation failed Newfoundland because that is why we have the deal we have today. We cannot sell the power that we are developing on the Lower Churchill unless we bring it to Newfoundland, because we have the same problem. We must go through Quebec, and Quebec says, "I will buy it. You will sell it to me and I will sell it to the rest of the world." That is what they are doing.

I do not know what the situation would be like if the Province of Ontario or the Province of Quebec wanted similar rights from the Province of Newfoundland or from any of the Atlantic Provinces, But it is really, Mr. Speaker, for people who are directly concerned with the administration of the affairs of this province in realizing how desperately we need finances, what it would mean to us

as a province if we could put our energy that we develop in Labrador on the Eastern Seaboard down in the United States, if we could have said to ConEd, we will deliver it. We would have not alone \$150 million more, Mr. Speaker, but \$400 million, \$500 million more a year. We could be the wealthiest province in Canada if only we had an easement or right-of-way to be able to transmit our power through the Province of Quebec. Now that is all that Newfoundland would want.

As I said, Mr. Speaker, that matter is handled by law in countries where individuals cannot do that type of thing. You could not. I could not. No individual in Newfoundland if he had a piece of property and a utility wanted to run a right-of-way over it - you could say, I am not going to give it to you but the legislation say the utility company has the right to expropriate it. And while perhaps it is not practical to say that Newfoundland could compel Quebec to do that, but, Mr. Speaker, in a Confederation could not really the government of this country look to Canada and say, here is a position, here is what we want. But apparently the one with the strong arm, and the one with the most political significance, and the greater number of seats, of course, and all the rest that goes with increased numbers, I suppose in a democracy - they decided and dictated what? That Newfoundland was not to have such a deal. But that, in my opinion, Mr. Speaker, fortifies the position which I enunciated a few moments ago, and that is this, that despite the fact that they have their contract when they see the benefits that they are reaping today and will reap - can you imagine, Mr. Speaker, that contract last for sixty-five years - and as the Hon. Minister of Industrial Development and the Hon. Minister of Mines and Energy said, after forty years, I think it is, or correct me if I am wrong - thirty - no it is twenty-five years - after forty years - I think the contract is for sixty-five years. After forty years what happened? Instead of paying 3 mils, or instead of the price going up, the price goes down.

AN HON. MEMBER: It was unheard of. Unbelievable.

MR. AYLWARD: Can you imagine, Mr. Speaker, de-escalating. Can you imagine, and at what cost to us? Now surely if you made a private deal with me ten years ago, if you made a deal with me, a contract, Mr. Speaker, and I got such a great deal off of you as that, I am certain that you would come back to me and say, "Look Aylward, we have our contract but surely you are going to do something about it in this situation." And that is what I say to the Premier of this province, and to the ministers concerned, and that is, Mr. Speaker, to make it clear to Quebec Hydro - and when we say, Quebec Hydro, we are talking about the Quebec Government - this is what you are getting from Newfoundland, and admittedly you have your contract. Of course, you have your contract. You have it signed on the dotted line.

But here is our position. Here is our need. Here is our present financial position, and you do not have to be a mathematical genius to realize what that was. And oh, Mr. Speaker, how we could use that money. I could do with the bounty in my district for about three years. What I could not do with \$100 million! My!

AN HON. MEMBER: Inaudible.

MR. AYLWARD: But, Mr. Speaker, on a serious note, when you think of the public services of this province - when you have what we are going to have confronting us - and when you talk about contracts, Mr. Speaker, just an aside - you know, there is not really that much sanctity attached to contracts today. We have on the doorsteps of this building yesterday a number of operators with a contract. The contract was there, signed, legal, no doubt about it. But they say no, with the cost of living, down, that is it. That is only one. You have numerous collective bargaining - all valid contracts - and they say what? The situation has changed so drastically - the cost of living has gone up so far - that we want

