

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
WEDNESDAY, MAY 16, 1979

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: (Mr. Ottenheimer)

Order, please!

PRESENTING PETITIONS

MR. SPEAKER:

The hon. member for

Terra Nova.

MR. LUSH:

Mr. Speaker, I have two petitions dealing with roads, both petitions really dealing in the main with the same section of road. One petition does go a little further with another additional strip or another additional section, so I am just wondering if with the consent of hon. members whether I could not present both together within the time constraints for two petitions.

MR. SPEAKER:

The hon. member is asking leave for ten minutes in which to present two petitions.

SOME HON. MEMBERS:

Agreed.

MR. LUSH:

Mr. Speaker, the first petition is on behalf of the residents from Eastport, St. Chads and Burnside and signed by 207 residents from these communities requesting that something be done to improve the road conditions in that area. Mr. Speaker, I will go to the petition and the petition says, "TO the hon. House of Assembly, the petition of we, the undersigned, being residents of and electors in the Province of Newfoundland and Labrador humbly request that the government allocate funds in this fiscal year to start a programme of reconstruction, upgrading and paving of the road from Eastport through St. Chads to Burnside. This road receives extensive use by school children in the area who are all bused to school in Eastport. Additionally, Burnside is the terminal point for the St. Brendan's ferry service and is used extensively by the people of St. Brendan's and by visitors to the Island of St. Brendan's. Furthermore, the road is used extensively during the Summer season

MR. LUSH: by tourists from all parts of the Province as well as from parts of Canada. We therefore petition the government to allocate funds in this fiscal year for the reconstruction, upgrading and paving of this road. And your petitioners as in duty bound will ever pray."

Mr. Speaker, I fully endorse and support the prayer of this petition and in doing so I hardly need remind hon.

MR. LUSH: members of the initiative, the energy and the resourcefulness of the people living in these communities on the Eastport Peninsula. Certainly, one of the areas in Newfoundland with the highest employment level, I would say, in all of Newfoundland is in these communities on the Eastport Peninsula. I would venture to say that in Burnside itself there is not a half dozen people unemployed. And this is evidenced by the fact that the little town of Burnside finds it very difficult to get any consideration under the various federal government job creation programmes because, as hon. members will realize, these are allocated on the basis of unemployment, and because there is such a high level of employment in the area, that town in particular receives very few of these grants. In my recollection, I can only recall one.

So, Mr. Speaker, it is a prosperous little area. The people of that area make a tremendous contribution to the financial resources of this Province and I think their request today is a very reasonable one, asking for a beginning, that a start be made for initiating a programme of reconstruction, upgrading and paving of the road from Eastport through St. Chads to Burnside. And as the petition points out, Mr. Speaker, the road is used extensively by students, because all of the students in that area, all of the students in Burnside and in St. Chads, are bused to Eastport. I think we are talking about a distance not in excess of seven miles, from Eastport to the end in Burnside. We are talking about no more than seven miles. So, as I have suggested, all of the students are bused out. In many communities we get just the high school students bused out, but in these areas, all of the students from kindergarten to Grade XI are bused out on a daily basis.

Again, most of the people find jobs outside the area. There are a couple of fishermen in Burnside and St. Chads, but most of the people are construction workers and they work outside the area, in Eastport, itself, Glovertown, Gander, the Terra Nova National Park. So all of the people basically

MR. T. LUSH: find jobs outside the area and they have to commute to and from work on a daily basis. Additionally, all of the routine business of the town is directed towards Eastport so just in the matter of buying groceries and this sort of thing the people go to Eastport. So the road is used, Mr. Speaker, extensively and because of this it is very difficult to maintain the road because of the extensive use that the road receives. Additionally, of course, as was indicated in the petition it is the terminal point for the ferry service to St. Brendan's and again is used quite extensively by people, residents of St. Brendan's travelling to and from and, of course, by visitors going to St. Brendan's.

Again, Mr. Speaker, I think all hon. members are aware of the tourism business in the Eastport Peninsula, probably one of the most successful tourist areas in the Province, a tremendous number of tourists visit Eastport from all over Newfoundland and from all parts of Canada, again putting extensive use and wear and tear on the roads in the area, particularly in the Summer.

Mr. Speaker, hon. members know that when you visit the Eastport Peninsula in the Summertime it is just like being in an urban, in a city area. The traffic is unbelievable. And then, of course, the people have to live in those areas with the dust that has accumulated that is caused by traffic flowing over these gravel roads. And, Mr. Speaker, if there is ever an area in the Province that deserves consideration for the reconstruction, upgrading and paving of their roads it is these energetic, industrious people of the Eastport Peninsula and in these communities named. So, Mr. Speaker, again commenting on the tourist potential, I think it is rather ridiculous in this day and age, that in an area with such great tourist potential the roads have been neglected for such a long time. And I

MR. T. LUSH: would hope that the Government this fiscal year would certainly make funds available to grant the very reasonable request of the petitioners to start, Sir, to start - that is what they are asking for, that is all they are asking for - to start a program of reconstruction, upgrading and paving.

I mentioned, Mr. Speaker, that this road was the road that connected with the ferry service to St. Brendan's and in that respect that brings me to the second petition and it is very similar to the first in that again it is asking for the reconstruction and paving of this

MR. T. LUSH:

same road because the people of St. Brendan's have to use this road to connect with their ferry service. So I will just read the petition again, very quickly. It says, "To the hon. House of Assembly: the petition of we, the undersigned, being residents of and electors in the Province of Newfoundland and Labrador humbly request that the government allocate funds in this fiscal year to start a programme of reconstruction, upgrading and paving of the road from Eastport through St. Chads to Burnside. Additionally, we would ask for more consideration in the improvement and maintenance of the roads on the Island of St. Brendan's, roads which are practically always in a state of disrepair and not suitable or safe for motorists."

