

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
WEDNESDAY, JUNE 15, 1977

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: A point of privilege.

MR. LUSH: Mr. Speaker, in yesterday's edition of The Evening Telegram in the section where they were talking about the passage of the new Labour Relations bill, in the first paragraph, Mr. Speaker, it says that the bill was debated for more than three hours but passage was unanimous. Now it was the impression of my colleague from Eagle River and myself that the passage was not unanimous; certainly I do not think there was a standing vote taken. I do not know how votes go in that way, but we certainly raised our 'nays' as loudly as we could, so you know, in that respect we do not think it was unanimous. So we would like to have it read into the records that the passage was not unanimous, that we indeed did object to the passage of the bill. And so we want that read into the records that we on this side of the House did not agree to the passage of this bill. And as I said, when the vote was called for, we shouted out 'nays' as loudly as possible. But I do not think there was a standing vote. There was one part of it where there was a standing vote, but not on the whole bill as such.

MR. NEARY: No standing ovation.

MR. LUSH: Right, and we just want it read into the records though we were only small that night that we did shout 'nay' as loudly as we could.

MR. NEARY: Hear, hear!

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MR. MURPHY: Mr. Speaker, to that point of privilege if I may.

MR. SPEAKER: We revert to the point.

MR. MURPHY: I just want to get something clear.

Ordinarily when a vote is taken some people say, 'divide' and that is

MR. MURPHY: a standing vote where you name everybody, but if you are against it you say, 'on division' - am I right or wrong in that, Sir? I would just like an interpretation. If there is no 'on division' call it is accepted that it is unanimous - that is my feeling. I am just wondering.

MR. LUSH: Maybe Mr. Speaker would not mind clarifying that point because my colleague and I discussed that, whether that was indeed the case.

MR. SPEAKER: Our procedure is, when a question is put those in favour 'aye', contrary 'nay' and the Chair determines which is the majority and then says, 'carried' or 'not carried'. When it is carried all that the Minutes relate to is the fact that the bill was carried. If an hon. member wishes to show that it was not carried unanimously then there is an onus on him to say, 'on division', and then the Minutes note that a bill was carried on division, not unanimously. And then if hon. members wish to have a standing vote there is a procedure in the standing orders where three of them must stand.

MR. STRACHAN: Mr. Speaker, on that point let me get this correct. What the Speaker is stating is that if we say 'nay' against the vote, then if the vote is carried then it is recorded as being unanimous even if we said, 'nay'?

MR. SPEAKER: No, it is just recorded as being carried.

MR. STRACHAN: Yes.

MR. SPEAKER: When a question is put, those in favour 'aye', contrary 'nay' then the vote is shown as either being carried or not carried. If it is shown as being carried the votes make no reference to whether it is unanimous or not unanimous or what the division is.

AN HON. MEMBER: No problem.

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MR. SPEAKER: The hon. member for Terra Nova.

MR. LUSH: The thing that I want correct here is that the - I am just wondering, so that the right impression is given - that the news article said the passage was unanimous. My impressions from what Mr. Speaker is saying is that it possibly should have just read, 'The bill was passed -

AN HON. MEMBER: Carried -

MR. LUSH: - but not carried - not unanimously, is that correct?

MR. SPEAKER: All the Minutes show is that the bill was carried.

MR. LUSH: Right. Okay, thank you.

STATEMENTS BY MINISTERS

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, I want to announce to the House some amendments to the Fish Inspection Act having to do with improving the quality of fish landed and processed in our Province. This has been a matter of great concern, Mr. Speaker, to the government and to myself, the fact that in certain areas fish is not being landed and processed in our various plants under proper conditions. It is said that our fish prices on the international markets have suffered during recent years because of the in some cases low quality of fish being produced. Studies have shown that perhaps as much as \$20 million have been lost annually by our inshore fishermen through poor quality resulting from improper fish handling practices.

I am not suggesting, Mr. Speaker, that all of the fish produced in Newfoundland is of that quality, but certainly studies have shown that a large part, or certainly a substantial portion of that being produced in the Province is of a quality that certainly is detrimental to getting a good price on the market. And, like I said, in fact it is being suggested that maybe as much as \$20 million have been lost.

MR. W. CARTER:

The department, Mr. Speaker, is very happy and anxious to co-operate with the federal government who recently announced a new fish quality improvement programme involving an anticipated expenditure in this Province of \$13 millions of dollars over a four year period. This programme which is identical pretty well to the one that we applied for under a DREE agreement provides for the installation of improved unloading facilities at approximately 200 wharves around the Province and these 200 wharves handle up to 90 per cent of the annual inshore landings. It will also provide financial and technical assistance to the inshore sector of the industry to acquire ice making and chilling facilities as well as approved storage and transport containers for fresh fish. And I am still referring to the recently announced federal government programme. The Department of Fisheries, Mr. Speaker, and the government are in full agreement with this programme, and the government have amended the Fish Inspection Act in order to accommodate more quantity control objectives and to give the department more control over the buying and handling of fresh fish in the Province. These amendments which were published in The Newfoundland Gazette, June 10, 1977 are primarily designed to ensure that my department works hand in hand with the gradual implementation of the new federal programme so that within four years, all inshore fish being transported from landing points to processing plants will have to be properly chilled or iced and moved in government approved conveyances which include insulated containers.

The amendments to which I have just referred also stipulate that as approved unloading facilities become available, fishermen will not be permitted to fork fish under any circumstances.

MR. NEARY:

Did you really, finally, do away with the fish fork? Does the minister think that is a problem?

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MR. W. CARTER: Mr. Speaker, in areas where such facilities have not been installed fishermen will be allowed to use a one tine fork to discharge their catch provided the fish is pierced through the head.

AN HON. MEMBER: What?

MR. W. CARTER: Maybe I can repeat that. In areas where unloading facilities will be provided under the new federal plan

Mr. W. Carter:

in co-operation with the Provincial Department of Fisheries.

MR. NEARY: But the pitchfork is going to be around for a long time.

MR. W. CARTER: Not too long. As these facilities become available in the 200 designated ports where 90 per cent of our fish is landed, as the facilities become available then we will prohibit the use of pitch forks.

AN HON. MEMBER: Is that suction you are thinking about?

MR. W. CARTER: Pardon?

AN HON. MEMBER: Suction?

MR. W. CARTER: No, no. There are conveyor belts in - the pilot project that we now have underway in Admiral's Beach, for example, is proving to us that that kind of an installation is practical and is feasible -

AN HON. MEMBER: Hear, hear!

MR. W. CARTER: - and indeed it works very well with the nets and the unloading facilities. In fact, it might well be that Admiral's Beach will be probably the first inshore fishing port in Newfoundland this year where this rule will be enforced.

MR. NEARY: The best one will be in Rose Blanche.

MR. W. CARTER: The next one might very well be in Rose Blanche.

MR. NEARY: No, the best one. The best one will be in -

MR. W. CARTER: The best one?

MR. NEARY: Yes.

MR. W. CARTER: Mr. Speaker, the Department of Fisheries Provincial will lend every support to the Federal Fisheries to ensure that the new regulations are strictly enforce.

Another amendment which we have recently made to the Provincial Fishery Act is to now compel firms who purchase lobster and crab and shrimp and scallop to get a special licence to do so from the Department of Fisheries. At the present time buyers from the Mainland can come in here under their general licence and can buy crab, lobster and shrimp and scallops without the necessity of applying for a separate licence. And the House will

Mr. W. Carter:

recall some weeks ago, I raised the matter of prices to lobster fishermen, and I expressed some concern then that maybe the prices being paid were not as much as they should be.

We are endeavouring, Mr. Speaker, to control that situation, and this will be the first step in that we will now require as of April 1, 1978 any company outside of Newfoundland intending to come in here to purchase lobster, crab, shrimp, or scallop to apply for and receive a special licence from the Provincial Department of Fisheries.

Mr. Speaker, I am confident that these amendments will go a long way in curing some of the ills that have plagued our fishing industry for the past number of years.

MR. NEARY: Mr. Speaker, a point of privilege or a point of order, I do not care what Your Honour calls it, but, Sir, the refrigerator facilities may improve the quality of the fish and chilling the fish and all that sort of thing. But, Sir, chilling members of the House of Assembly I do not believe -

MR. DOODY: I agree.

MR. NEARY: - is going to improve the quality.

MR. DOODY: I am freezing to death here.

MR. NEARY: I wonder if Your Honour could arrange to have the air conditioning cut off -

MR. DOODY: I just turned up the heat a few minutes ago.

MR. NEARY: - before we all freeze to death in here.

MR. SPEAKER: The hon. member for Eagle River.

MR. DOODY: It is enough to freeze you, I am going to get pneumonia.

MR. STRACHAN: The ice is still in the Labrador, so the temperature is just right.

Mr. Speaker, the minister just announced a programme, which is a Federal programme of \$15 million?

MR. W. CARTER: Thirteen million dollars.

MR. STRACHAN: Thirteen million dollars. We welcome the fact that the increased quality, of course, can only come about by the

Mr. Strachan:

expenditure of money. The quality of fish and any produce and so on is directly related to the amount of money one spends in this kind of thing, and we certainly welcome the fact that the Federal Government are prepared to spend a large sum of money; in fact, \$13 million is almost half of the Provincial Department of Fisheries budget for this year of \$24 million.

MR. ROBERTS: More or less.

MR. STRACHAN: So it is a fair amount of money, which obviously the Federal Department of Fisheries have faith in the fisheries, and we should record the fact that they are putting in that amount of money for this kind of incentive. I am glad that the minister has taken the stance that the Provincial Department will work hand in glove with them, and try to outlaw some of the practices which have been enforced in this Province, using the pitchfork, for instance. I just hope that the people in the field who are to enforce this will do so as vigorously as possible provided, of course, the facilities are in place and are working perfectly and in order. Otherwise the whole programme will collapse unless these facilities are maintained in a proper condition.

PRESENTING PETITIONS

MR. SPEAKER: The hon. member for Port au Port.

MR. J. HODDER: Mr. Speaker, I beg leave to present two petitions on behalf of the fishermen from the Blue Beach area of my district, I wonder if I happen to go over the five minutes, if I could say a couple of more minutes on them?

MR. SPEAKER: The hon. gentleman has leave to present both petitions at once and to go beyond the five minutes, but not beyond ten.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Agreed.

MR. HODDER: Thank you, Mr. Speaker.

Mr. Speaker, the first petition reads: We, the undersigned fishermen of Blue Beach, Long Point respectively ask that the Small Craft Harbours Division of the Department of the Environment

MR. HODDER:

and Fisheries, and the Marine Services do what is necessary to complete the breakwater which is presently under construction at Blue Beach. In its present state the breakwater is not long enough to handle larger boats to tie up, and consequently all boats have to be hauled up on the slipway. We further request that a second breakwater should be built approximately 250 yards from the present structure towards the point to form a sheltered harbour for all boats of the area; presently no boats can be left in the water overnight. "

Now, Mr. Speaker, I am fully aware that this is a Federal Government responsibility, but I would ask the Minister of Fisheries if he would use whatever influence he has to try and get the second part of that breakwater completed. The first part was completed, I believe, last year. And since that time the fishermen have found that it is not adequate, and when the wind is a certain way, there has been a lot of destruction, and particularly the slipway has been destroyed a couple of times.

Now, Mr. Speaker, if money is going to be spent by either government there is no better place to spend it than in this particular area of my district. Now as members are aware the district of Port au Port has suffered from high unemployment for quite some time due to the closure of the Base, and now because of the shut down of the woods operations at Labrador Linerboard Limited.

Now, this summer I am very pleased to announce that or to tell the House that the fishery in the District of Port au Port is better than perhaps in the last ten, perhaps even twenty, years. The fishermen at Blue Beach have become a minor community. Now it is not a community in which people live all the year around but it is a community which when the fishermen go there they take their families in many cases and they live there all throughout the summer, throughout the fishing season. This

MR. HODDER: year has been what I suppose could be classed as a bumper crop. Now, one of the things that has plagued the Port au Port Peninsula and the Bay St. George area, and the Port au Port Bay, is that we have never had harbour facilities in any part of that district, yet there are major fishing grounds off shore, particularly off Blue Beach and off the Three Rock Cove area. Because of the geography of the area, the high cliffs and everything else, the fishermen, for centuries, I suppose, have to bring the fish in, carry it up over cliffs and it is harder to land the fish on shore than it has been to get the catch.

This year, people who have never been in the fishery before, people who were formerly with Labrador Linerboard woods operation, people who were with the work activity project - and I might say here that the Social Services work activity project last year built boats and I know one person who has been on Social Assistance for five or six years who built a boat through the work activity project and was No. 1 fisherman at Blue Beach for one week and has been in the top six since the fishery opened. This is the fellow who had not worked before. He got a boat built for him, the motor was procured in some way or another for him. I must give all sorts of praise to the minister of Social Services in the setting up of this particular work activity project because the fishermen, the first graduating class that came out of there are back in their fishing boats and they are doing a tremendous job. I will tell you what that that makes me feel good and I can see for the first time that people are starting to get back to the fishery.

Now, Mr. Speaker, as I said before this is a federal government responsibility. But I know that the Minister of Fisheries has influence and that I am sure that the federal small craft harbours and what-not consult with the Minister of Fisheries and I can tell you now that if all help is given to these fishermen you are never going to have to worry about unemployment in

MR. HODDER: this area again. Because right now we have three fish buyers out there - we have National Sea, we have Allan Baker, we have T. J. Hardy, who has moved into the area with both boats - and the prices for fish are higher than they have ever been before. I think that at one point they were getting sixteen cents a pound for their codfish.

MR. NEARY: Down in Lumsden the buyers are getting
(Inaudible) mackerel.

MR. HODDER: Oh, yes, Mr. Hardy is doing very well in the area. But the fishermen are getting better prices than they ever had before. They are back to the fishery and it is very good to see. And I would like the minister to use whatever influence he has to make sure that that breakwater is put there, because I can guarantee you that there will be a new community on the map in Newfoundland. there will be a new community within a couple of years if it continues to go like it is. I saw Blue Beach about two years ago and there were about thirty fishermen there. Now I suppose there are about ninety fishermen now. They have their fishing shacks down there. I have a feeling that as things develop then you will find that the community will become a regular community with people staying there all year round.

Now, Mr. Speaker, the second petition -
By the way, the first petition was signed by ninety-one fishermen, and these are fishermen fishing at Blue Beach - now the second petition is also from Blue Beach. This is signed by ninety-two fishermen. It says: "We the undersigned fishermen of Blue Beach respectfully ask that the Department of Fisheries do everything possible to get Newfoundland and Labrador Power Corporation to extend their services to Blue Beach. It would be of great benefit to all fishermen to have outside pole lights to enable them to work after dark."

Now, Mr. Speaker, as you are aware, when the fisherman comes in at the end of the day he wants to work on his nets and gear, he wants to work on his boat and everything, and there is absolutely no electricity in that particular area. And it makes it very

MR. HODDER: difficult for the fishermen. Not only that, Mr. Speaker, but I think if we had a power line there, this would be the first step to actually developing the community. As we are perhaps aware, under centralization, one thing and the other, people moved away from some of the prime fishing areas and moved into centralized areas. Now we have an example where the people are going back where the fish is. And I would also like to say this, although it may not be right on topic, but this morning, one man who had worked in Stephenville and had a small business gave up his business and is fishing in a small boat. This morning, I am told, he came in with 1,200 pounds in a very small boat - 1,200 pounds of fish. And it is one of the most prosperous times I have seen in the district of Port au Port. You know, we still do not have all the unemployment solved or anything like this. But this is the way to do it. And whatever the Minister of Fisheries can do - and I can tell him right now that I am behind him one hundred per cent for whatever he does for that particular district - and whatever the Minister of Fisheries can do to continue employment in that particular area, then he has my full support and I am sure he has the support of people on this side of the House.

AN HON. MEMBER: Hear, hear!

MR. HODDER: And I plead to him, I beg him to look after - to look into both of those particular questions that have been raised here and those particular petitions, because I see the future of the district of Port au Port in the fishery. And whatever can be done, I say that if the things continue at the rate they have progressed this year that you will see within perhaps five or six years, very little unemployment in the district.

AN HON. MEMBER: Do not let -

MR. HODDER: Give us a little help with the industry and one thing and the other. But by the time two or three more years roll around, the people will not worry whether they have to go in the woods or not, because the young men are going back to the fishery.

Mr. Speaker, that is all I have to say, and

MR. HODDER: I would ask that these petitions be referred to the department to which they relate.