the situation reviewed. We want the situation reviewed and I say, Mr. Speaker, that the people of this Province are entitled to say to Quebec Hydro that we want you to take another look at that contract. We want you to take another look at that contract. If they look at that contract, and the facts and the figures that have been furnished here by the people, I suppose, in the ministry who are more knowledgeable—I think the honourable Minister of Mines and Energy and the honourable Minister of Industrial Development indicated to me that they do not know yet what the cost, you know, no firm figures are given on the cost of the James Bay project but if I am quoting them correctly, it could be as high as twelve or fifteen mils, more than that now. Can you imagine now, Mr. Speaker, twelve or fifteen mils. Now that is the cost of producing that and they with a contract -

AN HONOURABLE MEMBER: Inaudible.

MR. ALYWARD: Pardon?

AN HONOURABLE MEMBER: Eighteen to twenty.

MR. ALYWARD: Eighteen to twenty. Now, Mr. Speaker, it is beyond belief that it will cost the Province of Quebec practically, the honourable the Premier said, around eighteen mils and here us poor, little Newfoundland tied up for thirty, for forty years at three mils and then for twenty-five years beyond that had it reduced -

AN HONOURABLE MEMBER: Inaudible.

MR. ALYWARD: Now, can you imagine that, Mr. Speaker, can you imagine. Really, I suppose, it is the people in Newfoundland. If the average civil servant in this building who will be looking in a few months time for an increase in his pay, when we had the police come in to the honourable the Attorney General and when we have the teachers - and I do not envy the honourable the Minister of Industrial Development, his position presently at that Treasury Board for the next six or eight months, Mr. Speaker— but can you imagine when they have to tell him, "You have to cut the garment according to the cloth." There is only so much that we can give you. No matter how much we want to, there is so much water in the well and there is only so much cash in the till.

Now, if they were to realize that you have a great resource that is costing eighteen or twenty mils and you are selling it for two, you have insurrection, that is how bad. Now, Mr. Speaker, I certainly agree with everything the honourable gentlemen on this side said about that contract. I certainly agree, but even if we admit our hindsight is better than foresight, if it is a bad deal now regardless of what it has to be looked at, if there is any conceivable way under the sun and this is one position, Mr. Speaker, that we have to admire about this administration and that is their conscious effort at any cost to control the resources.

I again, Mr. Speaker, whatever they do or whatever they do not do, or however politically inept or whatever, the people of this Province will forever remember the position taken by this administration as far as, at least, what their enunciation on offshore and that is that we have to control it. It is our life's blood. We must control it, and I do not know how the Premier and his senior ministers feel, but I would think, Mr. Speaker, that their patience must be getting very thin on that question too, on that question because how long can you negotiate? We want this. We want that. The time is quickly approaching when this government is going to have to say to the Prime Minister of Canada, "We want to control that resource. We feel we are entitled to it and if we cannot come to an agreement put it in the Supreme Court of Canada and take the decision." And Mr. Speaker, if you lose, if you lose, and that is the way I found with my experience with the few people that I have advised in my period of practicing law; if they have a case you try to negotiate and you try to deal and you do the best you can, but if you reach a position where you are getting nowhere, there is only one place to go, That is go to the court and get your decision and you will

give it the best you got and you prepare your best fight and you take it. The people of the province, I think, Mr. Speaker, are ready for that position. If they were asked tomorrow where do they stand on that issue, and the position of this province is that we want control, I do not think there is much doubt about it, Mr. Speaker. You talk about issues and elections. The Hon. Premier has a bountiful of them. Imagine what the people of this province would say on that offshore. Mr. Speaker, we really cannot afford it - if we have a chance - while I have not given it the in-depth thought and consideration as some jurors, who are probably closer to it, it would certainly appear from the learned gentlemen, who have considered the thing, that we have a very, very strong case. I say on that, Mr. Speaker, go on to the Supreme Court of Canada. Give the Prime Minister of Canada three months, four months, six months, if you like, but let us have a time and say, this is it. We want your decision. If we get the decision, and the decision is not favourable, and it should not be favourable unless we have what we want and that is, Mr. Speaker, complete control of the continental shelf, I feel that we should go on to court, go on to the Supreme Court of Canada. I bet the people of Newfoundland will be saying, well done, you did the best you could, and if you could not get what you wanted, go on. Mr. Speaker, these are the two basic resources that we have left, the water power on the Labrador and our offshore gas and oil.