Now, Mr. Speaker, I do not know what words I can use to describe the roads on St. Brendan's. They are not roads at all, Mr. Speaker, it is a disgrace to call them roads, and St. Brendan's is a community, an island that is beginning to show tremendous growth. In the last year few years we have had a lot of government dollars there, both federally and provincially, in terms of building fishermen's wharf, new terminals there and a fish holding unit. But, Mr. Speaker, the roads are just absolutely terrible. There is no permanent equipment on the island for maintenance, it has to be brought in at certain times of the year, and for sanding and salting in the winter they do it by hand sort of thing in the way that those of us who were boys and had hens the way that we used to feed them, throwing it out like this, by hand. This is the way they throw out the salt and the gravel. So, Mr. Speaker -

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

I must point out the hon. gentleman's time has expired.

MR. T. LUSH: Well, Mr. Speaker, I ask to have it placed on the Table of the House and referred to the department to which it relates.

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for LaPoile.

MR. S. NEARY: Mr. Speaker, I support the petition presented by my colleague, the member for Terra Nova (Mr. Lush) on behalf of his constituents in Eastport, St. Chads, Burnside and St. Brendan's. I was rather intrigued by the last line of the petition which states, Mr. Speaker, as Your Honour knows, and this is in accordance with the rules, of the hon. House of Assembly "that the petitioners do humbly pray." Well, Sir, I am afraid that they are going to have to pray a little harder than state it in the prayer of that petition to get this government to take action on these roads judging by what we have seen to date, Mr. Speaker, judging by the track record to date of the administration in doing anything about the subject matter brought up in petitions in this hon. House.

Only this morning, Sir, we heard severe criticism from the construction industry that if a budget

MR. NEARY: is not soon brought down the construction season will be half gone, construction workers will be economically marooned, they will not be able even to get enough time in to get their unemployment insurance benefits this Winter as a result of the Tory Party having a leadership convention.

MR. SPEAKER (Ottenheimer): Order, please! I must point out to the hon. gentleman that he has strained somewhat from the roads in the St. Chads area.

MR. NEARY: Well, maybe I have strayed a little bit, Your Honour, but I am trying to point out the reason for the delays in getting these projects off the ground. There is no indication yet when we are going to have a budget. We are operating now on interim supply and there is a limit to what the government can do in the way of road projects, water and sewer projects, other capital works projects, little they can do with the interim supply, so they tell us, although the civil servants seem to contradict the ministers and say that they can do all kinds of things. Maybe we can get some indication today when the budget is going to be brought down in this House, Mr. Speaker, otherwise it will be too late. By the time they get the design work done, call public tenders for these projects, then wait for the bids, wait for the contractors to bid on them, and then the contractors get ready for the work, you are talking about another three or four months after the budget is brought down. We have to debate the budget in this House, the Budget Speech, then we have to analyze the estimates item by item and that is going to bring us up say somewhere around the end of June, and then take three or four months after that and we are practically into Winter again. So if I were my hon. friend's constituents I would not hold out too much hope this year to get these roads started to be upgraded and reconstructed and paved, although my hon. friend has done the right thing by presenting the petition in this hon. House on behalf of his constituents and I support the petition.

MR. NEARY:

But due to the lackadaisical way, Sir, that this hon. crowd have conducted their business so far, deliberately closed down the House for two months, refused to bring down a budget, there is going to be a delay not only in these projects but in all road work in the Province and all capital works projects. As a result millions of dollars will be lost in the construction industry, thousands of construction workers will be economically marooned and the whole Province will suffer, Mr. Speaker, as a result of this negligence on the part of the administration.

I support the prayer of the petition, Sir, and, as I say to my hon. friend, I know he did the right thing but I would not hold out too much hope if I were he. I think the people are going to have, as they say in the last line of the petition, I think they are going to have to pray a little harder if they want to get any action taken this year on that petition.

MR. SPEAKER (MR. OTTENEHIMER): The hon. member for the Bay of Islands. Is this the same petition?

MR. WOODROW: No, Mr. Speaker.

MR. SPEAKER: I think the hon. gentleman to my right wishes to speak on this petition.

MR. SIMMONS: Mr. Speaker, I too would like to add a word of support to the petitions presented on behalf of the 476 residents of St. Brendan's, St. Chads, Eastport and Burnside, a total of 476 people have signed these two petitions. And they, Mr. Speaker, are just a microcosm of the many thousands of people around this Province who are experiencing similar problems. Some of them had their petitions presented in this House in the last day or so, and others will follow, because there are many people around this Province, Mr. Speaker, who quite unfairly are having to wrestle with the most wretched, desperate road conditions not because the money is not available, Mr. Speaker, but because the government will not make a decision on funds to be made available this year. And secondly, Mr. Speaker, because the money which is available is being squandered right, left, and centre on other less deserving projects.

The money is available, Mr. Speaker. We are not talking great sums of dollars here. We are talking just enough money to make that seven miles of road a little more bearable for the people who have to travel over it to get to their homes, to get to their place of employment, and also to facilitate the tourist trade which has considerable potential on the Eastport Peninsula, as most of us will know.

This road in its present shape, this seven miles of road plus the completely deplorable roads on the Island which I had occasion to see fairly recently, are quite deplorable and the blame for that must rest with the Minister of Transportation (Mr. Brett) and his predecessors and with the government.