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, I certainly will give the request on the part of the fishermen of the Port au Port Peninsula for a breakwater - certainly will give it our full support and make the necessary representation to the federal Department of Small Craft Harbours to have that work done. And certainly, anything else we can do. Certainly in cases where maybe the Province has some responsibility - I think you have mentioned the business of having some lights arranged there to enable fishermen to work after dark - certainly we will have a look at that and do what we can to encourage the fishing industry in that area.

I sometimes think, Mr. Speaker, that maybe I am a little prejudiced, a little biased, but certainly, some of the money that is being spent in the Province from some of the so-called 'make work programmes' of the various federal departments of government, a lot of that money could be more properly spent on fishery related matters such as the one that has been brought to the attention of the House this afternoon. Without wishing to point fingers or to lay blame on anyone, I think most members who represent fishing districts, fishing areas of the Province, we all recognize the need for a lot of improvements, extensions to existing facilities. I suppose there is hardly a day passes but the Department of Fisheries do not get a request from some part of the Province to support some group or other in their efforts to obtain better and maybe bigger facilities to enable fishermen to continue operation. But sometimes I think maybe money spent on certain other projects that certainly are not as productive as money spent on fisheries would be would be much better spent in the provision of breakwaters and better wharves and maybe slipways and ice making equipment and that sort of thing.

But getting back to the hon. member's petition, Mr. Speaker,

MR. W. CARTER:

I am very anxious and willing and quite happy to support his request. And I shall write the appropriate people in the federal department concerned.

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

MR. ROBERTS: Mr. Speaker, there is not a great deal which need to be added, in my opinion, to the points which have been made by the gentleman from Port au Port (Mr. Hodder) and by the Minister of Fisheries. But I would like to add a thought which I think might grow out of the comments made by each of them which I think might help us to take the matter a stage further. I think the gentleman from Port au Port (Mr. Hodder) has made an extremely reasonable request on behalf of his constituents in the Blue Beach part of his district. And I think the Minister of Fisheries has been equally reasonable when he points out that this is a very good use of public funds, a relatively few dollars invested in the provision of the necessary facilities, a few provincial funds such as the Minister of Fisheries has undertaken to have a look at, and a few, perhaps more but still relatively few federal dollars in the harbour improvements, in the improvement of new facilities for the landing of fish and for the handling of the boats which catch the fish. I think that is a good use of money. What I would suggest is this: There is an existence between Ottawa and Newfoundland as there is between Ottawa and a number of provinces, a general development agreement, the umbrella agreement under which there are in existence a number of subsidiary agreements and more being negotiated. There is a fisheries agreement. And like all the DREE agreements it is for a period of time and it can be amended. And when it expires a new one will be entered into. Quite significant sums of money are being made available, some of them being spent by the minister's department, it shows up in the estimates, others of them spent directly by the government of Canada.

MR. ROBERTS:

One of the matters that has always concerned me, and I guess any member who has any constituents who fish for a living, is the apparent lack of co-ordination between the varying departments in the Government of Canada. There is a degree of co-ordination coming now between the government of the Province and the Government of Canada on fisheries matters. But there is apparently - you know, you sometimes wonder if the Government of Canada which is so large and very cumbersome outfit indeed, if really one hand knows what the other hand is doing. And I wonder if there is some way in which we could - not we as a House but the government representing the House, representing the people - could take it up with DREE with a view to saying if perhaps DREE could become involved in small craft harbours. Now I know there is supposed to be liaison and there are probably a half dozen committees in effect liaising back and forth busily. But still and all when you look at the amounts of money that are being spent in this Province this year on small craft harbours and then we could take it a stage further as the Minister of Fisheries mentioned in talking about the make work projects, the LIP Programme which has now been replaced with Canada Works, phase one and phase two will come in a month or two, you know, the kind of money that is needed to carry out these improvements out on the Port au Port Peninsula is not very much money when viewed with the kind of money that is being spent in these programmes. We get far better effect with it. Indeed, one of things that sometimes crosses my mind is what are we going to do for LIP Programmes next year, not for money. There is all sorts of money available. But we must be running out of projects. There cannot be many communities left in this Province now that does not have a fine new community hall, the courtesy of LIP or Canada Works.

MR. MURPHY: And all the graveyards must be cleaned up.

MR. ROBERTS: My friend from St. John's Centre (Mr. Murphy) points out that all the graveyards by now must be cleaned up and tidied up and fixed up.

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MR. ROBERTS:

Probably still there is one on Gooseberry Island that needs some work. But the fact remains a lot of the obvious type of projects, the ones that spring quickly to mind, have been funded over the last four or five or six years. Perhaps the time has come now to go a stage further. I realize it will be said, Mr. Speaker, that these projects are not necessarily as labour intensive as some of the others. There is not as much

MR. ROBERTS: of the dollars that are spent that go to labour as perhaps go to materials. But it is a suggestion which I think we ought to look at. I think the Minister of Fisheries might want to pursue it when there are ongoing discussion with DREE Perhaps also he could take it up with the Small Crafts and Harbour people or directly with the minister responsible, Mr. LeBlanc, at Ottawa. It is something we ought to do because the fishery - so far it has been a relatively good year in most parts of the Province. It is obviously going to be more and more a central source of employment for our people. I think it is important our fishermen get the facilities which they need.

I think the petition is a reasonable one, Sir. I hope that those in power in Ottawa, those with the ability to do what has to be done, and I think it is mainly a federal matter, that they will heed what is said here today and I hope the fishermen concerned will see the results in the very near future. They deserve it, Sir. After all, these are the descendants, literally and lineally of the last forgotten fishermen on the Bill of Cape St. George; these are the very men who were eulogized and immortalized by Bill Keough in that statement. Let us, Sir, not forget them any longer.

MR. SPEAKER: The hon. the Minister of Consumer Affairs and Environment.

MR. MURPHY: There is just one further thought I would like to add after the hon. member's presentation of the petitions; I think it is a great sign that we are getting back. I think Dr. Barrett, President of the Fisheries College, made the statement that after twenty-five years we have gone the full circle and now we are back where we started, at the fishery. The thought I want to impart is this, with the talk about

MR. MURPHY: different installations and so on and so forth, and being very much interested in co-operatives and credit unions as I am, and seeing the result, particularly in that immediate area of Indian Head in Stephenville and what they have done, I would just like to leave the thought with the hon. member, and perhaps any other member, that if he could get his group together to be a co-op producer and produce co-operatively if they could -

AN HON. MEMBER: They tried but it did not work.

MR. MURPHY: Did they? I was just going to say that we have five or six competent men in my department and any time you would like to have a meeting there we would like to send one of them down to just chat and perhaps it might be a means towards furthering and improving their own lot.

MR. SPEAKER: The hon. the member for Eagle River.

MR. STRACHAN: Mr. Speaker, I would like to address myself to the petition. By the way, I never thought I would see the member for St. John's Centre (Mr. Murphy) there talking about and believing in co-operatives. That sounds very left wing for the member to be talking about.

MR. MURPHY: Left wing? I would say centre forward.

MR. STRACHAN: Inside left.

MR. MURPHY: I do not understand these terms left wing and right wing.

MR. STRACHAN: Inside left, left back.

AN HON. MEMBER: The old hockey game.

MR. STRACHAN: Left right back. The petition presented by my friend from Port au Port indicates the

MR. STRACHAN: Kind of movement that is occurring in small places around the Province, a movement which can only be encouraged by government and by all of us.

I am sure that what they are asking for in Blue Beach is not money for services which are unproductive. It is not money for water and sewerage or various other services like that which are not helping them or assisting them to earn a living, it is money for services to assist them to work, to earn money, to have pride again and to be industrious. I am sure that both the Minister of Fisheries and the Minister of Mines and Energy, since the question of power requirements to the area there was raised, should give such places consideration and serious consideration.

I would again like to put in a plug for another community in my district, Williams Harbour, which again I get back to. They have a plant there, they are trying to do some work there, it is exactly the same as the community of Blue Beach in the member's district. I should indicate that they still have no electricity to be able to do their work and are trying to get into fisheries, and return to fisheries. That is the kind of thing we should be encouraging rather than some of the services that people continually ask for, but they are services which are really non-productive in many ways. So I would like to support the petition as presented by my colleague.

MR. SPEAKER: The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, I support the prayer of the petition, Sir. One point that the hon. gentleman made in presenting the petition was the fact that he, the hon. gentleman, felt there were a number of people now looking towards the fishery for a livelihood in this Province. I think that is fairly true, Sir.

MR. NEARY: The other day I had the honour and the privilege of attending the graduation exercises at the College of Fisheries along with the Minister of Fisheries, the Minister of Rural Development, and the Minister of Consumer Affairs and Environment. The four of us attended that great graduation over there and I think it was clearly indicated to us anyway, those of us that were there eyewitnesses to this, watching all the diplomas and so forth being presented, that there is a trend for young people today to go back to the fisheries. But as my hon. friend indicated, the people are going to need the facilities that are necessary to carry on the fishery.

Of course one of the most essential things, Mr. Speaker, is to have a place where you can tie up your boat in safety. Now that is a pretty rugged coast down there that my hon. friend is talking about and I can appreciate it because there are several places along my own district where breakwaters have to be constructed. The fishermen cannot sleep at night. They cannot bring their boats in weekends, as my hon. friend said, without hauling them up. They cannot be continuously hauling their boats up and pushing them out in the water, especially when they get into the bigger type boats, and they cannot sleep at night knowing that their investment in their boats, Sir, could very easily be smashed up while they are in bed asleep.

So this is a very important petition, Sir, and I have no hesitation at all in supporting the prayer of the petition myself, and I was glad to hear the hon. gentleman say that T.J.Hardy of Port aux Basques, that great, that outstanding fish processor in this Province, a gentleman who is beholden to nobody, who does not come to the government looking for handouts, has now moved into the Port au Port area.

MR. NEARY: I think this can be -

MR. W. CARTER: In a big way.

MR. NEARY: In a big way, and it will do, and believe me because the hon. gentleman knows because the hon. gentleman lived in Port aux Basques, that down in Port aux Basques everybody thinks that Port aux Basques is built around CN, but there is a big fish plant down there operated by T.J.Hardy that employs a lot of people and is going to employ more in the future. I am sure that T.J.Hardy will do nothing but good and bring prosperity to the Port au Port Peninsula, Sir.

MR. SPEAKER: Presenting Reports by Standing and Special Committees.

Does the hon. gentleman wish to revert to petitions?

MR. FLIGHT: Yes I do, Sir.

MR. SPEAKER: Do we have leave to revert to petitions? Agreed.

MR. FLIGHT: Thank you, Mr. Speaker. A man has to be pretty fast on his feet. Mr. Speaker, I would like to present a petition on behalf of approximately 25 persons from the town of Windsor who find themselves in an unbelievable set of circumstances. I will read the prayer of the petition as it is here now and then I will try to explain to the House exactly what the people are petitioning for here.

"We the undersigned all are facing the same problem. Our basements are cracked, falling in, severe backing up of water, leaking and so forth. We would like to have something done about the lack of storm drainage thus relieving the water pressure on the walls of our basements. We are all residents of Carlton Place sub-division, Windsor."

Now, Mr. Speaker, four or five

MR. FLIGHT: or six years ago, Newfoundland and Labrador Housing went into this particular area in Windsor and serviced developed building lots and sold the building lots to the general public. In this particular area, Mr. Speaker, it was obvious that there were problems there with drainage. Most of the people who established in this particular sub-division are low income; in some cases, people who put their faith in Newfoundland and Labrador Housing. They felt that when they bought a block of land from Newfoundland and Labrador Housing they had a right to expect that they would get a lot of land that was fit to build a house on.

AN HON. MEMBER: Where is that?

MR. FLIGHT: Carlton Place.

Most of the people have no expertise in what to expect by way of pressure or water drainage and that from a building lot. They bought the lots and then went and took on very heavy mortgages and built houses. Mr. Speaker, the fact is, their houses are falling down.

I have a professional engineer's report here on one. I will read from it and if I must I will table it. "On March 30, 1977, I inspected your basement as requested, and the following problems were observed: The house is situated in an area that is a collection basin." Listen to this, "The house is situated in an area that is a collection basis for a large percentage of run-off from the streets and lots above it. At present there is quite a large flow of water running down one side wall and one rear wall of your basement. The problem if not corrected could lead to total collapse of the walls with disastrous consequences."

There are \$30,000 and \$40,000 houses, Mr. Speaker, built in that area that are falling down and every house is affected.

MR. FLIGHT:

Now here is the recommendation.

"Elimination of the drainage and run-off problem is essential. Any repairs or remedies - now there is no point in these people going out and spending \$5,000 or \$6,000 to replace the cracked up basements or to repair them - any repairs or remedies suggested will not be of any use until this problem is solved."

Now, Mr. Speaker, the people who bought those lots were under the impression that Newfoundland and Labrador Housing intended to put in a drainage system to drain the land on the back. What happens every Spring, the land is the type of land that holds water, pressure is applied to the basements

MR. FLIGHT: and the basements are cracking up and the houses are caving in.

Now, Mr. Speaker, if this land was serviced and lots made available to the general public by some fly-by-night operator who was in to make a fast dollar and get out, then we could take the attitude, I suppose, well too bad, somebody has been taken and there is nothing that can be done about it. But as I understand Newfoundland and Labrador Housing exists to make homes and make it possible, particularly low income families, to build and own their own homes and do not exist, Mr. Speaker, to put the people who find themselves in the position that the people on Carlton Place find themselves into and that is caught in a squeeze with a house that is worth \$30,000 or \$40,000 falling down because the land was not properly serviced by Newfoundland and Labrador Housing. Newfoundland and Labrador Housing has all the expertise available. They knew the condition that they were leaving those lots in. Some of the houses were built under Central Mortgage financing which meant that all the inspections necessary, the standards of building are adequate. The problem is not caused by a lack of proper building standards. Most of those were financed by Central Mortgage with all the drain sewerage and what have you provided.

So the problem, Mr. Speaker, is that Newfoundland and Labrador Housing did not in the initial stage properly develop that land, and they turned the land over and were willing to sell it to unsuspecting people who did not know what to expect and people who has got their whole life - they are ruined, financially ruined, the people who are living in Carlton Place right now. They could not give the houses away. Some people have refused to continue paying the mortgage and the mortgage companies are threatening to foreclose.

MR. MURPHY: Near the river, 'Craham', down on the bank near the river?

MR. FLIGHT: It is a new housing area in Windsor.

Now, Mr. Speaker, the real prayer of the petition, I would say to the minister, is that whether or not we are responsible or Housing is responsible to reimburse these people for the money they have lost, that is not the issue. There can be a case made for that. But certainly the Newfoundland and Labrador Housing will have to accept the responsibility of going in and finishing the job they started and putting in the drainage in that particular subdivision that will relieve the kind of pressure those houses are subject to and make it possible for people, if they want to repair their basements or rebuild their basements, make it possible for them to do it and do it with the knowledge that any extra monies they spend will be well spent and protect the investment they already have. And another message we should get from this particular petition is that Newfoundland and Labrador Housing has a responsibility to, when they are servicing land to be sold to people in this Province, that they service it at a standard and to a level that people do not get subjected to this type of thing and probably blow their life savings in building houses on a piece of land that was never adequately serviced in the first place.

MR. ROBERTS: Hear! Hear!

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

MR. DINN: Yes, Mr. Speaker, first of all I would hope the hon. member would table the letter that he read from so that I can use it in my investigation. I intend to look into the matter and see if there is something that can be done. If there is I will notify the hon. member about that.

MR. SPEAKER: The hon. member for St. George's.

MRS. MACISAAC: Mr. Speaker, I beg leave to present a petition on behalf of 102 residents of the community of Barachois Brook in the district of St. George's. I believe this may be the first petition of its kind presented.

It says, "We the residents of Barachois Brook in the district of St. George's hereby petition the Department of Transportation and Communications to exercise more caution and control in the distribution of salt on the highway between Seaburt's Farm and Barachois Brook Bridge. The recent controversy concerning salt seepage into wells adjacent to highway has caused considerable concern to residents of this area and has prompted us to request that some consideration be given to the use of sand or a mixture of sand and salt and that pure salt be used only in extremely icy conditions.

"We feel that continued use of pure salt will eventually cause seepage into wells thereby causing great inconvenience. The possible health hazard resulting from the seepage is a matter of great concern and we request that some consideration be given to this proposal."

Mr. Speaker, the people of this area are very much concerned about salt seepage into the wells. They live in an area where they do not have a community water supply. In fact the whole community is serviced only by about - there are only about four wells in the area and the houses and the wells are in close proximity to the road. There is a lot of concern that maybe salt may seep into the wells causing inconvenience and as well as the possible health hazard. I think in recent months there has been quite a bit of controversy over it.