Mr. Speaker, what will be the end of this province? We have everybody looking for more money, more roads, more schools, more assistance for the fishermen. I had, only today, I suppose, three or four calls from fishermen who lost their boats, who lost their nets, people who want better hospital facilities, better roads and more welfare. Where is the money going to come from, Mr. Speaker? What has Newfoundland got that can generate cash? The only thing we have, Mr. Speaker, are the two great resources that we have, the water power on the Labrador and our offshore gas and oil. We cannot afford to bargain any of that, and that is why, Mr. Speaker, this present legislation

deals with a matter of such importance, because it deals with the fact that this government took that position— control had been gone, and they said it was going to cost money, but we will take it back, and they did. As I said before, Mr. Speaker, we will go down in history, Our children's children will say that that was the best decision that any government had ever made. I support it wholeheartedly.

I think, Mr. Speaker, that the approach taken as far as financing is concerned, appears to be realistic and considerate. It is hard for an individual such as myself, who is not intimately connected with the negotiations, to appreciate all the implications. From what has been said in this debate, the matter appears to be very, very well in hand. Mr. Speaker, while we may disagree with this section and that section, the real big issue here is, can the province develop the Lower Churchill and bring that power to this province? On that, Mr. Speaker, I do not think there really can be any debate. I support their efforts in every respect. I sincerely hope that a substantial start can be made as promptly as possible and that before too long we will see that power brought to this island. Many big decisions will have to be made. I am sure that every one in Newfoundland, every Newfoundlanders wishes this government well, every Newfoundlanders, Mr. Speaker, because they realize that if we are to have only one half of what the people of this province are clamouring for, we need this power and the money and the revenue that it will generate.

Mr. Speaker, without getting into any of the details, I would just like to record my complete support for that project. I only hope that the government will be as bold and as imaginative in the field of asserting the rights of Newfoundland for the offshore gas and oil. The quicker we get that matter adjudicated, the better for ourselves. Once again, Mr. Speaker, I was never as proud and as happy, since my election, to support any piece of legislation, as I am this piece, and I heartily support it and I wish the government well.

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

MR. J. CARTER: Mr. Speaker, there are still a few points still to be covered, and I would like to start off by praising electricity, generally. It is certainly the fuel of the future. It is clean, efficient, convenient. In fact it has been likened to white coal.

I believe the point was made earlier in this debate that this debate should be wide-ranging and, therefore, without attempting to test your latitude, Mr. Speaker, I will range as far as possible.

First of all I would like to make it quite clear that I concur with two of my colleagues, the member for St. John's South and the member for St. John's East, in the position they take concerning clauses 26 to 33. I do not think it is too important, because I feel that the government senses the need to have a second look at these clauses so I feel that by the time the minister has sat down and concluded the debate that this situation will be rectified, and that he will guarantee to give us some changes in second reading. Therefore, I do not feel there is much more that needs to be said about it.

I would say this, though, on one occasion and on one occasion only I sat in on the House of Commons in London, and it was only for a short period, some aspect of the Irish question was being debated. At that time the situation in Ireland had not deteriorated as far as it has now. The one thing that struck me as significant in that debate was that the minister who was speaking constantly deferred to the House. He said, "but the gentlemen of the House may decide to do this, or they may decide to do that, the government hopes the House will concur in that or that or the other." At every point in the debate, he made it quite clear that the House is an institution to be reckoned with. I find it very disappointing to hear suggestions that the government and the House are one of the same. They are not. There is a clear difference. It is only the fact that the cabinet is so large in comparison with the size of the House that this situation exists. Now I think the cabinet should be smaller. Certainly, I did my part.