MR. SIMMONS: Mr. Speaker, we probably would have heard about this road before by way of petition had people had the opportunity. They have not had much opportunity this year, Mr. Speaker, because since last July 7th., ten and a half, nearly eleven months, since last July 7th.- this House is now meeting for the thirty-first day - we will have met thirty-one days, one month in ten and a half months. Is it any wonder, Mr. Speaker, that the people of this Province are crying out for improvements to roads, for water and sewer services, and for many other services that they are not getting. We do not have a budget. We do not have a House that meets. We do not have an administration that cares to call the House together.

Mr. Speaker, I support the petitions wholeheartedly on behalf of my colleague for Terra Nova (Mr. Lush) and the 476 people who have signed the petition.

MR. SPEAKER: (Mr. Ottenheimer) Before the hon. member for Trinity-Bay de Verde speaks, I would welcome to the House of Assembly six young citizens from the First Bay Bull's Ranger Company. I know all hon. members join me in welcoming these young citizens to the House of Assembly.

SOME HON MEMBERS:

Hear, hear!

Hon. member for Trinity-Bay de Verde.

MR. F. ROWE:

Mr. Speaker, I would like

to lend my support to the petition presented by my colleague representing the Terra Nova district on behalf of 207 people of Burnside, Chade and Eastport and 269 people from St. Brendan's. Sir, I think we should point out here that the people of St. Brendan's have a very reasonable request here. They are not asking for total upgrading and paving of their road. They are making a very simple, straightforward request and that is a better maintenance programme for the roads in their area. At the present time I understand it is really a public disgrace.

Now, Sir, I am deeply concerned over the comments made by the construction association, and this of course applies to roads as well as other kinds of construction in the Province, but the fact of the matter is we have a professional association now having to come out publicly and urge the government to bring down its Budget in order that they may fulfil work that has to be done in a very short construction period. I know in my own district there are many roads that need to be upgraded and paved and I know the same thing is true in many other districts as well as the Terra Nova district, but the fact of the matter is, Sir, that the Budget has not been brought down. We are fast running out of time. We are practically in the middle of Summer now in terms of getting around to any starts of construction. And we have challenged, Mr. Speaker, we have asked and we have challenged the Minister of Transportation and Communications (Mr. Brett)

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MR. F. ROWE:

if he would be kind enough to give the House, the members and thereby the public of this Province, some indication of the road programme for this year. Every now and then we hear - for instance, this morning, Sir, I heard one, the Minister of Municipal and Housing (Mr. N. Windsor),

MR. F. ROWE:

I believe, mentioned that he was informed by the Minister of Transportation and Communications (Mr. Brett), that a certain amount of road work was going to be done. Every now and then, Sir, there is a little announcement made here and there. I think the Minister of Transportation and Communications owes it to the House and owes it to the people of Newfoundland to give some indication as to what, exactly, the total roads work programme is for this year, because as the former Minister of Finance indicated some time ago, there is only about 5 per cent or 10 per cent of the total Budget which is manoeuvrable anyway. Most of the Budget is set. So the Minister of Transportation and Communications should have some idea as to how much money he has available for the purposes of upgrading, construction and paving of the roads and for the maintenance programmes in the various parts of the Province.

So, Sir, I support this petition wholeheartedly and I would urge the Minister of Transportation and Communications to stand up and support the petition as well, and, in so doing, give some indication as to the general nature of the roads programme for this coming year.

MR. SPEAKER: (Mr. Ottenheimer) The hon. the member for Bay of Islands.

MR. WOODROW: Mr. Speaker, I have the last of a series of petitions I received from the Bay of Islands district concerning the increased costs on electricity rates. I would just like to read again, Mr. Speaker, the prayer of the petition: "We, the undersigned residents in the electoral district of Bay of Islands, do hereby petition our provincial government to disallow any increase proposed by Newfoundland Hydro in 1979 - 1980. Any increase granted due to the increase in the cost of fuel cannot be justified due to the fact that we are charged each month on our hydro bill for the fuel used by Newfoundland Hydro. This rate fluctuates each month depending on the amount of fuel used."

Mr. Speaker, these names come from the following parts of my district: the community of Mount Moriah,

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MR. WOODROW:

Frenchman's Cove, Benoit's Cove and
Halfway Point, and we have a total here today of 608 taxpayers and a
grand total of 2,869. In other words, that is the number of names that
I will have placed on the table of the House when this

MR. WOODROW: petition is placed there. I can only say, Mr. Speaker, and I am sure everybody will agree with me, that any increase, no matter how small, will place a heavy burden on the shoulders of not only the people in the Bay of Islands district but in all other parts of the Province as well. And as I heard the other hon. members speak on the other petition, I certainly feel for them and for their districts. And I suppose I could say, and justifiably so, that if we were like Alberta, for example, with the great oil fields, there would be no need to present petitions for paved roads, for upgrading roads, for water and sewerage, or for increases in electricity either. It so happens that we are one of the poorest provinces and I suppose as long as we have to remain that way, Mr. Speaker, we will have to try to put up with the number of dollars that government can afford to spend.

 In commenting again, Mr. Speaker, on the increased costs of electricity, we all know how crude oil has increased over the past ten years, and not only has it increased but the consumption of crude oil has increased because that is where we get a lot of our electricity. The capital cost has also increased and it seems everything in general is increasing. But I am hoping that if a hearing takes place, if there is a hearing by the Public Utilities Board and if they suggest an increase, I hope, Mr. Speaker, that the administration will be able to offset any increase by a subsidy.