Now I am not about to ask the government to discontinue the use of salt and the people in this area have not asked that either. They have asked that caution be used and that pure salt be used only in extremely icy conditions.

MRS. MACISAAC: There is an application in to the Water Services Division of Municipal Affairs now for a community water supply for that area and, as I said, there is only about four good wells in the area so naturally there is great concern. I ask that this petition be placed on the table of the House and referred to the department to which it relates.

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

MR. MORGAN: Mr. Speaker, a few words on the petition. I must admit that it is the first I have heard a petition of this nature. Usually it is the other way around, especially in the Wintertime when the people are protesting and petitioning the government, and particularly the Department of Transportation and Communications, to have more salt on the roads. They usually complain to the effect that there is not enough salt and ice control measures taken by the department.

I would like to indicate that last year, for example, the total amount of salt used throughout the Province was in the vicinity of 118,000 - 119,000 tons, which averages out around 40 tons per mile, and looking at the fact that this is considerable cost to the taxpayers, it compares for example back in 1971 when we were using 21 tons per mile throughout the Province. The demands of the public of course is to obtain the most effective and efficient transportation system we can, and the most possible safety condition of our roads that we possibly can, and that is the aim of the department. However, there comes a time when we have to look at the effect that salt is having on our roads, not only the walls of families in areas like Barachois Brook but also on the bridge decks, the road beds, and the environment along the roadways. And I know this is a grave concern to my colleague, the Minister of the Environment, and his counterparts across the nation in their recent discussions. So maybe we will have to come to a day when we will have to indicate to the public that we will have to - maybe there will be less

MR. MORGAN: demands in the Wintertime and realize that we cannot continue this kind of heavy use of salt. And of course if you use sand on the paved roads, sand is not effective at all in melting the ice off the paved roads and it is therefore very ineffective as a ice control measure.

So the only solution is to the point of having maybe not as good a driving condition in the Wintertime as people are demanding to have, and the only solution there of course is to reduce our level of service by a means in this case, as the petition is asking, reducing the amount of salt used.

MR. ROBERTS: (Inaudible)

MR. MORGAN: The experiment we used last Winter, we did get involved in using a liquid calcium, a chloride with the salt.

AN HON. MEMBER: Devastating.

MR. MORGAN: It activates the salt more effectively, more fast, I should say, much faster and in lower temperatures. However, that is even more costly than just using salt.

MR. ROBERTS: - on the cars.

MR. MORGAN: And there was considerable complaint but of course it was not with any definite tangible evidence that it does rust out the cars much faster than just the pure salt or liquid after the salt melts on the roads. However, the petition, like I mentioned, is something different from other petitions and it is of course not only to my colleague, the Minister of the Environment, but to myself as well because of the extreme heavy cost to the taxpayers and the demands are so great by the public of the Province in keeping the roads free of ice in the Wintertime.

MR. SPEAKER: The hon. Minister of Consumer Affairs and Environment.

MR. MURPHY: As the hon. minister has said, it is quite a concern to the Department of the Environment. As a matter of fact, during the Winter and early Spring actually we carried out some tests on some of the waterways along the Trans-Canada

Mr. Murphy.

Highway and the salinity effect on fish in rivers and ponds, but fortunately the volume of water was enough to dilute the salt content. So I would like to express sympathy with the hon. member and just assure her that if there is anything we can do as far as testing or anything else is concerned or any assistance, feel free to call on us or our West Coast office. I am sure that anything we can do we can certainly do. Meanwhile we are, as members are aware, preparing a well drilling act that would cover drilling wells and helping people and this type of thing. So I hope that, not in the very immediate future, but not too far in the distant future, we will be able to help people who have problems with this type of thing, with their drinking water.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, seeing that my hon. friend's district adjoins the glorious and historic district of LaPoile, Sir, I feel obligated to support the petition presented by my colleague in the sister district of St. George's to have something done about this problem of salt running off the road into the drinking water in the Wintertime and in the Spring of the year.

Mr. Speaker, it is not in my opinion a great problem. All the minister has to do is put curb and gutter along in Barachois Brook where the houses are. That is all.

MR. MORGAN: There is more than that.

MR. NEARY: No, there is no more than that to it.

MR. MORGAN: Cut down on the salt.

MR. NEARY: Just have the water run down to a catch pit somewhere, have a manhole there, and have the water run away from the wells and from the drinking water in the area.

MR. MORGAN: In the Spring of the year, it does not overflow -

MR. NEARY: Well, it may not flow over that much but, you know, really something should be done about it. I do not think you can really cut down on the use of salt very much in that particular area. That is one

Mr. Neary.

of the most hazardous pieces of highway in this Province, between Stephenville and Port aux Basques. I am getting to be a real road runner out there, Mr. Speaker, and I can tell you that in the Wintertime it is a very hazardous piece of highway. The minister came down over it with me, I believe, late this Spring, and on the way down I said to the minister, "I will bet you a dollar we will see a tractor-trailer bottom up before we come back." Well, we did not see one on the way down, but sure enough coming back there was one off the road and almost bottom up. So it is a bit of a problem, Sir. I believe it can be rectified, and I have no hesitation in supporting the prayer of the petition.

ORAL QUESTIONS:

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

MR. ROBERTS: Mr. Speaker, a question for the Minister of Fisheries, arising out the recent announcement that tenders have been called for the construction, I believe, of twenty longliners. (I do not know what the bell is. Somebody is stuck in an elevator, apparently.) Can the minister tell us, Sir, whether any contracts have been awarded for the construction of any of these ships? And can he also tell us - I mean, I will save a supplementary or two by asking him, because they are all the same question - can he tell us whether, or can he assure us rather that the contracts when awarded will go to more than one yard? And also, are the government going to get involved in purchasing the supplies that go into the construction of these ships or will they look to the contractors who have undertaken to build them to provide a ship fully found in return for the payment of the agreed upon fee? And I ask that because I have had reports that all of the ships have been awarded to one yard or one firm - I am not saying that I believe them - I am just saying that I have received reports, and I want to ask about them, and also that all of the materials and equipment will be bought from one supplier. So what I am really doing is giving the minister an opportunity, you know, to clear up the matter. I did not say I believe the reports, but I do want an answer to the question, and perhaps the minister could help.

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: No, Mr. Speaker. We are this year, 1977-1978, contemplating the construction of twenty longliner type vessels as the first phase of a hundred boat building programme that we announced some time ago. Tenders were recently called for the construction of seven of the first twenty boats. Tenders are being called for lots of two and three. We are doing that to spread the work out and to ensure that all of the boat builders in the Province will get a chance to bid on these boats. They can bid on them in lots of two or three or four or at least two or three. Tenders have not yet been awarded. Indeed, I believe the closing dates are sometime this week.

With respect to the second part of the hon. member's question: The Loan Boards will call tenders from various suppliers for the purchase of engines, electronic equipment, etc. And we believe that by doing it that way, by calling tenders, say, for seven engines or seven radar sets or seven , whatever else we need in the hydraulic electronic equipment -

MR. ROBERTS: But not the lumber or the construction material?

MR. W. CARTER: No, no! We are calling tenders for the mechanical and electronic needs of these boats. And by doing that we believe that we will get the price down. I think it stands to reason that if you are going to give a contract for seven or eight or twenty engines, having called tenders, that you are going to get a better price from the supplier than you would if you were buying one engine at a time, if each shipyard were buying an engine at a time. But answering the question, the tenders have not been awarded. We are encouraging all boat builders in the Province to bid on the boats, hoping that it will be spread out and thereby give them all a chance to earn a few dollars and to provide a few jobs in their particular areas.

MR. NEARY: Mr. Speaker -

MR. SPEAKER: The hon. member for LaPoile.

MR. ROBERTS: Mr. Speaker -

MR. SPEAKER: A supplementary.

MR. ROBERTS: No, that is okay.

MR. NEARY: Mr. Speaker, my question is for the Minister of Transportation and Communications, Sir. Would the minister tell the House whether or not CN recommended to Mr. Lang, the Minister of Transport, that they not accept any responsibility for the goods that were lost in the William Carson disaster? Did they or did they not make that statement and make that recommendation to Mr. Lang? Can the minister clear that up for once and for all for the people who were involved?

MR. SPEAKER: The Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, yes, as indicated yesterday to the media, yesterday afternoon, we have learned, the Department of Transportation and Communications, that CN Marine has made a decision whereby they feel that the vessel, the William Carson that sank, was seaworthy, and because of that they are not going to accept responsibility or liability for the loss of goods on that ship. They have also passed this information along to the Ministry of Transport. And when I say the Ministry of Transport, it does not necessarily mean the minister himself. The minister's assistant confirmed that they had not received the report as of yesterday evening. However, the decision has been made, and now what it means is that the \$1.8 million worth of goods that was on the ship, out of which \$1.6 million qualified for insurance claims providing CN does accept responsibility, it means now that the claims cannot be processed until the Ministry of Transport appoints an official commission of enquiry into the incident, and only then can it be processed if the report indicates, the report of the commission of enquiry, that CN was responsible in the loss of the ship and it was not an act of God. This decision has been made. The information was passed to us from officials of CN Marine, and they passed the same information along to the Ministry of Transport officials. We have made representation to the Ministry of Transport on this matter, because we feel that because most of the goods were shipped, in fact ninety-two per cent were shipped, FOB, St. John's, freight on board at St. John's

Mr. Morgan.

this means that either the carrier - in this case CN Marine - or the consignee in Labrador is responsible for the goods. And, of course, if the carrier denies responsibility, denies liability for the loss of the goods, this means that the consignee in Labrador is now responsible. And, of course, if these claims cannot be processed through insurance companies, they are left holding the bag. So in our view as a government, it is a very serious situation, and it warrants the immediate attention of the Federal Minister of Transport, the hon. Otto Lang. And, of course, we will be bringing this matter to Mr. Lang's attention hopefully through a meeting by means of a motion passed in the House of Assembly last night unanimously.

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

MR. SPEAKER: A supplementary.

MR. NEARY: Mr. Speaker, I realize it is a serious matter, and CN's decision, I suppose, cannot be challenged until the commission of enquiry makes its report. But in the meantime there are a number of businesses in the Happy Valley - Goose Bay area that are reported to be headed straight into bankruptcy if something is not done to help them out financially. Has the minister or the provincial government worked out any formula whereby - or any policy - whereby they can help these business people to tide them over until such time as the commission of enquiry, which may take some time, is completed? Surely, this government has had time enough now to look into this matter and decide whether they are going to do anything to help these businessmen or not.

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

MR. MORGAN: Mr. Speaker, as I earlier indicated, we are gravely concerned over the matter but because CN Marine is strictly under federal government jurisdiction we are hoping that the Ministry of Transport will take some action on this matter and we are now awaiting the decision of the Ministry of Transport as to what action they will take. In the meantime we are giving every consideration to any possible action that can be taken by the federal government or possibly in a joint way.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary, the original questioner.

MR. NEARY: Mr. Speaker, in view of the fact that CN now have announced they are going to put the Ambrose Shea on, and I am not sure whether this is a temporary measure or whether she will be on for the duration of the season or not, and they are going to cut down the service on the Gulf or to Argentina, cut down the Argentina service I think, would the minister indicate to the House if he has had any discussion with CN with a view to chartering another ship so that there will be no reduction in service either to Port aux Basques or to Argentina as a result of diverting one of their ships from St. John's to Goose Bay this Summer?

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

MR. MORGAN: Yes, Mr. Speaker, the officials of the Department of Transportation has been in contact with the officials or the senior people in CN Marine and expressing concern over the fact that because one boat is now removed from the Argentina run, namely the Ambrose Shea, that boat is on a temporary assignment to the Island part to Labrador run. And after a two week period the Ambrose Shea will be replaced by the Marine Cruiser. The Marine Cruiser will be in service all Summer which means that it will reduce the level of service from North Sydney to Argentina and looking at a time when we feel there is going to be a major influx, hopefully a major influx, we do feel a substantial increase -

MR. NEARY: Bookings were never as high.

MR. SPEAKER: - in the tourists coming into the Province this year over last year. The fact that this is the year of our '77 Summer Games and a number of not only tourists but Newfoundlanders travelling back and forth to the Mainland, their travelling will be interfered with and we feel a rearranging of their confirmation of reservations, etc., is not adequate. We are not satisfied with that. So what we have done we have asked CI Marine to go on an all out effort to find a boat, to acquire a boat, either purchase or lease a boat and we have wired the federal minister, the hon. Otto Lang, asking him to give immediate approval to CI Marine to acquire a vessel.

We naturally want to see the service re-established to Labrador and retained as it was last year but more importantly any reduction in the level of service across the Gulf, which we look upon as part of the Trans Canada Highway system we cannot tolerate that, especially in a year when we feel there will be a substantial increase in the number of tourists coming to our Province.

MR. NEADY: One final supplementary, Mr. Speaker.

MR. SPEAKER: A final supplementary, then I will recognize the hon. member for Eagle River.

MR. NEADY: Mr. Speaker, I just want to switch back to the business people in Happy Valley - Coose Bay, in that area again, and I am not quite clear on the answer that the minister gave me before, Has the government decided, you know, that there will be no financial assistance to the business people in Labrador to tide them over until such time as the commission of enquiry makes its report to the Department of Transport? Is there any way at all that this government can work out a formula whereby they can help these business people so that they will not have to be forced into receivership or into bankruptcy?

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

MR. MORGAN: Mr. Speaker, as I earlier indicated, we are giving every possible consideration to alleviate a very serious situation in Labrador. But because CN Marine is primarily, if not totally, the responsibility of the Federal Ministry of Transport, we will await the decision of the Ministry of Transport after analyzing the decision now of CN Marine as relayed to them as of yesterday.

MR. SPEAKER: The hon. member for Eagle River.

MR. STAGLIAN: Mr. Speaker, if I can impress the minister that we can play the CN - to us anyway it seems in some ways they have been playing a little bit of a game in this situation. First of all they are saying that the recommendations have been presented to the Department of Transportation, a Federal department. And again they are saying they are not presented because the minister does not have it in his hands. I am concerned that as we get into this it is going to become more complicated and meanwhile, while we go through all this legal complications of marine law and in some cases waiting for ten years for a public enquiry to establish the cause and especially with the ship at the bottom and it may never ever be found out what was the cause, I am wondering whether the minister would indicate whether any initial assistance could be given or assurance of assistance within a short period of time, and I mean within a number of days, to these companies? \$16 million to a community less than 10,000 people is a great deal of money and they are facing immediate bankruptcy and I am wondering whether the minister first of all will make sure that there is strong representation to Ottawa and secondly whether he can give some assurance to the people that something will come to save their businesses?

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

MR. MORGAN: Mr. Speaker, with regards to strong representation, I am sure our Premier will be making, in fact he will be making representations and we cannot get much stronger representation than coming from the Premier of our Province through the federal government on this matter. He has already been in contact with the

MR. WOODMAN: federal government on the matter. With regards to the statement that CN are playing games, I cannot entirely agree with that but it seems rather irregular today when I heard statements from CN spokesmen, who apparently to the media would not identify themselves, that CN has not made a decision. I think maybe where the confusion is that CN made the decision along the lines they will refuse to accept responsibility or liability until the enquiry is completed, which could very well indicate that CN is liable. But I would certainly hope that CN over the next number of hours will make a clarifying statement to the media and to the public of Newfoundland, and particularly those people in Labrador, exactly what their position is on this matter.

MR. SPEAKER: The hon. member for Windsor - Buchans, followed by the hon. member for Port au Port.

MR. BLIGHT: Mr. Speaker, a question to the Minister of Manpower and Industrial Relations. Would the minister indicate what the situation is at the Trades and Technology College now with regards to the Board of Directors? Is there still a Board of Directors at that institution or have they all resigned?

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

MR. BONSSTAY: You will have to question the Minister of Education on that; that is the jurisdiction of Education.

MR. HOUSE: Yes, there has been a board all along but there was a new one appointed about a month ago.

MR. SPEAKER: A supplementary.

MR. BLIGHT: Would the minister indicate what happened to the old board that required the appointment of a new one?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: The time limit had expired. They had served up to the limit, two terms.

MR. SPEAKER: A supplementary.

MR. CHASE: How long from the time they retired or their time expired until a new board was appointed? How long did the college go without a board of directors?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: There was no time spent. The meetings were held monthly and one board carried on from another. And the first meeting of the new board was about three weeks ago.

MR. SPEAKER: The hon. member for Fort au Port.

MR. HOUSE: Mr. Speaker, I have a question for the Minister of Transportation and Communications, with perhaps a couple of supplementaries regarding safety on the highways in the Province.

The question is; Many of the other provinces across Canada are considering or have reduced the speed limit to fifty-five or fifty miles an hour. Has the minister any plans along those lines in this Province?