However, to get back on the track, Mr. Speaker, I think we all agree that this power must be developed. The Churchill River still falls a few feet without going through any turbines, and this is a situation that must not be allowed to continue. With the demand for electricity so great, not only industrially, but also domestically - in fact if any of you were to count up the number of machines in your house and the number of appliances running on electricity, I think, in every case you would run out of fingers and toes before you ran out of machines, which are run by electricity.

AN HON. MEMBER: (Inaudible).

MR. CARTER: The debate that should be taking place, I feel, on this bill, should be whether or not we develop power and sell it to the mainland or whether we develop this power and bring it to the island or whether some combination of these two routes should be looked at. I think now that the situation in Quebec is different than it was ten years ago. I think it may well be possible

to negotiate with them and sell power through Quebec for a profit. This is something that would have to be determined and certainly not something that this House or this Chamber can decide now or next month or even next year. It is something that would have to be decided by negotiation. I would say this, that if Quebec sees that it is in its interest to allow large blocks of power to flow through its province, its borders, then no doubt it will surrender an easement to Newfoundland.

In the old days, ten years ago, power was surplus, they would accept it but only for a price, at a very cheap price, and we have heard the figure, two-and-one-half mils, which is point-two-five, one-quarter of a cent per kilowatt hour. Now we hear talk of twenty and twenty-five, and if prices are going to escalate, by the time this Lower Churchill complex is a reality, we may be talking about thirty mils, thirty-five mils. I would suggest that there is room there, with a price like that, to talk and deal with the neighbouring province of Quebec, allowing us to sell this power down through, at least, initially, naturally with the right of call back, to sell this power down through Quebec to the northeastern United States, which is certainly going to be the biggest customer. Their demand is for power and especially for clean power, because with every kilowatt hour of power that is generated in the northeastern part of the United States, there is a significant unit of pollution also generated.

Now can the power be brought to the island? I hope that I am proven wrong; I hope that I am talking through my hat; I hope I am incorrect when I say that I do not believe that a tunnel is feasible. I do not believe that undersea cables are feasible. One of the reasons I do not believe that is because I opened this blue book to page fifty-nine, and in the second paragraph from the top, I read: "To eliminate fire hazards and to ease installation, gas filled cables would be required in a tunnel installation. As a result existing development of gas filled cables would have to be accelerated to permit their use in a tunnel.

Cables would be supplied in two-and-one-half mile lengths, etc., etc., etc." In other words, there is a suggestion here that the technology of putting together gas filled cables in a tunnel has yet to be developed or yet to be developed further. I believe the voltage of the lines that would be going through a tunnel or undersea would be something of the order of 235,000 volts, and electricity at that voltage generates a great deal of heat, well, a considerable amount of heat. There is some line loss obviously between the generating plant and the final destination, and this loss is usually in the form of heat. I find it very disconcerting to see that our technology may not be sufficiently developed to put enclosed cables, either in a tunnel or possibly under the sea. There is the hazard of icebergs that may very well dig down into any channel that we may create, and there is also the problem that once an undersea tunnel is developed - by the way, this would be, as I understand it, the longest undersea tunnel in the world, it is certainly a gigantic undertaking and perhaps one that is worthy of such an enormous source of power.

I understand, correct me if I am wrong, this would be the greatest engineering feat, the longest undersea tunnel in the world, I do not know about the deepest, but it certainly would be fairly deep and the pressures would be sufficient so that you would not be talking about solid rock, you would be talking about plastic, because even solids under great pressure, behave like plastics. Therefore, there would have to be a fair bit of re-enforcement, all leading to greater expense. Now I hope I am wrong. I hope that it is possible to put a tunnel through, economically, but I am just saying that it is quite possible that our government should be looking towards selling this power to the mainland of the United States and Canada, rather than bringing it back to this island. If they are going to bring it back to the island, to think in terms of bringing back a lesser proportion so that the technological difficulties would not be so great. Undersea cables are nothing new. The island of Bell Island receives all its power by undersea cables. These are cables carrying fairly low voltage. I think it is of the order of

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12,000 or 14,000 volts. These are not technically difficult.