 So, Mr. Speaker, I would like to have the petition placed on the table of the House and referred to the Department of Mines and Energy.

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

MR. NEARY: I support the prayer of the petition and in so doing, Mr. Speaker, I want to point out to the hon. gentleman that all the Public Utilities Board does in case of an application from Newfoundland Hydro is to rubber stamp it and pass their decision on to the Cabinet. The decision is made down on the eighth floor. And my hon. friend is a special adviser to the Premier, so my hon. friend has the ear of the Premier so therefore

MR. S. NEARY: he should be able to persuade his colleague, the Premier, his boss, not to allow any more increases to go ahead for the next five years, put a freeze on increases in electricity rates. My hon. friend need not try to lead the House or the people of Newfoundland into believing that it is the Public Utilities Board that makes the decision, it is the Cabinet. The Public Utilities Board merely hold hearings, they go through the formality, and nine chances out of ten an application from Newfoundland Hydro would be rubber stamped and put through.

And so, Mr. Speaker, that brings up another point about the hearings. Now, Sir, we have had a representation made before the Public Utilities Board on various occasions by different groups in connection with these hearings and all kinds of examples of extravagance and waste have been pointed up in Newfoundland Hydro and Newfoundland Light and Power Company. Exorbitant profits have been the order of the day with the Newfoundland Light and Power Company, a company, by the way, that was pointed out to us recently by the International Brotherhood of Electrical Workers the majority ownership, the majority of shareholders live outside of this Province. And I know, Mr. Speaker, we are not allowed to get into the realm of debate but I believe, Sir, that I am quite justified in stating here and now that, in my view, one of the first steps to coming to grips with the increases in electrical rates in the Province is to nationalize the Newfoundland Light and Power Company. Let Newfoundland Hydro take it over as it should have done back when we started being responsible for producing hydro power in this Province. The foolish thing we did, Sir, we produce, the people of this Province, the Government, Newfoundland Hydro, a creature of the Government, on behalf of the people of this Province, produced ninety per cent of the hydro power in Newfoundland and then we give it to a middleman, give it to

MR. S. NEARY: Newfoundland Light and Power, owned by a crowd outside the Province, to distribute the electricity and make the killing, make the profit. How stunned are we, Mr. Speaker, at all to allow that to go on? If I had my way, I am by no means what you would call a left-wing socialist, but I certainly would nationalize Newfoundland Light and Power Company—and the Telephone Company, for that matter. I think all public utilities should be provincialized, I suppose is the word, not nationalized. But I believe this is one of the ways to come to grips with this matter and I think it is time for the Government to make a statement now on what they are going to do about the ever increasing increases in electricity rates in this Province.

People just can not cope with it, Mr. Speaker. We are living in a Province where we have the second lowest per capita personal income in the whole of Canada, we have the highest taxes, we have the highest cost of living, we have record unemployment and electricity rates are going up practically every quarter. Well, they are going up every month, as my hon. Friend says with the fuel added on to the bill, going up by the month. Now they are talking about another twenty per cent

Mr. Neary:

increase in the next year or so, and I think that is criminal and cruel, Sir, and the people just cannot cope and I think it is time to put a halt to it. And the only way to do it is for the Newfoundland Government - the government, because the decision rests with the Government of this Province - to take a decision to put a freeze on electricity rates in this Province for the next five years until we see where we are going with the Lower Churchill, if we can bring the power that we can recall from the Upper Churchill and we can get that to the Island of Newfoundland, if the Lower Churchill will be developed, what is going to happen regarding the renegotiating of some of the contracts with some of these industries like ERCO and so on.

But I believe it would be cruel to wait until the eve of an election to do that. I think it is incumbent upon the government, especially the Premier, to make a statement now. We now have before us, Mr. Speaker, upwards of 100,000 signatures placed on numerous petitions presented in this House in the last three or four years on this very same subject - a record number of signatures, a record number of petitions. And so far the prayer of the petition, the concern of the people has fallen on deaf ears.

AN HON. MEMBER: No it has not.

MR. NEARY: The minister said, "It has not." It has, Sir. There has not been a peep out of the government so far of what they are going to do about this and, as I say, it will be cruel if they wait until the eve of an election to make a promise or announce it with all the other goodies they are going to announce in the election budget. That will be cruel, Mr. Speaker, to do that, just to go out and try to persuade the people to re-elect the administration on a promise.

MR. DOODY: That is a shame.

MR. NEARY: So, Mr. Speaker, I support this petition. I do not know what else we can say about it. Just about everything that can be said about increases in electricity rates has been said in this House in the last three or four years, and yet petitions are coming in at the rate now of two and three a week. I would say now, Mr. Speaker, we are hitting the record of about 110,000 signatures on these petitions. And yet the Premier and the minister sit there day in and day out like dumb-bells, Sir, if that is parliamentary, and make no comment and show no concern for the consumers of electricity in this Province.

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for Bellevue.

MR. CALLAN: Yes, Mr. Speaker, I was looking around to see if anybody else wanted to support that former petition. Mr. Speaker, I beg leave to present a petition on behalf of 233 residents, voters in the district of Bellevue. Let me read the prayer of the petition, Mr. Speaker, it says, "We, the undersigned voters of Bellevue", after which the district takes its name, "voters of Bellevue and Thornlea, two communities which are relatively close together in the electoral district of Bellevue, do hereby make petition to the Provincial Government of Newfoundland through the Minister of Transportation and Communications to have paved that section of gravel road from the intersection at Bellevue to the foot of a hill which leads to the Trans-Canada." The hill is called Father Brown's Hill, it leads to the Trans-Canada at the intersection of the Fair Haven Road and the Bellevue intersection, a distance, Mr. Speaker, of approximately six miles.