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

MR. HOUSE: Yes, Mr. Speaker, we do have plans. I mentioned earlier in the House of Assembly here that we were giving consideration to a reduction of speed limits in this Province on our primary highway system, mainly the Trans-Canada Highway and there is every possibility that the speed limit will be reduced by five miles per hour prior to the end of September of this year, which is the deadline of all the provinces across the nation will be changing over their highway signs from the present signs to the metric system. So we are giving every consideration to it and there is every possibility the speed limit will be reduced prior to the end of September of this year.

MR. HOUSE: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. HOUSE: Still along the lines of highway safety, the minister mentioned last year something about seat belt legislation

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MR. HARRIS: He was considering introducing. Is he still considering introducing seat belt legislation into this Province? I mean the use of safety seat belts.

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

MR. HARRIS: No, Mr. Speaker, we have been giving consideration to that the same as many other provinces in Canada. Only two provinces have the compulsory seat belt legislation into effect, Ontario and Quebec. We have been holding discussions with them, particularly Ontario, finding out the results of the number of fatal incidents, etc. and the reduction in injuries as a result of highway accidents by using seat belts.

The situation now with us, the same as the other seven provinces, is to the effect that we are working

MR. MORGAN: in co-ordination with the federal government, the Ministry of Transport Safety Division, whereby we are using an educational program and we are involved in that in educating the motorists in the benefits of using seat belts in a voluntary way.

MR. HODDER: A final supplementary, Mr. Speaker.

MR. SPEAKER: A final supplementary followed by the hon. gentleman for Carbonear.

MR. HODDER: Still on safety in the Province and on the highways, will the findings of the Highways Safety Advisory Board, which travelled from town to town in this Province at considerable expense to the public money, and with a considerable amount of publicity at that particular time, will the report of this Highway Safety Advisory Board be made public to the people of the Province?

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

MR. MORGAN: Under advisement, Mr. Speaker.

MR. SPEAKER: The hon. the member for Carbonear.

MR. R. MOORES: A question, Mr. Speaker, for the hon. the Minister of Justice. In view of the statements on the CBC Crime Probe on television a couple of nights ago that crime was existing from coast to coast, is the Minister of Justice aware of any organized crime activities in Newfoundland to any degree?

MR. SPEAKER: The hon. the Minister of Justice.

MR. HICKMAN: If I were aware of it, Mr. Speaker, they would be prosecuted. But be that as it may, I think I can say with a fair amount of assurance

MR. HICKMAN: that organized crime, in the sense that it is referred to by the CBC, has fortunately not reached our shores to the extent to be problematical.

MR. NEARY: Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the minister indicate to the House if the minister knows if Mafia money in any way, shape or form is coming into this Province via first or second mortgages, or for the construction of public buildings in this Province? Does the minister know, or has the minister investigated the possibility of Mafia money being used to put up public buildings in this Province?

MR. SPEAKER: The hon. the Minister of Justice.

MR. HICKMAN: Mr. Speaker, I have never heard of Mafia money coming into the Province of Newfoundland for the purpose of putting up houses, public buildings, mortgages, anything, and I hope it never comes.

MR. FLIGHT: Why not?

MR. HICKMAN: That is a very good question. If it is coin of the realm, Canadian dollars, and I suppose if it is spent for good purpose, there is not much you can do about it. And I would think it would be a very, very difficult thing to trace.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the minister indicate to the House then, seeing that the emphasis in Parliament these days is on wiretapping and so forth, if he has any knowledge, and I am sure the minister would because

MR. NEARY: there would be no wire -
tapping going on in this Province without the knowledge
of the Minister of Justice for this Province, does the
minister have any knowledge of any wiretapping going
on in this Province by the R.C.M.P. or the Newfoundland
Constabulary? Have there been any cases in the past
year or two in this Province to the minister's knowledge?
And if so, would the minister tell the House what would
be the purpose of such wire tapping?

MR. SPEAKER: The hon. the Minister of Justice.

MR. HICKMAN: Mr. Speaker, I have said this
in the House of several occasions. The Criminal Code of
Canada sets forth very clearly the procedure that has to
be followed, and can be followed with respect to any
wiretaps or wiretapping in the Province. There is a
procedure set down in the Code. And incidentally, it is
not done with my knowledge, not done with my consent.
There are designated police officers under the Code and
they are the ones who make application to a judge for
authority to intercept or to tap a telephone line, and
when they do it there is also a provision in the Code
that they must advise the person whose line is being
tapped within, I think it is sixty days, or within a
prescribed period anyway.

Apart from that, the
procedure for making it public is set forth in the Code
and that has been followed. I have read with interest
the debate that is going on in Ottawa on that legislation,
and suffice it to say that what the Attorney General of
Canada has said is quite correct, namely, that all ten
provincial Attorneys General have indicated to him that
in our opinion the present restrictive laws with respect
to the secrecy section of the Criminal Code which were

MR. HICKMAN: brought in a few years ago in the name of protecting the right of the individual certainly favour organized crime in the larger cities of Central Canada and Western Canada than it does protect the individual.

There is a very clear and unmistakable feeling across Canada, that I think is being transmitted in the legislation that is presently before Parliament, that the voter believes that this kind of advantage that is being given under that legislation to the organized crime in the larger cities is something that is not very desirable, but that is up to the Parliament of Canada. I notice the bill has passed second reading and is presently in Committee and apparently it is bogged down there.

The Parliamentarians, if I may be bold enough to offer an opinion on a matter that is not in the jurisdiction of this Legislature, cannot have their cake and eat it. They cannot be demanding on one side, We want strict law enforcement, we want the tools to fight the alleged organized crime in the larger Canadian cities and then on the other side say, But you cannot amend the Criminal Code to give the police the tools to do the job.

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: They must make up their minds, but that is most inappropriate for a provincial politician to say when one realizes that it is before our peers in the House of Commons in Ottawa.

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

MR. SPEAKER: A final supplementary, followed by the hon. the member for Eagle River.

MR. NEARY: Mr. Speaker, the hon. gentleman did a pretty good job of skating around the issue. The

MR. NEARY: question that I put to the hon. gentleman really required a simple yes or no answer.

MR. HICKMAN: Well, it is in the code. I have to answer it according to the -

MR. NEARY: To the minister's knowledge - I asked the minister, to the minister's knowledge if he knew if there were ever any wiretapping done in this Province, and the minister did not answer the question. Now we hear a lot of reports about -

MR. HICKMAN: I read about one in the paper in a narcotics case which does not come under the jurisdiction of the Province.

MR. NEARY: In Newfoundland? Wire tapping?

MR. HICKMAN: Yes.

MR. NEARY: Well, we have heard reports, Sir, about ministers, former ministers, newspapermen. I have heard members of this House say they feel their telephones are tapped for various and sundry reasons. Could the minister tell us if there is any need for people to worry about this kind of thing, about their phones being tapped? Because it does concern certain people, and former members of the House and so on and so forth, and these would be, I presume, investigations undertaken by the Minister of Justice for this Province. Has the minister ever asked to have investigations of the type that I am talking about carried out where wire tapping is involved?

MR. SPEAKER: The hon. the Minister of Justice.

MR. HICKMAN: Mr. Speaker, may I repeat that the only time there can be any wiretapping in Newfoundland or in any other Canadian Province is if a designated police officer whose names, I recall, must be filed with either the Solicitor General of Canada or the Minister of Justice - I am not sure which - makes an application to a

MR. HICKMAN: judge. And he must satisfy the judge that it is necessary to the proper investigation of the suspected crime for him to get an order that there be a wiretap. As I say, the procedure is also laid down that upon the expiration of a prescribed period the person whose line has been tapped must be told.

MR. NEARY: Has anybody ever asked the minister voluntarily to have their wires tapped?

MR. HICKMAN: No, nobody. No, no.

MR. NEARY: No.

MR. HICKMAN: And if anyone should ever go out and tap someone else's line without a court order and that was discovered, the penalties are very, very severe indeed.

MR. SPEAKER: The hon. the member for Eagle River, followed by the hon. gentleman for Windsor-Buchans.

MR. STRACHAN: A question for the Minister of Mines and Energy. A couple of weeks ago I asked a question concerning statements by Don Jamieson, the federal minister in Ottawa, and now I hear that the Minister of Mines and Energy, Alastair Gillespie, has made a similar statement, a couple of weeks later, that there was a comprehensive package, or there was a package presented to the government for the development of Gull Island or any of the other rivers in Labrador or elsewhere. Could the minister indicate whether this is correct? This is twice now federal ministers have indicated that there has been a package or discussions with the government concerning federal involvement in the development of power in this Province.

MR. SPEAKER: The hon. the Minister of Mines and Energy.

MR. PECKFORD: Mr. Speaker, the hon. the Premier, the hon. the minister responsible for Governmental Affairs and myself were in Ottawa a number of months ago to discuss the priorities of the Province.

Mr. Peckford.

One of the matters discussed over the table was the whole business of the development of Labrador power. At that meeting the hon. Minister of Energy, Mines and Resources made the statement across the table that the federal government might be interested in some equity participation in the whole Gull Island project, and the Premier at that time responded, and I responded. And then he also indicated that he wanted to get the cost updating that he had requested earlier or was about to request. That is the only time that questions came up. There has been no package presented to the Government of Newfoundland in any way, shape or form. There was this verbal mention of equity participation.

AN HON. MEMBER: Anything in writing?

MR. PECKFORD: Nothing in writing. Absolutely nothing in writing. We had meetings as I said the other day with officials of EMR and with the Newfoundland Hydro at which time a booklet was given to those officials outlining the direct cost of the Gull Island project as it stood now. Two elements were not in that cost update: One was inflation; the other was the cost of money which was related to inflation, those two variables which we are now pinning down to give them. Everybody and his dog knows approximately how much the Gull Island project is going to cost. That is an irrelevancy almost in the whole context of governments getting together to do something about Labrador power. There is no comprehensive package presented to the Government of Newfoundland, absolutely not. There was this verbal suggestion by the minister in that meeting. Since that time, as I have already indicated, Hydro has met with people from the Department of Energy, Mines and Resources. I have talked on the phone with Mr. Gillespie - when? - the last time I spoke on the phone was Friday past - indicating to him the fact of the meeting between the Hydro officials and EM and R indicating to him about our very real concern about the energy conservation programme indicating to him that the other two facts not yet considered in that pamphlet of the meeting of May 17 would be forthcoming to him, and he agreed with that.

ORDERS OF THE DAY:

MR. HICKMAN: Motion 3.

MR. SPEAKER: Motion 3.

Motion, the hon. Minister of Municipal Affairs and Housing to introduce a bill, "An Act To Amend The Department Of Municipal Affairs And Housing Act," carried. (Bill No. 114)

On motion Bill No. 114 read a first time, ordered read a second time on tomorrow.

MR. HICKMAN: Motion 4.

Motion, the hon. Minister of Municipal Affairs and Housing to introduce a bill, "An Act To Amend The Local Government Act, 1972," carried. (Bill No. 121).

MR. ROBERTS: Mr. Speaker, I mean these are very formal motions but I think it is worth noting that Bill No. 114 and a number of other bills, which stand as motions on the Order Paper, have been printed and distributed and printed on them is, "Ordered to be printed by the hon. House of Assembly." And I can appreciate in the government's desire to ram things through their doing this, but it is a little presumptuous of them. The House of Assembly might choose not to order these particular bills to be printed and their titles to stand as on the Order Paper. And I suppose it is sensible to have them printed in the expectation they will be approved by the House, but it might be a little more proper, Sir, if they were not distributed until the House had approved them.

MR. SPEAKER: The hon. minister.

MR. HICKMAN: Mr. Speaker, I have always been getting the opposite kind of complaint from the hon. gentlemen opposite that the bills are not around and out in time.

MR. ROBERTS: There has never been a complaint ordering a bill distributed before it was introduced.

MR. HICKMAN: And in order to accommodate them, they are printed, and we now ask the House for leave to introduce the bill for debate.

MR. ROBERTS: There has never been a complaint about a bill being distributed before it was brought in.

MR. SPEAKER: I do not know there is a question as such for me to make a decision on. At this point I do not think there is. So Bill No. 121.

On motion Bill No. 121 read a first time, ordered read a second time on tomorrow.

MR. HICKMAN: Motion 5.

Motion, the hon. Minister of Finance to introduce a bill, "An Act To Amend The Liquor Control Act, 1973," carried. Bill No. 120).

On motion Bill No. 120 read a first time, ordered read a second time on tomorrow.

MR. HICKMAN: Order 7, Bill No. 98, the adjourned debate.

MR. SPEAKER: Order 7, the adjourned debate on Bill No. 98. The hon. Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, this is the Hydro bill and when the House rose last night I had a few preliminary remarks and I would like to carry on now with the burden of what I wish to say with respect to the principle of this bill. It had been noted by those who had spoken before me, including in particular my friend from Eagle River, who had given our position with respect to this bill, that there essentially are two major points or two major principles, if you wish to use that term, embodied in the bill. One is the decision to blend - to use the word that is used in the legislation - to blend the hydro rates and the diesel rates; and the second is the decision to involve the Public Utilities Board in the determination of the rates which Hydro - the government owned corporation - which Hydro charges for the power that it produces and in turn sells to Newfoundland Light and Power, who in turn sell it to the ultimate consumers. Now if I could just touch on the question of blending, because I think it raises some important questions. I had welcomed very warmly the government's announcement that they intended to do this as a matter of policy. I assume it will come into effect fairly quickly. It is something which we on this side have advocated for a long time.

MR. ROBERTS.

Now, Sir, I think the minister ought to spell out - and I ask him if he would spell out - at some length, not unnecessary length but full and complete length the effects of this. My understanding of the situation is as follows: There are - let me put it this way - it costs to produce power in this Province, the power which is consumed in this Province, approximately \$78 million. I am leaving out of that one amount and that is the amount of \$5 million which is payable under the Industrial Incentives Act. That goes mainly to ERCO to subsidize the contract or to subsidize the cost of the power provided to ERCO under contract at a cost which is well below that which it costs to produce it. But, Mr. Speaker, the \$78 million which it is costing in round numbers now the consumers of the Province for the power which they use is made up of three separate elements. About \$12 million of it comes directly from the government, and that is found in the estimates. It is Head 1104-03, and that is the 03-01, which is a grant-in-aid operations to the Rural Electrification Authority, the REA. This is the government agency which owns and operates the power production and the power distribution systems in large parts of this Province. Effectively, I guess, they are the only other retailers beyond the Newfoundland Light and Power. I do not think Bowater Power is selling any power retail now. Is that correct?

MR. PECKFORD: Yes.

MR. ROBERTS: Yes. There are only two retailers now, the power distribution districts on one hand and on the other hand, Newfoundland Light and Power itself. I am not sure of the situation in Western Labrador. It may well be that Twin Falls Power or one of the Iron Ore Companies is the retailer of power down there, but we are not talking about that particular area. We are talking now about the rest of the Province.

Well, Sir, the revenues which the power distribution district collects are about \$6 million.

MR. ROBERTS: That is what is paid by people who buy their power from the power distribution districts. The revenue of Nfld. Light and Power, and these are 1976 figures, was about \$60 million. So those two together were \$66 million and the subsidy was \$11.3 million so you are talking \$77-\$78 million.

Now, Sir, if the government intend to equalize rates it will cost that amount of money. The \$12 million will have to be found and my first question to the minister is whether the government intend to continue that subsidy and if so how will it be calculated? And secondly, the cost to the consumers once the rates are equalized will be greater than the cost now being incurred because of course people who use power produced by diesel generators are discouraged very strongly from using more than 500 kilowatt hours a month. The rates are the same for the first 500 hours no matter what means is used to produce the power that is consumed, but after the 500 hour mark in any given month there is a very rapid divergence of rates and the rate for diesel produced power climbs very rapidly and it comes quickly to the point where the power bill is two or three times what it would be if one was using hydro generated power.

Mr. Speaker, the figure I have on that by the way is \$8 million. I do not know if it is a correct figure but it is the figure which I am given as correct. So we are talking now of an extra \$20 million. In other words - let me be sure I phrased that correctly. Over and above the \$66 million that was paid by individual consumers including, I am told, the industrial consumers - apparently it is not an easy job to break out the costs and those were 1976 revenues, but about \$66 million is paid by individual consumers. Your Honour's light bill, the homage which Your Honour renders each month in the form of a check for the Nfld. Light and Power, is included in that total, and so is mine and so are those of about 160,000 customers throughout the Province.

MR. ROBERTS: I am told there are roughly 20,000 in the Power Distribution District areas and 140,000 on the books of the Nfld. Light and Power Company.