It may be, Mr. Speaker, that the ideal way to develop this power might be to split it

and to bring some back to the island, a small proportion back to the island but to rely on the Northeastern United States and the industrial part of Canada for our main source of income from this -

MR. MURPHY: How would we fare with Quebec?

MR. CARTER: Well what I was saying, Mr. Speaker, the Minister of Social Assistance has asked me how would we fare with Quebec. I said earlier on that the possible price by the time this complex is developed may well be of the order of thirty mils. We have heard earlier on in the debate the sum fifteen, twenty, twenty-five mils discussed, so it may be that we are talking about a price of thirty mils and I am suggesting that with that kind of price there may well be room for a certain amount of that to be paid to Quebec in return for an easement down through there. They may well see the wisdom of granting this kind of easement for the price, obviously consideration. You do not expect the baker to supply you with bread out of charity. We are not looking for charity but it may well be that Quebec will see that it is in its own interest as well as in ours to deal with us on this new basis, and there may be enough money in this project to interest Quebec. So, therefore, it may be that we should look to this - obviously the customers are there, obviously the need for power is certainly in the Northeastern part of the United States.

The amount of power that is under discussion is very great. The suggestion has been made by the member for Placentia East that it is possible that we could renegotiate the present Churchill Falls contract, I myself have some doubts, but I am not a lawyer, I do not know the ins and outs of it. I would hope, and certainly the world is becoming extremely short of power and extremely short of clean power, so we may be able to look forward, perhaps in the next decade or two, to Newfoundland, the Province of Newfoundland that is, including Labrador, because when I say Newfoundland I certainly mean Newfoundland and Labrador.

We may well be able to look forward in the next ten or fifteen years to Newfoundland being in a very, very strong position, obviously not as strong as the Middle East potentates, but certainly an extremely strong position because the amount of power we will have under our control, or partly under our control, will be extremely great. I think the Minister of Mines and Energy for a further elucidation when he rises to conclude this debate on first reading, would be able to relate the power at Churchill, Upper and Lower, in terms of millions of barrels of oil per year. I think that he has the figures, or I have heard him quote the figures in the past, I do not feel competent to quote them, but I do understand that if you relate the power of both the Upper and Lower Churchill in terms of millions of barrels of oil per year, then we are talking about a great deal of power and a great deal of fuel. So we will be in a very, very strong bargaining position, if not now, certainly in ten or fifteen years.

MR. BARRY: 18 million barrels a year.

MR. CARTER: Both Churchills.

MR. BARRY: No, just the Lower.

MR. CARTER: The Lower Churchill, the minister tells me, is equal to 18 million barrels of oil per year.

MR. BARRY: The Upper will be three times that so that will be 54 million.

MR. CARTER: Plus 18 million, 72 million barrels of oil per year, the two Churchills, and that without any pollution, that without consuming any oxygen, without befouling the atmosphere or the environment. That is 72 million barrels of oil per year. I am quoting now from the Minister of Mines and Energy. Give or take a barrel, we could be a barrel out.

Furthermore, you know, Mr. Speaker, with improvements in storage of power, the electric car may very well become a thing of the future. Anyone who has visited any city larger than

St. John's, and even in St. John's now -

AN HON. MEMBER: Inaudible.

MR. CARTER: Oh there are a few. There are a few. But, even in St. John's the smell of exhaust fumes can sometimes be very unpleasant and in the larger cities of this world it is quite overpowering and it makes living there, or certainly visiting there, not exactly a pleasant experience.

even slight improvements are made in the storage of power, electric car will become a thing of the future and then you can just use your imagination to see what enormous blocks of power will be required. So it may well be that our future customers lie, not in Newfoundland, but on the mainland. Why I say that is because, although the Minister of Industrial Development has suggested that large blocks of power and industries using large blocks of power are worthwhile, I do not agree with him. I understand that he has to fight his corner. It would be unnatural if he did not, but we already saw the trap that Erco created for us and that we would be better off paying the workers at Erco their salary out of the government treasury and have that power for our own use.