Mr. Speaker, in supporting this petition I should point out, I and the delegation who are now in the gallery from these two communities who met with the Minister of Transportation and Communications (Mr. Brett) half an hour or an hour ago, in supporting this petition I should point out that the six mile stretch that these gentlemen and these signatures on the petition are talking about, it

Mr. Callan: consists of gaps. There is some pavement there already. There are gaps of gravel road. There is a bit of pavement here which leads to the Bellevue Beach Park, and then there is a gap that leads to the Chance Cove Road; or coming the other way there is pavement from the Trans-Canada down over Father Brown's Hill, but then going towards Bellevue and Thornlea then there is a gap. And so why these gaps are allowed to continue year after year I do not know. And I am sure the people in these two communities

MR. CALLAN:

do not know because there was a three year programme started about five years ago-and obviously you would expect a three year programme to last three years-but it was started in 1974 or 1975 and here we are in 1979 and these gaps still exist.

Two years ago, Mr. Speaker, I might say that I presented, almost two years to the day, an identical or almost identical petition in this hon. House from the same people in the same two communities asking two years ago that this work be done. And here we are today in the month of May 1979 and the road is still not done.

I might say, Mr. Speaker, that the six miles that these people are talking about here represents about one-twelfth of all the unpaved roads in the district of Bellevue. There are approximately 50 miles of unpaved road in the district of Bellevue and the six miles of gaps that exist here in this particular area, I am sure, Mr. Speaker, that the people are being reasonable in asking that these gaps be filled in. Two years ago, Mr. Speaker, I might say that the Minister of Highways or Transportation and Communications at that time, the member for Bonavista South (Mr. Morgan) who was the minister at that time, when it was brought to his attention he decided to drive over that particular stretch one day and he ended up getting the muffler put back on his car in my hometown at Newhook's Service Station. I am sure the minister at that time saw first hand the condition of that particular stretch of road that these people are talking about here.

Mr. Speaker, in support of this petition I also want to mention that at least five school buses travel over these roads every school day of the year, transporting students over these different stretches of unpaved roads.

MR. CALLAN: Millions, Mr. Speaker, of pounds of herring and cod and other species of fish are trucked out of Bellevue and Thornlea every fishing season, millions of pounds, and some of it in eighteen wheelers and twenty-four wheelers and all sizes and shapes of trucks trucking out millions of pounds of herring and cod and other species of fish.

So, Mr. Speaker, there is no question or doubt at all about the need for upgrading, not upgrading so much because, as was explained to the minister in the meeting earlier, the road is upgraded now. It is upgraded now to a standard where pavement could be laid, it was upgraded back when the programme started a couple of years ago-or five years ago, I should say.

Mr. Speaker, in closing-I have one minute left so the Page indicates to me. I could speak on this petition for half an hour but under the rules we are only allowed five minutes - I am sure that the former Minister of Transportation and Communications will probably stand and support this petition. I am sure he has a keen interest in that particular area as he did in Southwest Arm and so on when he was the Minister of Transportation and Communications. Mr. Speaker, in closing I think I should say this, that it has been mentioned once or twice in this House before that the presenting of petitions in this hon. House is a waste of time. Imagine! Imagine the time that somebody had to take to go door to door and gather 232 names- 233 now because I had to put my signature on it. Imagine the time that somebody took to go door to door in Bellevue and Thornlea gathering these signatures. The shame of it all, Mr. Speaker, is that I am afraid it will be lost and it will fall on deaf ears. I hope it does not but I have that fear.

Mr. Speaker, I support the petition and I ask that it be placed on the Table of the House and referred to the department to which it relates. Merci beaucoup.

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for
Trinity - Bay de Verde.

MR. F. ROWE: Mr. Speaker, I would like to support
the petition presented by the member for Bellevue (Mr. Callan) on
behalf of 232 residents of Thornlea and Bellevue towns. And, Sir,
I speak as sort of a representative of a sister or neighbouring district
that has road needs of itself.

MR. F. ROWE: It is a kind of a unique petition, Sir, in the sense that the hon. member mentioned that he presented an identical one approximately two years ago and the stretch of road in question was presumably a part of a three year programme and now we have passed the fifth year mark. But the real reason, Sir, that I stand in support of the petition is not just for the convenience of the residents in the two communities and the safety and convenience of the five school buses that pass over that road every school day of the year, but also my interest as spokesman for fishery and the necessity for having such as this particular stretch of road upgraded and paved. the gaps there, for the purpose of the transportation of fish products. I think the hon. member for Bellevue (Mr. Callan) mentioned that millions of pounds of herring and other fish produce are trucked over that road during any one season. And one of the points that is often made in this House when we are talking about the fisheries is the need for quality control. Now, Sir, if there is anything that ever mitigates against the quality of our fish produce is what it has to go through in terms of transportation over dusty roads during the heat of the Summer and rough roads, the possible breakdowns and delays and everything else. So for that reason alone, Sir, I would give this petition my wholehearted support.

I would hope, Sir, once again - this is the second opportunity that I have had today - to ask the Minister of Transportation and Communications (Mr. Brett), who seems to be terribly amused about the whole matter, Sir, -

MR. MORGAN: The hon. gentleman knows the reason for that.