But it costs \$20 million more, not counting the industrial incentives, the Frcs subsidies, that \$20 million is made up of \$12 million, which is in a subsidy now being paid and projected to be paid this year, and \$8 million, which is the estimate I have been given of what it will cost to remove the 500 kilowatt hour per month ceiling that is now imposed and to allow people who use diesel generated power equal rights. I do not know whether they will have equal rights up to an infinite amount of power and I do not know whether if so there will be a restriction placed on the amount of power which they can consume. I would hope we will not get in the position of subsidizing electric power in rural areas. That includes my own district - not electric power I am sorry, electric heat, and we do subsidize electric power now, of course, we do indeed. We subsidize it by \$2.00 for every \$1.00 that the consumer spends. Because it costs \$18 million to operate the REA's this year, \$6 million of that is paid by the consumers, \$12 million is paid by the taxpayers of the Province through the government.

But the point I was making with the slip of the tongue is that it would be folly in my view to allow, not to encourage but even to allow people using diesel generated power to have electric heat in any quantity. You may want an extra heater to keep a room warm or to have the advantages of that sort of thing but to allow a house to be heated electrically on diesel generated power would be folly and perhaps worse than folly.

So I want to know, Sir, since it does cost at least \$20 million over and above that amount which is contributed by the consumers now, I want to know where that money is coming from? It is very well to say we equalize the rates, and I welcome that, but I want to know how it is going to be done? Is the \$20 million going to be loaded on the bills of all the other consumers? In other words,

MR. ROBERTS: are we going to take the costs of producing power which in the last year were about \$85 million, \$86 million allowing the escalation for the 500 kilowatt hour ceiling being lifted, are we going to take that total cost and divide it into the number of kilowatt hours that are consumed and say to every consumer in the Province, "You must pay your proportionate share of that, depending on how much power you use," in which case the \$20 million will be paid by all the taxpayers and everybody's bill will go up by about one third, a little under one third but about one third. I do not think that would be right so I want the minister to spell it out if he would in some detail. I think the figures which I used are correct. If not, the minister I am sure will -

MR. PECKFORD: They are fairly correct.

MR. ROBERTS: Yes, I do not claim to be an accountant but I spoke this morning with a number of people who are knowledgeable in these fields and they tell me the figures are as close as you are going to get without doing a great deal of exhaustive research that would not be justified in these circumstances. So I want to know - I assume what will happen is part of it will be shared by all of the consumers of the Province and part of it will be continued to be borne directly by the government. If that is so I would like to know what effect it will have on the consumers of the Province and I would like to know what effect it will have upon the Treasury and I would like to know how the relative proportions are going to be calculated in the years ahead?

I would hope the government are not using this new policy as an excuse to whack a \$12 million expenditure out of the estimates. As valuable as that would be to them and as welcome as it would be to the Minister of Finance I would think that would be insanely wrong to do that. I assume the government are not going to do it but I would like to hear the minister make it clear because

MR. ROBERTS: when we talk of blended power rates if that means an increase of one third in the rates of everybody in St. John's or Corner Brook so that people living in the areas where they use diesel generated power can have equalized rates, I do not think that would be a very wise move from any point of view.

MR. DOODY: It is probably a combination of both.

MR. ROBERTS: Well the Minister of Finance says probably a combination.

MR. NEARY: If the hon. gentleman would allow me. The hon. gentleman is making some valid observations and I would like to have more people in the House to hear what the hon. gentleman is saying. That is the only reason I am asking for a quorum call.

MR. SPEAKER: (Dr. Collins) A quorum has been called.

I am informed a quorum is present. The hon. Leader of the Opposition.

MR. ROBERTS: That you, Mr. Speaker, out of deference to my Francophone friends I will not continue in French I can think of nothing that would be a less positive contribution.

MR. NEARY: Call it a quorum. The hon. member has abdicated -

MR. ROBERTS: The hon. gentleman from LaPoile is perfectly in his rights. It says specifically in the Standing Orders of the House that whoever calls the quorum may leave the chamber if he wishes. Mr. Speaker, I think I have made the point I wish to make with respect to this question of blending. It is something on which the minister can enlighten us. I am not in any way critical of the policy. As I have said the policy is one which we have advocated for some time and certainly very much welcome, but I want to know exactly what it means. Because of course, Sir, any increase that is

MR. ROBERTS: out upon the consumers of the Province, the 120,000 or 140,000 Newfoundland Light and Power customers, any increase which is put upon them to defray the cost of removing the 500 kilowatt hours ceiling in respect of the 20,000 customers who buy their power from the Power Distribution Districts, or those of the PDD customers who consume power generated by diesel generators, that increase will come on top of the approximately twenty-five per cent increase which is going to be visited upon us all this year in any event. That increase is composed of the request now before the Public Utilities Board, a request for I think it is eight or nine per cent, it varies according to the effective date, and I assume most of that will be granted. I do not know, but the process of the Public Utilities Board is a fairly mechanical one and if one meets the conditions laid down within the rate base and the rate of return then the raise is more or less automatic and then we are told as well that Newfoundland Hydro have told Light and Power that there is another swinging increase. From memory it is from 12.2 mils to 17.9, is it? It is a 5.7 mil increase and that translated into the hands of the consumer will be about seventeen or eighteen per cent, I am told. So add the two together, we are looking at another twenty-five per cent increase on top of the roughly one hundred per cent increase there has been in the last three or four years. So electric power is becoming very expensive and the question is how much more expensive will it be?

I would like to make a very brief plea in behalf of one community in my district, which is the only community without electricity, and I do not see anything in the policy about making available electricity to all of the people of this Province. I am sure that the failure to include it is merely an oversight but I would hope that the government would undertake to provide electricity to all of the people in this Province. There are still some, there are not many, but there are still some who do not have publicly provided

MR. ROBERTS: electricity. It is perhaps an indication of how far we have come in Newfoundland. It was not very many years ago, indeed the Minister of Justice and the gentleman from Placentia West and myself were reminiscing last evening over a cup of tea, and the Minister of Justice and the gentleman from Durin - Placentia West (Mr. Cannine) were remembering the days, not so long ago, when the big question on the Durin Peninsula was electricity for Marystown, now a modern thriving town, but I suppose that was - what? - twenty years ago.

MR. PECKFORD: I lived there when there was no electricity.

MR. ROBERTS: Well, the hon. gentleman says he lived there when there was no electricity but I am sure he brought light with him wherever he went.

MR. PECKFORD: Thank you.

MR. ROBERTS: Mr. Speaker, when I went to White Bay North as a candidate in 1966, of the thirty-three or thirty-four communities in that district only four had electricity provided by the government. At that stage, St. Anthony, Main Brook, Riddickton and Englee and every other community on the so-called French Shore, the old White Bay North district had no electricity provided by any public source. And even in St. Anthony most of the power at that stage was generated by machines owned by the Grenfell mission which they had provided out of their own resources.

MR. PECKFORD: - St. Anthony.

MR. ROBERTS: - St. Anthony? 1966-67 the two systems were merged and the old Power Commission -

MR. PECKFORD: I was there in 1962.

MR. ROBERTS: Mr. Frank Newbury took over the - he was Chairman of the Power Commission in those days and they took over the two systems and merged them, the Grenfell system. The Grenfell people

MR. ROBERTS: still have large generators in their plant, the steam plant. They do not use them: they are held as reserve and as emergency.

But we still have a few communities left. My friend from Eagle River (Mr. Strachan) referred today to Williams Harbour, which is in his district; I have one in my district, St. Carols. I will not go into the situation at length except to say, first of all, that I have repeatedly brought it to the attention of the minister and his predecessors; secondly, there are a number of families in St. Carols; there are about fifteen, now that figure varies. It depends who counts and it also depends on the marital status at any given time of the people in St. Carols, but there are about fifteen families. They now have a road. They are only a mile or so from the nearest pole line which is the line running out to Great Prehat. It would be a reasonably small cost to provide them with power. I am told it would be about \$30,000 but I do not have a recent estimate, I just want to make a plea on their behalf, I think given the sums of money involved it is not unreasonable to expect that these people be given power. I think they have also earned it in the political sense. It, I believe, was one of the only three polls which I lost in the entire district out of the fifty-five or sixty in the last general election. It was the only one in the old White Bay North district that I have ever lost and that was because the PC candidate, the charming lady who is the wife of the gentleman from St. Barbe, went into St. Carols and said, "If you vote for me we will give you the electricity." And the people there took the lady at her word, as I am sure she intended them to do, and they did win the poll, twelve to eleven. It was hardly a landslide but there were more people voted for the Tories than voted for me in that election in St. Carols and I think that ought to be rewarded. I think the people in St. Carols have a right to expect that promise to be kept.

MR. HON. MEMBER: How many of them?

MR. ROBERTS: St. Carols? Well, there were twenty-three votes cast. There were about thirty eligible voters there. There is about fifteen families. It is a very small place, but quite prosperous. A number of people thought years ago it might resettle. The people have not moved. They have some fine new homes there. They have a road. They have a small school there. They have got the most magnificent LIP project, about \$70,000 or \$80,000 on a wharf and a landing stage. They are quite prosperous. You know, all in all it is a community that has a future and all they need really is some electricity. Now I know the cost per home is probably high and I suspect - not I suspect, I know - that there is some question and I think the policy is fewer than fifteen connections the government say that is beneath the limit but I think St. Carols have fifteen. I have argued that before and we get arguments on it but I think in any event the people there deserve it. I do not think it is a very large cost. We are looking this year on an expenditure in the REA of \$14,758,000 estimated capital and current together. I do not see any particular reason why \$30,000 cannot be taken up to give those people some electricity.

It is the only place in the entire district now without electricity. Die Brook is in a sort of strange status but given the fact the main road is going to be relocated, you know, Die Brook is a community that has a limited future and there is no other place. Fishot Islands, the people are now leaving Fishot. Northeast Croise, the people have finally decided -

MR. PECKFORD: They are gone to Conche, are they?

MR. ROBERTS: No, some have gone to Conche, some have gone to Croque. The Wisemans have gone into Croque and -

MR. PECKFORD: What about Grandois and St. Julien's?

MR. ROBERTS: Grandois and St. Julien's has electricity, thanks to the excellent member who formerly served those people. They have no road but Grandois and St. Julien's is now the only community without a road. In a way it is sad that the final families have left Northeast Crouse because it was always my reliable indicator of public opinion.

MR. PECKFORD: How about Southwest?

MR. ROBERTS: Southwest Crouse, they left twenty years ago.

MR. PECKFORD: No, the Hon. Leader is -

MR. ROBERTS: No. Back Harbour Conche, Back Harbour Conche is sometimes called Southwest Crouse. But the people now refer to it not as Southwest Crouse but as Back Harbour Conche and there is now a road between of course Back Harbour Conche and Conche itself. I have come across many time in boat from Northeast Crouse to Southwest. It can be a bad place with the wind coming from the Southwest and a long walk, three or four miles of a walk.

But in any event that is a little away, Sir, from the principle of this bill but I did want to say a word in behalf of the people in St. Carols. We did not have an opportunity on the Energy estimates.

MR. HICKMAN: You are still at St. Carols!

MR. ROBERTS: Oh, no! I have many places. But I am sure many members would never believe there was a community known as Northeast Crouse.

MR. PECKFORD: I did.

MR. ROBERTS: The gentleman from Green Bay is familiar with it. It was in the area -

MR. HICKMAN: It is not the only Crouse in the Province.

MR. ROBERTS: I do not know of another Crouse, other than Southwest.

MR. HICKMAN: There is another one about eight miles outside of Grand Bank.

MR. ROBERTS: Is there a Crouse down there?

MR. HICKMAN: Not really a community but there is Crouse Eastern and Crouse Western.

MR. ROBERTS: I do not know the derivation of the word. Most of the names on that part of the Coast are French, Basque and Breton French.

AN HON. MEMBER: Fine people to -

MR. ROBERTS: Well, they were fine people in Northeast Crouse and Northeast Crouse is the place where a fisherman once told me that a politician is like a fish, he only gets in trouble when his mouth is open and that is some of the best advice that I suspect any politician has ever been given.

MR. HICKMAN: As John Willy Comman said, it is much easier for a man to talk his way out of the House of Assembly than it is to talk his way in.

MR. ROBERTS: That is true. I am also fond of the saying that anybody can get elected, it is getting re-elected that is the mark of a member. You know, the first time they take you at face value, the second time they know you. And many more get elected than get re-elected, many more.

Mr. Speaker, I have made my plea in behalf of St. Carols and I could go on at length but you know I would only be repetitive. I think these have a just case, a just request, I know the minister is looking at it together with the people at the BEA, the people down in Prince Philip Place, I would hope this will be the year that the lights will come.

MR. ROBERTS: I suppose it is a measure of sophistication, but how quickly we have forgotten. It was not many years ago the big event was 'Are we going to get the lights for Christmas, Sir?' and anybody in public life whether he was working in the Public Service or working in political work or in the field, you know, every year there would be three or four. I am sure my friend from St. Mary's - the Capes, who formerly represented White Bay North, ran into it. I mean, the big thing, the big push was to get the lights on for Christmas. And that does not happen anymore. It is gone the way of coopers and, you know, any number of schooners and any number of things which were part of our past in this Province.

And now, Sir, let me come to the other major point in the Bill which is the question of the Public Utilities Board and the government's proposal in respect to this. Now the Bill itself I think is quite straightforward. There are a lot of words in it and a lot of terminology and a lot of ifs and ands and whereases and maybes and buts, and that is all required. The draftsmen put them in and I suppose they are necessary - at least they are in all the time and they are in every province.

Essentially what the Bill provides is that Hydro, with a capital H, must go to the Public Utilities Board, the PUB, to ask that board to deal with any proposal by Hydro to increase their rates. As I read it that is not a permissive Act, that is a mandatory Act.

MR. PECKFORD: Right. I use the same word.

MR. ROBERTS: I am sorry?

MR. PECKFORD: I use the same word when I -

MR. ROBERTS: Yes, well it is the correct word and it is the right word to use. It is not permissive, it is mandatory. Up until now it has been sort of a gentleman's agreement. The Hydro have consented to appear or been ordered to appear by the Cabinet, but it has not been required by this House under authority of legislation. It may

MR. ROBERTS: have been justified, in fact it was justifiable a few years ago when Hydro were relatively small producers of power, but today they are, well, not only the largest one, they are the only new producers of power because all new power will be provided by Hydro. And I understand that 70 per cent of the power being sold now by Newfoundland Light and Power is produced by Hydro, with a capital H, and that proportion can only increase. Because all new power generation - I think it was 1964 it was adopted as policy, indeed it is in legislation, no new power may be generated on the Island other than by Hydro and that has now been extended to the Labrador.

So they must go to the Public Utilities Board and that is fine - that is something we have advocated. Let me say at this point that I think the Public Utilities Board is the right place for them to go. My friend from LaPoile and I see eye to eye on some things and we differ on others. This is one where we differ.

MR. NEARY: Yes.

MR. ROBERTS: I do not -

MR. PECKFORD: I am glad to hear that.

MR. ROBERTS: - think it is an evasion of responsibility.

In the long run the government are responsible for what the Board does or what any -

AN HON. MEMBER: Right.

MR. ROBERTS: - public agency does, but you know, the minister says he is glad to hear it. I have been saying it for years - I think it is true. I think it is a relatively impartial board, as impartial as any group of men can be. The Chairman in particular is exquisitely qualified for his work - Mr. Clarence Powell - and it is as calm and as deliberative as a body can be. I would like to see the procedures changed. In particular I would like to see the Board - I think this is happening - become more and more a quasi judicial body and less and less an investigative or reporting body. I would like to see adversary proceedings become the order of the day before the Board and that will mean in effect that the

MR. ROBERTS: Board will have to fund or the government will have to fund parties to appear before the Board. And that is something, Mr. Speaker, which I have long advocated. The Hydro Corporation will appear before the Board. Indeed, there is a plaintive cry in their report about how difficult it is going to be for them, but they will manfully struggle on. The Newfoundland Light and Power appear before the Board with platoons of experts and advisors and counsellors, and yet there is nobody there to represent we, the poor consumers, and we pay for it all, because Hydro build the costs into their rate base and Light and Power build the costs into their rate base and so it is reflected in due course in our electricity bills. Well, I would like to go a little further. The Board could order it and perhaps that is the way to do it. The Board could say, 'All right, we will authorize the Consumer's Association or the Federation of Municipalities or whoever it may be - any legitimate group; one or two is enough, you do not need everybody in on it - to appear and we will give them whatever it costs them to hire lawyers and economists and engineers and other experts.' Because the only way you could take it on is on the evidence, on the facts, on the details. It is not an emotional matter; indeed, it is almost mechanical. The rate base is calculated, the rate of return is calculated. It is a matter then of multiplying one against the other and that gives you - the product is the amount which the company can raise in revenue in the year and it is simply a matter of allocating that amount among the various classes of customer and that in turn gives you a mil rate or a rate per kilowatt hour, and that then, determines your bill.