The tragedy of Erco is that it has made the construction of the Holyrood thermal plant necessary. I understand that if the thermal plant, if Erco did not exist, the thermal plant at Holyrood would not be necessary. There would be -

AN HONOURABLE MEMBER: Inaudible.

MR. CARTER: They are about equal. The thermal plant produces just enough power for Erco, in other words. So, if the tunnel is not possible, if it is not feasible, then somebody is playing a cruel joke on us, a very cruel joke. I hope I am wrong. I hope it is possible, but if it is not possible perhaps, and other considerations prevail, I think, perhaps we should look towards the northeastern United States and the industrial part of Canada as our ultimate customers.

MR. BARRY: Why is the tunnel not possible -

MR. CARTER: To go over again, the Minister of Mines and Energy has asked me why I think, in my opinion, the tunnel is not possible. Now, my opinion is not an informed one and somewhat influenced by the fact that the Channel tunnel is a flop. That is not a reality.

MR. BARRY: France is willing to go ahead.

MR. CARTER: But the cost is supposed to be something of the order of \$2 billion, \$2 billion, and this through chalk. Our tunnel is through granite, as I understand it. Furthermore, you are working near pools, easy pools of labour, of competent labour, whereas the necessity of making construction sites up in Labrador and the Great Northern Peninsula and I

am not trying to do my colleague, the Member for St. Barbe North, out of a construction camp and hundreds of jobs that would accrue from the possibility of a tunnel operation starting from both sides of Newfoundland, Newfoundland and Labrador at the same time, but still and all, I suggest that it is not feasible. It is certainly possible but I suggest that it may be much more expensive than is now thought. Obviously, there are engineering reports that say it is feasible, but there were also people who believed that the Anglo Saxon route that we mentioned earlier tonight was also feasible. Then, of course, the difficulty of, and I read out of the Teshmont consultants book from page 59, the second paragraph from the top, that there was still some technological difficulties with gas filled insulation - what is it? - gas filled cables. So, I suggest that the cost may be far, far in excess of the benefit and I think that members who have debated this already have admitted that the cost of transmission of power is equal to, if not greater than, the cost of developing the power.

So it may well be that it is better for us to bring that to the Quebec Border, purchase an easement and go on from there to the very large industrial users in the Northeastern United States and in Canada, and I suggest mainland Canada. I suggest that this is a possibility and I suggest it should be looked to and that the lesser amount of power, smaller blocks of power, be brought by cable across the Straits.

Now, this is not an informed opinion. It is my own personal opinion and I hope I am wrong. I hope that great blocks of power can be brought to Newfoundland because clearly the various diagrams show that our need for power in the next ten or fifteen years is going to be very great, particularly if it is cheap power. It has been proven that if the power is reasonably cheap and your house is well insulated, that it is a much more convenient, safe and pleasant type of heating than any other type of heating. It heats oil fired furnaces. It heats coal fired furnaces, obviously. It heats solar heat. It is the most convenient, easy and cheapest form of heat if it is available in an abundant supply.

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The other thing too, the other reason I suggested that we may need to export our power is that if you consider we need to import nearly everything we use. We export relatively little for a Province. I know there is a fair bit of mineral wealth exported and quite a bit of pulp and paper, but practically all our manufactured goods are imported. Now, I am not a mercantilist,

nor am I an economist, but it seems to me that there has to be a balance. If you are going to import the products that you use, surely you need to balance it with exports. What greater export do we have than the 72 million barrels of oil in the form of electricity that the Minister of Mines and Energy has just converted the Upper and Lower Churchill into.