MR. NEARY: Could we have order in the House?

MR. F. ROWE: The hon. member for Bellevue (Mr. Callan) indicated that the minister, who used to be the Minister for Transportation and Communications, lost his muffler,

MR. F. ROWE: had to get his car muffler replaced. I would suggest, Sir, that a muffler might be placed on some other part of his anatomy besides his car.

MR. CALLAN: He had to get his car fixed at Newhook's.

MR. F. ROWE: Very amusing. Very amusing.

MR. MORGAN: Do not be making a fool of yourself. Sit down!

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: (Ottenheimer) Order, please!

MR. NEARY: How arrogant can you get?

MR. F. ROWE: Sir, I hope the delegation who are witnessing the nonsense coming out off the hon. minister will bring that message back to their constituents who they are representing here today. Two hundred and thirty-two people saw fit to sign this petition. They did the same thing a couple of years ago and when an hon. member gets up in support of that petition he is accused of making a fool of himself. Sir, what arrogance and stupidity and small-mindedness and contempt for the people of that particular district.

MR. MORGAN: All the nonsense is on your side.

MR. F. ROWE: Just listen to that.

MR. SPEAKER: (Mr. Ottenheimer) Order, please! I would ask hon. gentlemen not to engage in dialogue and that the hon. member continue his remarks on the petition.

MR. F. ROWE: I was about to ask the Minister of Transportation and Communications (Mr. Brett) if he would indeed get up in support of this petition and give some idea as to the nature of the roads programme for this year. The minister represents a district that is almost neighbouring, if not neighbouring, this particular district. So I would hope, Sir, that he would see fit to get up and support the petition that was presented by the hon. member for Bellevue (Mr. Callan).

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEESMR. SPEAKER: (Mr. Ottenheimer)

The hon. Minister of

Finance.

DR. J. COLLINS:

Mr. Speaker, pursuant

to the Retail Sales Tax Act 1978 I wish to table the Retail Sales Regulations for 1979.

NOTICES OF MOTIONMR. SPEAKER:

Hon. Minister of

Justice.

MR. HICKMAN:

Mr. Speaker, I give

notice that I will on tomorrow ask leave to introduce a bill, "An Act To Amend The Intestate Succession Act "; a bill, "An Act To Amend The Unified Family Court Act "; a bill, "An Act Respecting Small Claims."; a bill, "An Act Respecting Provincial Offences And Magisterial Enquiries."

MR. SPEAKER:

Hon. President of

the Council.

MR. MARSHALL:

Mr. Speaker, on behalf

of the hon. Minister of Health (Mr. House) I give notice that I will on tomorrow ask leave to introduce the following bills; "An Act Respecting Dispensing Opticians." and, "An Act To Provide For The Provision Of Lower Cost Prescription Drugs."

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

MR. DINN: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Amend The Occupational Health And Safety Act."

MR. SPEAKER: Before calling Oral Questions, I would welcome to the gallery Mayor Cuff of Musgrave Harbour. I know hon. members join me in welcoming the mayor to the Legislature this afternoon.

SOME HON. MEMBERS: Hear, hear!

ORAL QUESTIONS:

MR. NEARY: Mr. Speaker, there were some startling disclosures today, Sir, in connection with the in camera testimony that was given by Detective Sergeant Pike at the Soper hearings that are investigating the leak of the report in connection with the fire at Elizabeth Towers, some very startling disclosures and revelations. Would the hon. minister care to comment on any of the five or six cases referred to by Detective Sergeant Pike in accusing the Department of Justice of covering up cases in this Province?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I am not aware of what evidence obviously was given in camera before the Soper enquiry.

MR. NEARY: It was on the news.

MR. HICKMAN: Well, maybe it was on the news but, be that as it may, I would think the very prudent course to be adopted would be to wait and see whether His Honour, Judge Soper, having examined the evidence, all of the evidence, of all of the witnesses, arrives at a similar conclusion.

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

MR. SPEAKER: A supplementary.

MR. NEARY: I wonder, Sir, perhaps the hon. gentleman is not aware that his Director of Public Prosecutions has already

MR. NEARY: commented on the cases that were referred to in the testimony taken from Detective Pike. The Director of Public Prosecutions has stated what action the department did in fact take. The hon. gentleman obviously is not aware of that. So as a result of Mr. Kelley's public statement today on radio, I would like to ask the hon. gentleman what steps the Department of Justice has taken to lay charges against a former employee of the Department of Fisheries in connection with the fishery gear replacement scandal, a gentleman who was named in evidence given in the court by Calvert Fish Industries Limited, who said that they split the money they defrauded from the government, they split it with an employee of the Department of Fisheries who apparently

MR. HICKMAN: they do it without fear or favour,
and I certainly am not prepared to accept the position that because a
Witness giving evidence in a Commission makes a statement that that in any
way constitutes an undermining of the administration of justice. It may,
in my opinion, turn out to be a very significant piece of evidence in the
strength of the administration of justice. In fact, I am sure it will,
because it shows very clearly that unmistakable fairness as the
administration of justice is administered, and as it applies to all
Newfoundlanders.

MR. NEARY: A supplementary, Mr. Speaker.

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

MR. NEARY: I wish I could debate that matter with
the hon. gentleman, Sir. That would be the subject of an all day debate,
I can guarantee you that, because, Sir, there have been so many travesties
of justice in this Province over the last several years that you would need
an adding machine to count them.