But I would like to see consumers funded. I want to see the Board become an adversary procedure as opposed to the traditional procedure of more or less investigative. I think that we have gone beyond that. A few years ago you would only see a rate increase request going in every two or three or four or five or ten years. Now we see them once or twice a year, sometimes more often, and I would think that in the foreseeable future we will continue to see them at least once

MR. ROBERTS: a year. And I say that even though the Act declares as policy the pious hope we will see a three-year period.

AN HON. MEMBER: The House should decide.

MR. ROBERTS: The Board is the place for it, Sir, not the House of Assembly. It is a public question but not a political question. And it is something which ought to be handled by a body isolated from the day to day concerns of politics or the day to day administration of the Public Service. So I think the Board is the place for it.

Now, Sir, having said all that, I want to go on to say that I think the requirement in the Act is a farce, a sham! I think it is absolutely disgusting. I think it is unnecessary, unwarranted and unjustified. And without even looking up a thesaurus I could find a number of other adjectives to apply to it. But it is simply a sham. The Board are required - I am sorry - Hydro are required to submit their requests to the Board. That is straightforward. Hydro are required to send in any and all requests. The Board are required to hear the requests and to recommend upon them, but that, Sir, is where the requirements end. Oh, I know that Section 12 is cleverly drafted. It has in it the word 'shall' and that sounds like a mandatory word, and if you read it quickly it says that the Governor-in-Council shall - it sounds as if he must, he has no choice - the Cabinet have no choice except to approve the Public Utilities Board recommendations, but, Sir, that is not so. All that the PUB will be in respect of Hydro, all that they will be is an advisory body. That is not what is needed. We do not even need a Bill to do that, Sir. That could be done simply by the Cabinet saying now, 'We want to take advice and the advice will come from the Public Utilities Board. We therefore order Hydro to appear before the PUB and to state their case.' And Hydro have no choice but to do it. The government own them, the government are the shareholders, and if the Hydro Board do not like it we kick out the Hydro Board and put a new board in. So essentially then this Bill really does not achieve anything. It does not do anything that is not done now. It does not implement any principle that cannot be implemented already under the present

MR. ROBERTS: legislation. It is a sham, it is a farce, it is a fraud, it is a false and misleading piece of legislation. It does not do what it purports to do and it does not do what it ought to do. I think, Sir, the government should withdraw the Bill and dispense with it, because it does not achieve any worthwhile purpose. Even the declaration of policy, so-called, is nothing new or exciting other than the talk of blended rates and that is something we have been pushing for for years and something which could be done at any time by a ministerial statement just as it has been refuted many times by ministerial statements. It has been refused in ministerial statement after ministerial statement. Mr. John Crosbie wore out the walls with the words which he hurled against us for daring to advocate uniform power rates throughout this Province. The government have now seen the error of their ways and I welcome that as long as they do not proceed to load everything on the poor consumers. I do not want to see that \$20 million extra loaded on the \$66 million we now pay.

But this Act, Sir, is a farce. It is a complete waste of time. The Cabinet can still set the rates as they wish, and let nobody in the House or nobody in the Province be under any illusions: The Cabinet will still set the rates which Hydro charges Light and Power. And that is not just some meaningless or technical thing. Given the fact that 70 per cent of Light and Power's electricity is generated by Hydro, with a capital H, and given the fact that that proportion will increase, and given the fact that Light and Power have no choice except to pass that cost on, and given the fact that the cost of power is the largest single item - the largest single item in the annual operating costs of Light and Power, then we can see that what has happened is not to give an independent body the right to set the rates. All that is happened is the independent body has been set up as a smoke screen. That is not what ought

MR. ROBERTS: to be done. What the government ought to do, Sir, is this; they ought to say simply but definitively that Hydro must go to the Public Utilities Board and the Public Utilities Board will set the rates, and the rates set by the Public Utilities Board will be the rates that are in effect. Because remember, Sir, there is a direct connection. Many people in the Province do not realize it, they blame poor old Light and Power, a whipping boy. Maybe they are guilty of some things but they are not guilty of this.

Let me repeat the example I used earlier. Hydro have served notice that they wish to increase the cost of their power from 12.2 mils to 17.9. It used to be 6 mils. Up until two years ago it was 6 mils, it is now 12.2 mils, they want to increase it by 5.7 mils to 17.9 mils this year. That will lead to an increase of between 17 and 18 per cent on the cost of every kilowatt hour of power which Newfoundland Light and Power sell. It will lead to that inevitably and immediately. It will be passed right on and if we are now paying one dollar for power we will pay \$1.17 or \$1.18 as a result of Hydro. Nobody has any control over that except the Cabinet, nobody. I think the Cabinet are foolish not to have put it through to PUB and said, You look at it and you set the rates. Because, Sir, what is needed is a ruthless examination of Hydro. They are spending down there like drunken sailors. They are spending our money and then they are coming around, by Heavens! and beating it out of our backs. Hydro does not know what economy is.

The rest of the government, I guess, over the last eight or ten years has learned what austerity is and how to try to get a dollars worth for a dollar spent, but not Hydro. They are the most wasteful and extravagantly staffed public corporation that I have ever heard of, and I thought I had seen some beauts. I am

MR. ROBERTS: not talking about the individuals down there; they have some extraordinarily able men and women employed. But I talked this morning with a senior official in Light and Power, I will not give his name because it is not relevant, but a very senior man, a man who knows what is going on and he says, You know, down there in Hydro they are hiring people and advertising jobs to hire people we could not even dream of. He says, Engineers, you know, people we cannot even begin to think about because we cannot afford it and they are hiring them at Hydro.

I told the case recently of a young man who quit Hydro because he had nothing to do and he recommended - his final act was to sign a memorandum to his superiors recommending that, "My position be abolished because I am not doing anything here. He discovered later that not only had his position not been abolished but three men had been hired to replace him, the department had been expanded. It is the classic case of Parkinson's Law, Work expands to fill the time available. Hydro needs a ruthless examination, a ruthless pruning. They evidence all the signs of an organization that has gone from youth to old age without going through maturity.

You know, it is true that they have a man who goes out and starts their cars in the morning. They are on the lot. That same man is the man who drives the bus back and forth to Donovans. My friend from LaPoile (Mr. Neary) has asked questions about that. He has had no answers to my knowledge. I cannot get an answer to the very simple thing, How much is paid out in salaries and directors fees to senior executives? It is true that the CFLCo jet - remember we own two-thirds of CFLCo and we are entitled to two-thirds of the profits - it is true that the CFLCo jet is used to run people back and forth to Montreal for holidays and weekends and shopping trips. Those things

MR. ROBERTS: are all true. Now maybe all taken together they do not amount to that much against the total cost of running Hydro. Or maybe they do. I resent it and I think everybody in the Province resents paying for an overstuffed and inefficient operation. So I say to the minister one of the things he could do is take an axe, not a pruning shears an axe to Hydro. I would think any hard-nosed consultant who looks at it would recommend at least half the people in Hydro could be dispensed with and the organization would be leaner and tougher.

A friend of mine, for example, is a senior engineer down in Light and Power. He is a senior engineer. Not the senior but a senior and he says, Over in Hydro there are four men doing the same work I am doing down here and I am perfectly able to handle the work I am doing. You know, they are hopelessly overstaffed, hopelessly overstaffed. It is not just nit picking, this is goes right to the bone, right to the groin. It is something we should look at. It is not a scandal in the sense of the Public Works thing. It is not a scandal in that sense, it is just rank inefficiency and completely wasteful conduct of the public money, completely wasteful expenditures.

I think the minister could win himself a lot of favour in the House, a lot of support in the House if he would tell us that he is ordering a ruthless study, a ruthless pruning of the excess expenditures. There are too many unanswered questions. I would like to know what the Chairman is paid and what other considerations he was given. Was he given interest free loans to enable him to resettle here? Was he? We have never been able to find out. We do not even know what he is paid. What pension arrangements are made? The Chairman has been in Hydro for only two or three or four years. What other senior officials of Hydro have pension arrangements made? There are all sorts of

MR. ROBERTS: questions and people are asking them.

So, Mr. Speaker, the Public Utilities Board is not being given an opportunity to do a job here, they are being set up as fall guys. I can see it now, the government will blame any increases on them but the PUB have responsibility without power, the government are keeping the power unto themselves. That is why we are going to vote against this bill. It is a sham, it is a farce and a fraud. The bill does not do that which it ought to do. If that bill, Sir, died on the Order Paper at Second Reading, nothing would be any different than it will be if that bill gets Second Reading and Committee approval and third Reading and is given assent by His Honour the Governor. Nothing will be any different and I challenge the minister to show me anything in that bill that could not be done by Order-in-Council today or tomorrow. Nothing! The only thing that will be accomplished by passing this bill is to give the Queen's Printer some work to print up, however many copies the Queen's Printer prints up of the bills which we enact in this House. That is all that it will do. It is a complete waste of the House's time. The government have laboured on it for months. We are told there have been anxious debates in Cabinet and everything else. Well, if this is the best they can do, Sir, they might as well go back to having more anxious debates. It is a disappointment and a sham and a shambles and, you know, if I say anymore I am in danger of using language which Your Honour could not approve of under the rules.

Now, Mr. Speaker, I think I have a few minutes left. Perhaps the Clerk - I am told I have twenty minutes. Well, I will not use twenty minutes but who knows. Anyway, I want to make one or two other points about power policy generally.

MR. ROBERTS: First of all I want to restate my belief and my conviction that the overall power policy of this Province is in a state of confusion and chaos and that we are going to pay a very dear price. Our consumption is going up about 150 megawatts a year. I say about, nobody is sure. Forecasting at any time is a difficult business, but given the fact that power consumption appears to be decreasing, or at least the rate of increase, I should say, appears to be decreasing it is even more hazardous. But I am told that in the foreseeable future we are going to continue to need about 150 megawatts of power a year.

It takes a year or two or three, Sir, to bring power supplies into play. You cannot just take a decision today and tomorrow have another 150 megawatts running through your system. We are running it pretty close now. We are not too far away from brown-outs, reduced power, reduced voltages and the problems that come from that. Bay d'Espoir will come in this Fall with an extra 75 megawatts, if memory serves me correctly. I may be wrong on the figure. We have a little thermal capacity this year and the new generator, or whatever you call it, the new unit at Holyrood, Duff's Siding, will be in service next year I am told, another 150 megawatts of power out there.

But remember we have to go on building 150 megawatts capacity each year and that is going to be expensive. The cost varies with the type of generation facility but it is going to be expensive and it has to continue. It has nothing to do with any government or any party or anything else. If we were the government we would be facing the same hard facts. If we are not going to have to ration power, if we are going to avoid brown-outs and black-outs we are going to have to continue to provide about 150 megawatts capacity each year every year from now on in.

MR. ROBERTS: Mr. Speaker, the government have not laid out a long-range plan. We are a year or two away, we are always on the edge, we have expedient after expedient, and I want to see some evidence of long-range planning.

MR. ROBERTS:

We can go over the Labrador thing if we want, the horrible mess that the government have made of the Churchill Falls situation. I think it might be useful if we had a debate on it. I guess it is too late in this session, but it ought to be debated, because the more I look on it, the more I think about it, the more I learn about it, the more I come firmly to the opinion that the government have made a hash of it. They have made an absolute disastrous fist of the Churchill Falls and the whole Labrador power development. I do not say that in any way to praise Ottawa. I am not very pleased with the way that the federal government have approached it either. But we have not developed the initiative. We have not developed the kind of ideas and the kind of plans that are needed. The result is that we are going on with the most expensive power of all, thermal produced power. We are going to continue doing that. We may get a little relief from Hinds Lake, Bay du Nord, and the other resources that can be developed. And I say to my friend from Windsor - Buchans to be very much on his guard about Lloyds Lake, because there will be covetous eyes cast on that. And he led a great crusade against it, but he ought not to rest on his oars. And equally those who are concerned with the Terra Nova National Park have got to keep their wits about them, because covetous eyes may be cast upon what is called the Pitts Pond development. Each of those could produce significant quantities of power. I do not think that it will be justified in the circumstances, but I think we have got to be very much on our guard or it could happen. Hinds Lake, Bay du Nord, Cat Arm River are three other sites on the Island, I am told, which could be developed. I believe Hydro are now looking at Cat Arm River and at Hinds Lake, in behind Deer Lake and Grand Lake. Well, it is the road between Buchans and Howley essentially, the Hinds Lake road, and the Salmon River.

MR. PECKFORD: The Upper Salmon.

MR. ROBERTS: I am sorry, the Upper Salmon. We developed the Lower Salmon as phase two of the Bay d'Espoir project.

MR. ROBERTS: Those are the only hydro sites left on the Island of any significant potential at all. So we are only a few years away from having to take the crunch decision of Labrador power or nuclear power. I do not think anybody would recommend oil fired power in this day and age. You know, it is going to continue to be more and more expensive. And, of course, there is the fact that sooner or later - and sooner may come quicker than later - sooner or later oil is going to run out. The day is not unforeseeable when oil, gasoline for cars or oil for heating homes will be just about unobtainable. You know, that is a Doomsday prediction, some will say. There is a lot of evidence coming, you know, that twenty, thirty, forty, fifty years from now we are going to have no oil to run our cars and to do all the things we now use oil for.

So I would like for the minister to touch on it. If he would like to have a major debate on Churchill, I would be delighted to any time. You know, I could get very angry about the \$80 million that has been wasted in what was one of the great election frauds of all time, the ridiculous charade of the Premier going down to Savage Cove, to Yankee Point and going across the Straits to L'Anse-Amour, just this side of Forteau to blow off, not even the top off a hill, to blow up fifty or one hundred stacks of cement that had been there, all in the interest of pretending that the Lower Churchill was underway. I called it a fraud at the time. Mr. Leo Barry called me harsh names, but I was right. Mr. Barry not only was wrong but Mr. Barry got his come-upperance in the electoral sense at the hands of my friend from Burin - Placentia West (Mr. Canning) who gave Mr. Barry a terrific trouncing at the polls as he would again if Mr. Barry were foolish enough to run again in that constituency. But we have wasted \$80 million now. It is going to cost us \$8 million a year indefinitely, none, and no - you know, the court case with Quebec, I will not discuss the merits of it. That would be wrong. But it is the wrong way to go. Even if we win the case, as I believe we will, and I certainly hope we will, you know, we are still two, three, four years away and what do we get when we win it? A declaration that if the

Mr. Roberts.

power is economic and feasible, we can have it to do as we wish with it. That is not very much really. That is pretty thin gruel. I still think that the tax route or the licencing route, and essentially there are variations on the same theme as the way to go. We had quite an extensive debate on it here in the House. The press, I think, did not report it very accurately. They tended to seize upon the fact that my friend, the former member for Twillingate, differed with a number of us on it. Well, that was high right, of course, but that seemed to catch the headlines. What did not catch the headlines was the merits of the proposal itself. The more I think of it, and I have had a number of my lawyer friends looking at it before and since, and the more they look at it, the more they are convinced that it has merit, that it is a substantial and a solid argument and one which we ought to adopt, to levy a tax on electricity. We can do it. We are not barred by any of the agreements. There are no barriers that we cannot overcome.

Speaking of agreements, let me comment very briefly on the contention that the Bay d'Espoir trust agreement - the first money, the \$37 million borrowed at five and one-quarter per cent, if I am not mistaken - that trust agreement in some way justifies the government not making the final authority on power rates. I am told that is not so. The undertaking in the agreement is that the government will ensure that there are no - I do not have it front of me - I could have gone and looked it up, I guess, if I had a moment this morning, it is registered as a trust deed down in the Registry of Deeds - the government will not place under regulatory authority for non-compensatory rates. And the fear of the people who drafted it - and the reason the government agreed to it, and I think the government were a party to it as well as the then Power Commission - the fear was that the government would monkey around with it politically and that the bondholders or the trustee for them would not have any security and that the rates would not be compensatory.

Mr. Roberts.

But I think an undertaking that the rates are compensatory can be worked in there, and I do not think there is any reason why the Public Utilities Board cannot be given the power. As I understand the agreement - now I do not have it in front of me, and I did not hear the minister on it although I understand he did not dilate upon it at any length. He merely said, There is a problem. I do not think that is so. I understand that the matter can be dealt with and the PUB Board can still be made the final authority.

MR. PECKFORD: You know, that is not what I am advising.