The other thing I think we have to consider is that our real wealth, Mr. Speaker, lies in the forestry, fishery, agriculture and possibly tourism. I do not know in which order. I certainly know that the forestry industry is a great one and could be a great deal greater. The fishery unfortunately is going through a difficult time. If we do get the extension to the Continental Shelf, the control of the Continental Shelf or some part of it, this will certainly in years to come give us a tremendous benefit and a tremendous edge on our competitors, the various foreign fleets that are now fishing on our back doorstep.

Agriculture obviously has some value because of the great number of agricultural products that are consumed daily by any society, especially any urban society. The market for agricultural products is very great. Tourism, now the figures here are rather hard to assess because if a person comes down to visit a relative, is he a tourist? Did he come because of the island, the beauties of the island attracted him, or did he come down to visit a relative? It is very, very hard to say how many tourists actually visit here. I think it is safe to say that the tourist industry is a big one. It has possibilities. It can get bigger. We have a lot of things that the people on the mainland would like to see. Therefore, this is our real wealth.

Our mineral wealth I have neglected, I have overlooked purposely because it is an unrenowable resource. I think it should be looked at as a bonus. Now, we also have, of course, the wealth that is under discussion tonight, that is the wealth from the Upper and Lower Churchill and from the various other river systems in Labrador and to some extent, the untapped river systems on the island. This report mentions some of them. It glosses over them quite quickly. I think

anyone who knows the island part of Newfoundland fairly well will say that there are still some reasonably large sources of power to be tapped still on the island. A cost benefit analysis - I am not familiar with it, but I would suggest that there are some, certainly around the Terra Nova River, and the suggestion has been made here that it is worth something over 100 megawatts if it were properly developed. That is not to be sneezed at, 100 megawatts is 100 million watts. Am I correct? 100 megawatts is 100 million watts of continuous power.

AN HONOURABLE MEMBER: 100 megawatts is 100,000 watts.

AN HONOURABLE MEMBER: One billion kilowatts.

MR. CARTER: One billion watts of continuous power.

AN HONOURABLE MEMBER: Inaudible.

MR. CARTER: Yes, but of continuous power. So, it is not inconsiderable.

I understand Bay D'Espoir can be cranked up a little more. So, there is a lot of wealth in our water power, Mr. Speaker. I think it is incumbent upon us to debate long and hard and to think long and hard before we decide precisely what we will do with it. I think that this House deserves nothing less than to be consulted every step of the way. I have no sympathy with those who suggest that all power to the government - I say, all power to the House of Assembly. I think that this is right. It is certainly right if you accept the fact that the House of Commons in Britain is our model. This is the way they operate. The House is a very important institution, and in a matter of such grave importance to Newfoundland, I think that this House should be consulted every step of the way. I would like to see some guarantee built into this act to see precisely that this House will be consulted.

So, those are a few thoughts, Mr. Speaker. I suppose someone else would like to rise and say something. It is almost time to adjourn, but I will sit down now and I will close with the hope and the confidence that the objectionable clauses in this bill, clauses twenty-six to thirty-three will be looked at again in committee, and on that understanding, I would be prepared to support this bill, but

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I will not support it unless I have the clear understanding that these clauses will be at least looked at again in committee, changed, looked at very hard.

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

HON. A. B. PECKFORD (MINISTER OF MUNICIPAL AFFAIRS AND HOUSING):

Mr. Speaker, considering the lateness of the evening, if I have the concurrence of the House I would adjourn the debate rather than speak for six or seven minutes. So I will adjourn the debate.

MR. SPEAKER: It has been noted that the honourable member has adjourned the debate.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: No his big day is tomorrow.

Mr. Speaker, I move that the remaining orders of the day do stand deferred, and that this House at its rising do adjourn until tomorrow, Wednesday, March 5, at 3:00 P.M. in the afternoon, and that this House do now adjourn.

On motion, that the House do now adjourn until tomorrow, Wednesday at 3:00 P.M.