Now, Mr. Speaker, I want to come back to
this case again; This gentleman, a former employee of the Department of
Fisheries, and I want to

MR. S. NEARY: ask the minister a simple question and all he has to do is answer yes or no. Did his department take any steps to lay charges against this former employee of the Department of Fisheries or to find out his whereabouts and have him brought back to Newfoundland to face trial?

MR. SPEAKER: (Ottenheimer) Hon. Minister of Justice.

MR. T.A. HICKMAN: Mr. Speaker, I will not make a public disclosure to what steps the Department of Justice is taking in trying to ascertain the whereabouts of a person who has allegedly committed an offence. The laying of the charge is a judgemental decision that is based upon the facts, the whereabouts, the indication of success and I am not prepared to co-operate with fugitives from justice by indicating to them the course of action that the Department of Justice or any of the prosecutors intend to take. Let them worry about it and if and when they come near our jurisdiction or find themselves in the jurisdiction whereby we can successfully initiate extradition proceedings that will be done, if the evidence so warrants.

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

MR. SPEAKER: Supplementary, hon. member for LaPoile.

MR. S. NEARY: Mr. Speaker, obviously the hon. gentleman, Sir, is not going to give us any information. We can get more by listening to the radio and hearing what his Director of Public Prosecutions has to say because today the Director of Public Prosecutions, Mr. Kelly, said: the last time they heard tell of this gentleman, he was in Ireland. But Detective Pike says that they heard he was in Vancouver. But both of them more or less implied that no steps were taken to have this man charged, extradited and brought back to Newfoundland to face trial. Now, I am asking the minister why that has not been done, why action has not been taken in this particular case? We have the evidence before the Soper Inquiry and we have evidence given by the owner of Calvert Fish

MR. S. NEARY: Industries in a Supreme Court case naming this gentleman as being one who shared in the money that was defrauded from the Fishery Gear Replacement Programme and yet, nothing has been done about it by the Justice Department. Why not?

MR. SPEAKER: (Ottenheimer) Hon. Minister of Justice.

MR. T.A. HICKMAN: Number one, it is not correct to say, "Nothing has been done about it by the Justice Department." I will repeat that the Justice Department will take whatever steps they deem appropriate, necessary and effective to extradite or to lay charges against any person where the evidence so warrants. They will not lay charges to suit the convenience of a particular police officer. They will not lay charges that will aid and abet any suspected person in escaping forever from our courts. Thirdly, with response to the evidence that was allegedly given under oath by former Detective Pike that

MR. HICKMAN: the gentleman concerned is no longer in Ireland but in Vancouver. I presume that in the solemn discharge of his duties he immediately brought that information with concrete evidence to the attention of the Director of Public Prosecutions.

MR. NEARY: Yes. That is correct. That is correct.

MR. HICKMAN: And we would be very prudent to see what the findings of His Honour Judge Soper is in that respect. He may conceivably find that that evidence is not accepted by him.

MR. NEARY: A supplementary question.

MR. SPEAKER (Otteneheimer): A final supplementary then the hon. member for Fogo.

MR. NEARY: Mr. Speaker, I want to come back then to another statement, Sir, made by the Director of Public Prosecutions when that particular gentleman appeared before the Soper Commission of Enquiry, when he made a statement that the Elizabeth Towers Fire case was still open and that he was contemplating or had the authority, or had the prerogative of setting up a magisterial enquiry to look into this fire. And what does the hon. Minister of Justice have to say about that? Is that going to go ahead? Are we going to have a magisterial enquiry to look into that or are we just going to stick to the leaking of the police reports?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: "The position set forth," I read that in the press, "The position set forth by the Director of Public Prosecutions with respect to the Elizabeth Towers fire was quite correct." And I enunciate and repeat what I said here in this hon. House in February during that long debate, or whatever date it was on the adjournment, the position with respect to any fire, or any other matter that has been dealt with at a preliminary enquiry is that the file is always open if and when additional evidence should appear. As of now all of the evidence available to the Crown has been given under oath in our courts

MR. HICKMAN: and unless and until somebody finds that there is more evidence, and nobody has found that, and I suspect it is not there but if it is then it is up to the Director of Public Prosecutions to decide whether any further enquiry is necessary.

MR. NEARY: Are they looking for it? Is there any investigation ongoing?

MR. HICKMAN: I have also made enquiries, Mr. Speaker, because the innuendoes that sometimes arise are not only not factual but obviously are not made in the best interest of the administration of justice or indeed made with that in mind at all. And I will say one other thing for the record, that our check of the file shows this, that in no case arising out of fires in this Province, where charges have been laid and dismissed, has there ever been a subsequent preliminary enquiry or magisterial enquiry into that fire.

MR. NEARY: Well then you had better talk to Mr. Kelly.

MR. HICKMAN: Magisterial enquiries is where the Crown finds that they have insufficient evidence to lay a charge and the only manner that they can use, the only procedure the Crown can use in getting people in the witness box and giving evidence under oath is by way of a magisterial enquiry.

MR. NEARY: That is right.

MR. HICKMAN: In this case these witnesses have already given evidence under oath, they have already been cross-examined by various council involved, they have already been

Mr. Hickman: examined by a very competent Crown prosecutor, and the magistrate in question who was a very competent and learned gentleman has made his findings.

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for Fogo I had indicated I would recognize next.