MR. ROBERTS: Well, you know, the minister's advice and mine differ. We are not entitled to see the minister's advice, and he will choose not to give it to us. That has been his practice so I cannot quarrel with it except to say that the advice which I am given is contrary, is different. And I will say that does not take away from the principle of the fact that government have not -

MR. PECKFORD: The lawyers have a field day.

MR. ROBERTS: I am sorry?

MR. PECKFORD: The lawyers have a field day. I think they have concocted to disagree so that they can give themselves -

MR. ROBERTS: The trouble with these things is that lawyers do have field days, and it is the public who suffer. My fear is that this whole bill is just a great charade that is put up for political purposes to try to provide a little window dressing. This session has been a disastrous one for the government in the public relations as well in the political sense. You have got to try to have something to justify bringing together the House for five or six months, and they tried to hang their hat on this.

Well, Sir, we think it is a very bad bill. We think it is part of a very bad policy. The way the government have handled the power policy in this Province has cost us a great deal of money and it has produced no more. The difficulties which they have encountered are difficulties which not only they could have foreseen, difficulties which they ought to have foreseen,

Mr. Roberts.

difficulties which were foreseen by many people who spoke publicly. The government have blundered. They have acted foolishly. They have wasted \$80 million on the Lower Churchill alone. We have nothing to show for it except power rates that are among the highest in Canada. They are going to be higher still. We have put forward a positive suggestion that has never been rebutted and cannot be rebutted in my view for a means to recoup some of the money that is going out of the Province in the way of cheap power to Hydro Quebec, a method which is morally justified and legally justified which we feel ought to be done immediately.

Having said that, Sir, I will simply say again that I am going to vote against the bill. My colleagues are going to vote against the bill. It does not achieve anything. It is a complete waste of time. It is a charade, window-dressing. I mean, you could find any number of relevant adjectives to describe it. Some of them parliamentary, and others not parliamentary. But it is a complete waste of time. It does not achieve anything. We will not be any further ahead in power policy in this Province if this act becomes law. I am going to vote against it, Sir, and I will ask the members on the government side to not necessarily vote against it. They will not vote against their own legislation, but to get the minister in the corridor and to get him aside and say, Look, just let that bill die on the Order Paper just like the Rural Development bill will die on the Order Paper and do not push it through because it is not going to do us any good. It is just going to make people angrier when they realize that once again this government has led them up the garden path. The government have a well-justified record now for making statements and promises that are not borne out by events. I am not accusing them of deliberately misleading people, but I am saying that they do mislead people, and that has never been better exemplified than this whole question of power policy, and this bill, Sir, is part and parcel of that. It should be rejected. I ask the House to do it. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN (Dr. Collins): The hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, I want to say a few words on the bill. Ever since I have been a member of this House, I have been advocating that the Newfoundland

MR. LUSH: Hydro be under the control of the Public Utilities Board, regulated and controlled by the board, but this particular bill that we are looking at today is certainly not the kind of bill that I envisaged, not the kind of bill that I anticipated that the government would come up with, not the kind of bill that will give any real protection to the consumers of electricity in this Province - no protection at all. In essence, nothing has really changed. And I could certainly say it is truly a conservative bill. My understanding is that it is pretty similar to the Ontario system. The section that refers to the implementation of the policy is certainly very similar to what is happening in Ontario. It looks like the government went to Ontario for direction in this particular situation, and as I said, it is truly a conservative bill in this respect. It is not like the situation in Alberta where it is completely under the control of the Public Utilities Board. It is not like the case in Nova Scotia where Nova Scotia Hydro or Nova Scotia Power, whatever it is called, is again completely under the control of the Public Utilities Board. The only precedent is Ontario. And again, Mr. Speaker, it is not the kind of bill that we envisaged, not the kind of bill that we anticipated, not the kind of bill that we were looking forward to, not the kind of bill that we hoped the government would bring in. We had hoped that the government would go further for this particular bill.

But just to make a brief resume before I get into talking about the implementation of the policy with respect to the Public Utilities Board - the bill, as has been suggested, contains two major parts, the declaration of the power policy which need not have been incorporated into a bill at all, and the implementation of the policy. But with respect to the power policy there is very little to argue with in that particular aspect of the bill. It is common sense and logical and certainly a policy that should be advocated, should be carried out by any government. The only question

MR. LUSH: that can be asked is about the sub-section which says that the power within the Province should be established wherever - I am sorry - that power should be computed in respect of the retailer on a blended cost of the energy available within the Province to the retailer - in other words, an equalization right across the Province. And certainly, no one can object to that; it is a good policy. The only question that can be asked is, What is going to be the cost of equalizing electricity rates throughout the Province - power rates throughout the Province? Will there be an extra cost to the consumer? Because obviously where people are paying unequal amounts if you are going to make it equal and to make it profitable to the people distributing the power, obviously one has to be upped. And I am just wondering how this will affect the present rates. The equalization is certainly a good policy and I am not going to knock it. I am just wondering whether the minister has any idea what the equalization is going to cost, what the blending of the costs is going to mean to the people of this Province and whether, indeed, the cost will be passed on to the consumer, because this seems to be the only way that it can be done - that to equalize the cost of electricity to the consumer throughout the Province there has got to be an extra burden put upon the consumer in the beginning, in the commencement of the policy. And I would like for the minister to address himself to that particular query to let us know just what the cost of equalization is going to be, who is going to bear that cost, and it is my contention that it is going to be the consumer. And combine this, Mr. Speaker, with the fact that we are continually facing escalating costs with respect to electricity. The hon. Leader of the Opposition alluded to the fact that in the last year or so we have had 100 per cent increase. And if Hydro carry through with the plans or carry through with the speculations that we are hearing about we are going to be faced with another 25 per cent increase. And then if there is to be an increase with respect to the equalization, one wonders just what the cost of electricity is going to

MR. LUSH: be to the people of this Province.

And, Mr. Speaker, I do not know if other members hear it the way I do, but, you know, the people are frustrated. They just do not know which way to turn. The question continually is, you know, When are these prices going to stop? When is the escalating cost in the price of electricity going to stop? How far can they go? And the situation now is the price that people are paying for light bills is the price that we paid for heat back some years ago. It is common for people to be paying - just ordinary people - paying \$30 and \$35 a month for a light bill, and this is a pretty exorbitant cost, and with further escalation, with further rises in this cost I do not know how our people are going to cope with it. Indeed in many of our rural communities the people are going back to wood, which is probably not a bad idea, because they are not going to be able to carry on with electricity. And what is happening is that Newfoundland Hydro is pricing electricity out of the range of the ordinary Newfoundlander. And, Mr. Speaker, it is not uncommon in my own district to find where people have the furnaces and electric heat it is not now uncommon to find people with wood stoves right throughout - wood furnaces - in an attempt to try to cope with the high cost of living. And certainly it is my contention that Newfoundland Hydro is pricing electricity out of the range of the ordinary people of this Province. And certainly this bill here today is going to do nothing to control, nothing to regulate these escalating costs. The bill is not designed to protect the consumer. The bill is designed to protect Newfoundland Hydro, still it is not designed at all to protect the consumers of electricity in this Province - no way.

But, Mr. Speaker, with respect to the power policy, I certainly have no quarrel other than the question of what is equalization going to cost. Who is going to bear the cost? Who is going to bear the burden of equalizing the cost of electricity in this Province? And it is certainly a good principle for any government to be following, but that is the only question I would have with

MR. LUSH:

the power policy.

Now with respect to the implementation of the policy, this is where the bill falls down completely. And this is what we have been looking forward to, this must be the essence of the bill. This has to be the real essence of this bill - the implementation of the policy. And the part where it falls down, of course, is the fact that Newfoundland Hydro can only recommend prices to the government. They have no power. The legislation has no teeth in it. The Public Utilities Board is rendered powerless, because all they can do is simply make a recommendation. And I am just wondering how this is going to affect the board itself, the operation of the board, knowing that they can only make a recommendation as to the price that Newfoundland Hydro might charge Newfoundland Light and Power for its electricity. And then, Mr. Speaker, as I have said before, nothing has changed essentially. Up until now Newfoundland Light and Power have had to go to the Public Utilities Board in order to get an increase for electricity, and they still have to do that. But they are completely regulated, completely controlled by the Public Utilities Board. And our contention was that this could not operate properly, it could not operate effectively until the Newfoundland and Labrador Hydro came under the same controls, came under the same regulations and came under the same scrutiny. But now this bill, the thing is the same as it was before, that Newfoundland Light and Power have to go to the Public Utilities Board to get approval for any increases in electricity, but the point of the matter is that it is still the government, it is still the Cabinet that determines what price Newfoundland Hydro will charge. So we have the same situation, Newfoundland Light and Power who distributes the power to the consumers of this Province coming under the control of the Public

MR. LUSH: Utilities Board but Newfoundland Hydro not. What we are doing is making chalk of one and cheese of the other, the same situation. And I do not think we can regulate and control the cost of electricity in this Province until both Newfoundland Light and Power and both Newfoundland Hydro have to go through the same channels to get increases. So this bill in that respect changes nothing. It gives the Public Utilities Board no power whatsoever. There is no teeth in the legislation and essentially nothing has changed. And I cannot see why the minister did not go the route that they have gone in Alberta to put it under the Public Utilities Board giving the Public Utilities Board full control and the same as they have done in Nova Scotia.

MR. PECKFORD: Alberta?

MR. LUSH: Yes, in Alberta.

MR. PECKFORD: Sure they are mostly private companies in Alberta.

MR. LUSH: They are under the control of the - the major company is under the control of the Public Utilities Board in Alberta. The minister could check that out and find out but that is the case and the same in Nova Scotia, under the Public Utilities Board with complete control.

MR. PECKFORD: But you are talking about a different -

MR. LUSH: Ontario is the only one that I know that is similar to this one. Ontario is similar to this -

MR. PECKFORD: And the rest of the provinces have nothing?

MR. LUSH: Right.

MR. PECKFORD: Beside the fact that the Nova Scotia Power Corporation has not got the same kind - is not the same creatures as is Newfoundland Hydro.

MR. LUSH: Basically the principles are the same, though.

MR. PECKFORD: You are not comparing apples and apples then.

MR. LUSH: Basically the principle is the same and we bring in legislation here, Mr. Speaker, that is not innovative legislation, not forward looking legislation, not legislation that is going to give real protection to the consumers.

Now I am not suggesting that by putting the Newfoundland Hydro under -

MR. PECKFORD: What is the name of the company in Alberta?

MR. LUSH: I am not sure of the name.

MR. PECKFORD: I would like to know. Calgary Power, Edmonton Power and Alberta Power, all of them are privately owned companies.

MR. LUSH: And you find it under Public Utilities. You have to go to Public Utilities for increases.

MR. PECKFORD: The private companies?

MR. LUSH: Check it out.

MR. PECKFORD: I have it checked out. It is here before me.

MR. LUSH: Does it say they have to go to Public Utilities.

MR. PECKFORD: They are private companies.

MR. LUSH: Yes.

MR. FLIGHT: But they have to go to Public Utilities.

MR. PECKFORD: Yes, the same way as Newfoundland Light and Power does here as a private company.

MR. LUSH: That is right.

MR. PECKFORD: That is a private company. We are talking about Crown corporations.

MR. LUSH: I am just saying that the principle that applied in Alberta and the one that applied in Nova Scotia, they are controlled by the Public Utilities Board, solely and wholly. Mr. Speaker, I was about to say I do not think simply by bringing Newfoundland Hydro under the control of the Public Utilities Board is going to guarantee that our people will not be ripped off with respect to prices in electricity. And I think there has got to be some structural changes within the Public Utilities Board to give

MR. LUSH: it more power. And the point alluded to by the Leader of the Opposition, which again is a point that we have been on on this side of the House for a long time and that is to fund consumer groups. Because the way it is right now with cases involving consumers and corporations and companies, that the consumers are defeated from the beginning because they go in and face a battery of lawyers and economists and financiers and the consumers have no expertise whatsoever. So the idea of funding, of providing funds for a consumer group so that they too can call upon the kind of expertise that is necessary in fighting these companies, so that they too can get the kind of information and get the kind of legal advice that is necessary in fighting the utility companies.

So I am not suggesting that by just putting it under the Public Utilities Board, putting Newfoundland Hydro is going to solve all the problems, by no way, Mr. Speaker, but certainly by this bill is not going to solve anything at all, nothing at all. Things have not changed essentially, they have not changed one iota because it is the government, it is the Cabinet that still have the power to decide whether or not increases will be granted. And as long as that is the case there is no protection for the consumers in this Province against continually escalating cost of electricity. And it is too bad that the minister was not able to go all the way with this bill, was not able to put the Newfoundland Hydro under the complete control, under the complete scrutiny of the Public Utilities Board and give the Public Utilities all the power that is necessary, and not put them in an advisory position the way they are now, not merely have them to recommend to the minister who in turn would recommend to the Cabinet any price changes, any price increases. It should be under the jurisdiction of the Public Utilities Board to be able to set the

MR. LUSH: price, to be able to make an order, that is the word I think they call it, make an order. Under this bill right now the Public Utilities Board cannot make an order, they can only make a recommendation. But they can do it for Newfoundland Light and Power, and, Sir, until they can do it for both then there is going to be no protection for the consumers in this Province. It is not the kind of bill that we are looking for, not the kind of bill that we thought it would be.

And, Mr. Speaker, I do not know. I think that is about all the points that I wanted to make on it. Again I just finish up my remarks, clue up my remarks by saying that it is certainly not the kind of bill that we on this side of the House thought it would be and for the reasons I have given we are not going to support the bill. The bill is not certainly designed for the consumers of this Province. It seemed as though there was no real concern in protecting the consumers of the Province, the bill is not consumer oriented, the bill does nothing to change the situation from what it was. It does not do what it should do, the bill does not go far enough, there is no teeth in it, it gives the Public Utilities Board no power whatsoever to regulate and control price and cost of electricity and it is just simply window dressing.

Thank you, Mr. Speaker.

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

MR. PEGKFORD: Mr. Speaker, the last couple of speakers who have just addressed themselves to the principle of this bill really, really surprised me, it almost astounds me. The comments made earlier in the debate by the hon. member for Eagle River and by the hon. member for Windsor-Buchans were very responsible statements on the principle of this bill and after that the whole debate started to go down hill very quickly. And, Mr. Speaker, I hope that the hon.

MR. PECKFORD: gentlemen on the other side realize what they have said in the last half an hour or an hour and that is that they are going to vote against this bill. And in voting against this bill they are voting against having Newfoundland Hydro appear before the Public Utilities Board, that is what they are voting against. This is what they have been advocating for a long while. Now to say, Mr. Speaker, that moving in that direction it has not gone as far as they would like to see it, is another question. They are now flaunting in the face of the very thing that they have been advocating for months and months and months, they are flying in the face of the very thing. We are moving in the direction of having the Public Utilities Board scrutinize through public hearings the rate increases proposed by a Crown corporation, namely, Newfoundland and Labrador Hydro. And because of some legal matters dealing with the Bay d'Espoir project and money raised in the bond market, it is impossible for the government at this time to have the Public Utilities Board order Newfoundland Hydro's proposed increases, what they will be, that is the position of the government and that is my position. Now if the hon. the Leader of the Opposition wants to say he has evidence to the contrary, legal advice to the contrary, well, he better produce that evidence, he better show those arguments, the onus is on him. But in voting against this bill, this reform piece of legislation, this progressive legislation, let it be recorded that the Opposition are voting against the principle of a Crown corporation coming under in some way, shape or form the aegis of a regulatory agency. And it is not fair to say, Mr. Speaker, in my opinion, it is not fair to say that by just having Newfoundland Hydro appear before the Public Utilities Board, under the scrutiny of this body that nothing has changed; that is in my opinion not a valid argument. One of the main contentions by consumer groups,

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MR. PECKFORD: by opposition members over the past number of months and years has been that we want to see this public

MR. PECKFORD: corporation go under this kind of scrutiny, and under this bill this will be facilitated. This is the kind of thing that will happen. It will be public that the Hydro Corporation will have to prove that the rates that they say they must have are justified under the kinds of terms that are applied to private utilities, Newfoundland Light. And that not only will that occur, not only will Newfoundland Hydro have to justify its wholesale rates to the utilities who distribute it, but furthermore the retail arm of the government, the Power Distribution District in its turn will have to go before the Public Utilities Board and justify the kinds of rates that it will charge to the domestic customers under its jurisdiction. To say, Mr. Speaker, that that is not a progressive step is flying in the face of logic. Who could deny that we are moving forward? That we are moving toward the kind of thing that has been advocated over the last couple of years.

So, Mr. Speaker, the Opposition in taking a stand, voting against this piece of legislation are voting against moving towards having a Crown corporation being placed under the Public Utilities Board or under a regulatory agency. Make no mistake about it, they are now watering down and diluting the principle that they have advocated for over the last year or two. They are watering down their principles. Their principle now has been destroyed. The Opposition has been laid bare and now we see just exactly -

MR. SIMONS: (Inaudible).

MR. PECKFORD: Mr. Speaker, can I be heard in silence?

MR. SPEAKER (MR. COLLINS): Order, please! The hon. minister has made a request which he has every right to make.

The Hon. Minister of Mines and Energy.

SOME HON. MEMBERS: Oh, oh!

MR. PECKFORD: Mr. Speaker, there is still some - I cannot carry on.

MR. SPEAKER (DR. COLLINS): I would expect hon. members to heed the request the hon. minister is making which the Chair of course has no option but to enforce.

The hon. Minister of Mines and Energy.

MR. BECKFORD: So, Mr. Speaker, the Opposition are now in the process of flying in the face of the very thing that they have advocated. They are now jeopardizing their principles and I believe that before this bill comes to a vote a number of the hon. members on the other side are going to reconsider very strongly their position as it relates to this bill. They have advocated to have the Hydro Corporation appear before the Public Utilities Board. Now they are saying they are going to vote against that very kind of principle that is a part of this piece of legislation and that is totally inconsistent and really destroys any credibility they had as it relates to saying to the consumers of this Province - lost all their credibility in trying to persuade the consumers of this Province that they stood for that kind of principle. They can no longer identify themselves with that kind of principle.

MR. FLIGHT: You are always repeating yourself.

MR. BECKFORD: Mr. Speaker, can I be heard in silence.

MR. SPEAKER (DR. COLLINS): Order, please!

MR. MURPHY: Are you being harrassed?

MR. BECKFORD: Now, Mr. Speaker, the hon. member for Eagle River (Mr. Strachan) in his address, which is usually the way with the hon. member for Eagle River, he is usually fairly brief but succinct and usually says what he has to say and sits down and is one of the better members in the House on the opposite side in how he addresses an issue, in my humble opinion, and does it very well, and is a very responsible member on the opposite side.

We mentioned, of course, the hon. member for Eagle River, the problems on the Labrador Coast and his pleasure in

MR. PECKFORD: seeing that the government intended to try to blend the cost as it related to the distribution of power under the Power Distribution District. And that this move was a move in the right direction and the kind of principle that the Opposition have been advocating for some time as it relates to the retail aspect of power and I agree with him that this is a step forward.

It is not going to be done next month. It is going to take time to blend this in as the Leader of the Opposition pointed out in part of his remarks, that the whole question of blending is one that involves a sizeable chunk of money -

MR. NEARY: Old stock whiskey we are talking about now.

MR. PECKFORD: And so that therefore we are going to have to bring in - the first thing that will happen, Mr. Speaker, is when the Power Distribution District appears before the Public Utilities Board, it will be established exactly how much it will cost to deliver that as you divide it out among all the customers in the Province, both those on hydro, those on diesel; then once that is established then government will have to decide on the amount of subsidy contained therein to bring the rates in line with the other rates in the Province, like Newfoundland Light for instance, the other domestic customers.

MR. NEARY: How much of an increase are you going to seek to consumers this year?

MR. PECKFORD: So that, Mr. Speaker, what we are really saying is that government will not eliminate the kind of subsidy that is presently in place and reflecting itself in the department's estimates, under the Rural Electricity Authority.

MR. NEARY: In Green Bay, will they get any increases this year or will there be no increases?

MR. BECKFORD: Is the \$11 million or \$12 million on operating costs right now is the kind of subsidy that will continue. How much over and above that that will be needed on operations next year will be dependent to a great degree as to how we determine - we start blending the cost. It is going to have to be phased in. I do not think it is reasonable to say that over the next six months or twelve months we are going to be able to eliminate the 500 kilowatt hour restriction that is there now and open it up completely for two reasons: one, because of cost; even a greater reason is because a lot of the diesel areas in the Province have not got the capacity to handle much greater a demand than they are now handling and if you just took the lid off the 500 kilowatt hours you would increase the demand substantially and then we would not be able to deliver the additional electricity. So there is going to have to be -

MR. NEARY: Would the hon. minister permit a question?

MR. BECKFORD: No. I will not. Sit down.

MR. NEARY: The hon. gentleman is getting awfully arrogant.

MR. BECKFORD: No, I am not.

MR. SPENCER: Order, please! The hon. gentleman, as every hon. member, has the right to be heard without interruption and has indicated that he does not wish to be interrupted or to yield.

MR. NEARY: Too cowardly.

MR. BECKFORD: So that, therefore, there is going to have to be an increase over this year's budget, for example, in the capital outlay to the Rural Electricity Authority in order to be in a position to accommodate the increase in demand that will occur as we take the ceiling or the level off now of the rate structure. Where now we have the same rate structure for all customers up to 500 kilowatts and then the increase on the diesel customers, as that comes off, the demand obviously is going to increase and we are going to have to have

MR. BECHFORD: In place the physical equipment to meet that kind of a demand, so we are going to have to phase that in.

So what we are saying is, we are going to have to both phase in a higher capital programme and at the same time recognize that it is quite likely that additional monies will also be needed on the operational side.

MR. NEARY: How much of an increase?

MR. BECHFORD: But in any case, the rates in the short term will not exceed those paid by other domestic customers in the Province, namely the customers that are now getting power from Newfoundland Light and Power. So that that in the short term is the general policy that is going to be applicable to the blended cost situation as it relates to the Power Distribution District.

MR. NEARY: You are only wasting your time unless you talk about the rate increase there is going to be in the next five years for users of electricity.

MR. BECHFORD: The question from the hon. the member for Eagle River (Mr. Strachan) as it relates to the small commercial customers I think, and since that time he has gotten the answer to that question that these commercial and retail stores and so on will come under this kind of rate structure and be referred to the Public Utilities Board.

MR. NEARY: How much of an increase?

MR. BECHFORD: The hon. member for LaVoile (Mr. Neary) had a few words to say which did not mean too much, so we can pass over them. We come to the hon. member for Windsor - Duchans (Mr. Flight) and his -

MR. NEARY: The hon. gentleman -

MR. SPEAKER: Order, please! The hon. gentleman has indicated that he will not yield so I cannot recognize anybody.

MR. NEARY: The hon. member is too cowardly to yield.

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

MR. BUCHANS: The hon. member for LaPoile (Mr. Neary) had his opportunity to speak; now I am entitled to mine.

The hon. member for Windsor - Duchans (Mr. Flight) made a fairly strong plea as it related to the ASARCO operation. As the hon. member remembers, the hon. the Premier did respond to him sort of verbally at the time and in talking to the hon. Premier about it, we have indicated that if the whole ASARCO operation, the Duchans mining operation totally hinges upon that \$170,000 increase in power we are willing to sit down and look very seriously at assisting to allow that operation to have its normal operations continued until now, the time of closing which is the middle of 1979 until the end of 1979.

MR. FLIGHT: Would the minister permit one other question?

MR. PECKFORD: Yes.

MR. NEARY: How much would the inventories be this year for the consumers of electricity?

MR. FLIGHT: I never suggested - if it must be, it must be - that the government would subsidize, in other words, would pay ASARCO the \$170,000 and ASARCO turn it over to Newfoundland Light. I believe that we should not go that route. I believe we should tell Newfoundland Light that you are not getting that kind of an increase on that operation.

MR. PECKFORD: Going that route would be more difficult because of Newfoundland Light's application to the Public Utilities Board and interfering in that kind of process which I do not know - I am not sure legally it can be done or even if it can be done at all. But I think that if the company feels very strongly about this, can demonstrate in their cash flow situations now from here until the end of the operation that this is a major factor in their staying open, their closing before the time now predicted, well then we are very, very willing to assist in that kind of situation.

MR. NEARY: Would the hon. minister permit a question?

MR. PECKFORD: Mr. Speaker, the hon. member for Windsor - Buchans (Mr. Flight) -

MR. NEARY: Too cowardly, Sir.

MR. PECKFORD: - mentioned the business of the ERCO -

MR. SPEAKER: Order, please!

I do believe using the term 'cowardice' is one which hon. members do have to withdraw. And I think any word based upon that is one that would be unparliamentary. So I would ask the hon. gentleman to withdraw it.

MR. NEARY: It certainly suits the hon. gentleman, Sir, but if it is unparliamentary, Your Honour, I withdraw it without any hesitation at all.

MR. PECKFORD: Thank you, Mr. Speaker.

To continue, the hon. member for Windsor -
Suchans (Mr. Flight) mentioned the whole question of the
industrial subsidies, especially the one as it applies to
ERCO and what we could do about that. As I indicated in
my opening remarks, the intent as written in the act is to try
to negotiate in a reasonable and sensible and rational manner
with the ERCO's to see by getting their cash flow situation,
getting whether they are in 1978 going to be a viable entity
on their own and make money. If so, we should be able to link
some kind of formula to how viable they will be and, therefore,
to pay an additional mil or two mils or three mils or whatever
it happens to be, and we will negotiate that. We will be in
real trouble if we try to do it the other way.

MR. NEARY: What about the consumers? How about
the industrial customers?

MR. PECKFORD: As is the situation as it relates to all
industrial customers now, because what this act does is to
umbrella the retail aspect of power and the wholesale aspect
of power as it relates to Newfoundland Hydro, to Newfoundland
Light and PDD. But as it relates to selling power directly
from Newfoundland Hydro to industrial customers, the government
reserves the right to negotiate on an individual basis based
on each individual industry rather than try to establish a
standardized policy which might be applicable to the Avalon
Peninsula which might not be just as applicable to the Port au
Port Peninsula or it might not be as applicable to Labrador.

MR. NEARY: Do not be wasting time, 'boy.' Tell us what the
rates -

MR. PECKFORD: So we reserve the right on that.

The hon. Leader of the Opposition's comments -
he spent a fairly long time to tell us near the end that he did not
agree with the act at all and so I do not know why he spent so much
time trying to tell us something he did not believe in. But
nevertheless he did make at the outset of his remarks some points

Mr. Peckford.

that I tried to address myself to in a general way and that related to the business of how we intend to do the blending and that we must beef up our diesels now so that the capital cost of the whole PDD must go up and then gradually phase out the 500 kilowatt situation and bring the ceiling up. But we must be ready. We cannot do one without doing the other. It is no good for me to enunciate or for government to enunciate that we are going to take the ceiling off, because in three or four month's time diesel consumers are going to say, Yes, you took it off, but it is no good to us, because there is no capability here to give us more power. So we have got to remember that we have got to be able to deliver the power on the one hand before we can start saying you can have it at the same rate as everybody else on the other. In any case it is our intention, as reflected in the act, to move as quickly as possible to that very desirable end that everybody agrees to. With that, Mr. Speaker, I move second reading.

MR. NEARY: Would the hon. minister permit a question before the minister takes his seat, Mr. Speaker? Would the minister tell us what increase is going to be placed on the consumers of electricity in this Province over the next twelve months?

MR. PECKFORD: Listen and wait and watch the Public Utilities Board's hearings.

On motion, a bill, "An Act To Control The Rates Of Newfoundland And Labrador Hydro And Declare A Provincial Power Policy," read a second time, ordered referred to a Committee of the Whole House presently by leave.

On motion that the House resolve itself into Committee of the Whole, Mr. Speaker, left the Chair.

COMMITTEE OF THE WHOLE:

MR. CHAIRMAN: Order, please!

A bill, "An Act Respecting Elections To The Council Of The City Of St. John's." (Bill No. 99).

On motion Clause 1 through to Clause 10, carried.

MR. CHAIRMAN: Shall Clause 11, carry?

MR. HICKMAN: There is an amendment here. Subsection 1 of Clause 11 of the St. John's Act is amended by inserting the words "and" immediately after the words, "eighteen years of age or over."

On motion Clause 11 as amended, carried.

On motion Clause 12 through to Clause 43, carried.

On motion Schedule A, carried.

MR. CHAIRMAN: Shall Schedule B, carry?

MR. HICKMAN: There is an amendment in Schedule B (4), of is changed to to in the second line and the same in the fifth line.

On motion Schedule B as amended, carried.

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

A bill, "An Act To Control The Rates Of Newfoundland And Labrador Hydro And To Declare A Provincial Power Policy." (Bill No. 98).

On motion Clause 1, carried.

MR. CHAIRMAN: Shall Clause 2, carry?

MR. HICKMAN: Mr. Chairman, in the heading the word 'interpretation' goes in there.

On motion Clause 2 as amended, carried.

MR. CHAIRMAN: Shall Clause 3, carry?

MR. FLIGHT: Mr. Chairman, is this the Hydro Act that we just had second reading on?

MR. HICKMAN: We agreed to stop the clock.

MR. FLIGHT: No, this got to come up tomorrow morning. We cannot get through all the clauses. You agreed to stop the clock to put the whole bill through?

MR. PECKFORD: Yes, now.

MR. FLIGHT: Okay.

But I have a question, and I am not even sure that this question is relevant, Mr. Speaker, but I am very sure - at least a month ago, Mr. Chairman, I asked the hon. Minister of Mines and Energy if he could inform the House what the total bill to Newfoundland Hydro

MR. FLIGHT: for the Bunker C purchase for the fiscal year, what the consumption was in gallons or tons, whichever way it is bought, how much it cost the Province both in gallonage and dollars and cents - the question at the time was whether or not the Province would have been better going to public tender. And the minister up to this point has not answered that question, and I think the House is entitled to it in view of the fact that we are talking about Hydro's expenditures.

MR. PECKFORD: The next bill, which is Bill No. 54, I think it is, is a bill making amendments to Newfoundland Hydro per se, which will come up sometime tomorrow and I will undertake to have the information that the hon. member is requesting. And also that bill has an amendment in it that deals directly with what you are talking about.

MR. FLIGHT: Very good. Fine, Mr. Speaker.

On motion Clause 3, carried.

On motion Clause 4, carried.

MR. CHAIRMAN: Shall Clause 5 carry?

The hon. member for Eagle River.

MR. STRACHAN: Could the minister indicate whether the recommendations - and I am not sure, maybe it is self-evident - but the recommendations of the PU Board on the rates, the recommendations to government, will they be public? I mean, this will be an acknowledgement and we will be able to see the rates?

MR. PECKFORD: Yes, because that is one of my whole arguments as to - that this bill, albeit is not the panacea that the Opposition would like it to be in the sense that the Public Utilities Board order, but by the same token, after the whole scrutiny is done and the rates are public - what the Public Utilities Board are recommending to government - it puts a great onus on government to accept almost automatically those kinds of rates and would have to have very good justification for doing anything different.

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On motion Clause 5, carried.

On motion Clause 6 through to

Clause 11, carried.

MR. CHAIRMAN:

Shall Clause 12 carry?

MR. STRACHAN:

Clause 12 - let us see.

Could the minister just briefly explain the point - if the PU Board approve rates lower than that requested by Newfoundland and Labrador Hydro then in essence it is up to the Lieutenant-Governor in Council to decide on the rates to be set, the recommendations coming from PU Board. The Lieutenant-Governor in Council then, or the Cabinet as such, make a decision. If they approve a higher rate than what the PU Board has done, then they are in essence subsidizing Newfoundland and Labrador Hydro and this law will be public, in fact, that you have decided to make that subsidy is quite clear.

MR. PECKFORD:

Yes, exactly.

On motion Clause 12, carried.

On motion Clause 13 through to

Clause 19, carried.

MR. CHAIRMAN:

Shall Clause 20 carry?

MR. HICKMAN:

An amendment to Clause 20 by adding the following words, 'pursuant to that agreement, and the retailer is bound thereby.'

On motion Clause 20 as amended, carried.

Motion that the Committee report

having passed the bill with amendments, carried.

On motion that the Committee rise,

report progress and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. SPEAKER:

The hon. member.

DR. COLLINS:

Mr. Speaker, the Committee of the Whole have considered the matters to them referred and direct me to report

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DR. COLLINS: Bills Nos. 99 and 98, both with amendments, and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee reports that they have considered the matters to them referred and have passed Bills No. 99 and No. 98 with amendment and ask leave to sit again.

On motion report received and adopted.

On motion Committee ordered to sit again on tomorrow.

On motion amendments read a first and second time.

On motion the following bills be now read a third time, ordered passed and title be as on the Order Paper.

A bill, "An Act An Act Respecting Elections To The Council Of The City Of St. John's." (Bill No. 99).

A bill, "An Act To Control The Rates Of Newfoundland And Labrador Hydro And To Declare A Provincial Power Policy."

MR. SPEAKER: It being six o'clock the House is adjourned until tomorrow Thursday at 10:00 A.M.

This House stands adjourned until tomorrow at ten o'clock.