CAPT. E. WINSOR: Mr. Speaker, I would like to direct a question to the hon. Minister of Fisheries (Mr. W. Carter). I am getting enquiries from fishermen along the Northeast Coast, the lobster fishermen along the Northeast Coast and they are quite concerned now about the price of lobsters. Is it \$1.50? Or is it \$1.75? Or, as some fishermen relate to me on the West Coast, is it \$2.00 per pound? Has the minister any idea what the price is or what it is going to be, and what the fishermen can look forward to getting for their lobster this season?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, I met just this morning, in fact, with the Executive Board of the Fishermen's Union, and they informed me that they have succeeded in negotiating the price of \$1.70 a pound with certain smaller independent companies. They informed me as well that some of the larger companies, the members of the four or five large companies who buy lobsters, are still refusing to negotiate with the union, refusing to pay more than \$1.50 a pound, and indeed, in some cases, according to the Union Executive Board members, are guilty of depressing the price being paid fishermen. And in one case, one company, that is part of this conglomerate of four or five companies, one company is presuming to pay \$1.50 a pound, but paying an extra twenty cents a pound under the table, which obviously proves that they can afford to pay it if they have to.

Mr. Speaker, I indicated in the House a few days ago that there must be some changes made insofar as the licencing of these companies is concerned. And I can only repeat that we know the companies that are manipulating the fishermen. We know who they are.

Mr. W. Carter: And I can tell them now that next year when they apply for a licence, as they will have to if they want to do business in this Province, that their actions this year will be a consideration next year. We are not going to allow these Mainland companies to come in here to dictate the prices that our fishermen get for their lobsters.

SOME HON. MEMBERS: Hear, hear!

MR. W. CARTER: We are not going to allow these companies to move in here and to manipulate the fishermen.

MR. NEARY: You said that last year.

MR. MORGAN: Keep quiet! Keep quiet!

MR. W. CARTER: We have met with the union, Mr. Speaker, and action will be taken to prevent that. In the meantime, a telegram will be sent to these companies, the five large companies that in the union's view are

MR. W. CARTER: guilty of manipulation, warning them to cease and desist from any further action in that regard, and again, warning them that next year when they apply for a licence that there is no guarantee they will get one.

SOME HON. MEMBERS: Hear, hear!

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

CAPT. E. WINSOR: Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary, the original questioner.

CAPT. E. WINSOR: A supplementary to the minister,

Mr. Speaker. I take it now that the fishermen can expect not less than \$1.70 per pound for their lobster this year. Now, following the supplement, Mr. Speaker, some fishermen are complaining, and I am sure the minister is aware that some fishermen lost their gear, lost their pots early in the Spring, caused by storm and some caused by heavy ice. To replace those lobster pots they say they have to pay \$7 per pot. Now, I understand the replacement of the pot is made available through a government programme. Social Services, I believe, last year had a programme whereby people on welfare or on social assistance were put to work making lobster pots. But the fishermen are complaining that some of the pots are not up to the standard they would make themselves and they are being charged too much for them. Has the minister any information on whether he is getting any complaints from the fishermen about the price of the lobster pot?

MR. W. CARTER: Mr. Speaker, no I am not. Getting back to the first part of the hon. member's question, my advice to the fishermen so far as the sale of their lobster is to hold out for \$1.70 a pound and to contact their union, and there is a good chance that the price can be negotiated for \$1.70 a pound. With respect to the pots, we do have a lobster pot bank, all thanks to my colleague, the Minister of Social Services (Mr. Hickey) and the Department of Fisheries, where an estimated 25,000 pots are being constructed under a Make Work programme -

AN HON. MEMBER: Hear, hear!

MR. W. CARTER: - and are now being located in different parts of the Province for distribution to the fishermen during the lobster season, to those fishermen who suffer losses of their pots.

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MR. W. CARTER:

With respect to the quality, I have personally inspected some of these lobster pots, and I am no expert, God knows, on the quality of lobster pots, but the ones that I saw were well constructed, made by Newfoundlanders who would otherwise probably be drawing welfare. As far as the price is concerned, I think they would be a bargain at twice the price, as a matter of fact. The \$7 a pot is not an exorbitant price for a lobster pot. In fact, it is only the price of

MR. W. CARTER: about two or three lobsters. I do not think the fishermen would want to get these pots for nothing. I do not think they should.

MR. FLIGHT: Four pound lobsters.

MR. W. CARTER: Today lobster fishing, despite the manipulation of the Mainland buyers, is still a pretty lucrative business and the price that we are charging is not the cost price but we think a fair market price for a lobster pot and I have had no complaints at all from the fishermen on that.

SOME HON. MEMBERS: Hear, hear!

MR. J. HODDER: A supplementary, Mr. Speaker, to the Minister of Fisheries. The Minister of Fisheries, when he was speaking a few minutes ago, mentioned that five companies, and he mentioned manipulation of prices, now Mr. Speaker, that is a very serious charge and I would ask the minister if he could tell us what type of manipulation these companies are engaged in?

MR. SPEAKER (Ottenheimer): The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, I met this morning with the Executive Board of the Fishermen's Union, which is the highest representation you can get, certainly as far as the Fishermen's Union is concerned, and these men inform me that four or five large Mainland companies are in fact manipulating the prices being paid to fishermen. In fact, I am told that in some cases some of these companies are using tactics that are very questionable, if not illegal, in their efforts to suppress the price being paid to fishermen. In fact, I met with a lobster buyer yesterday in the Bay St. George area, a Mr. Cormier, who was buying lobster, paying \$1.70 a pound, and he has no reluctance whatever to pay that price, quite willing and quite able to pay it, and he is at a loss to understand why the other companies will not do likewise. But the union has made some very serious charges against these companies and I am not going to ignore the charges. In fact, I am going to follow it up by, as I said a moment ago, sending a telegram to the parties

MR. W. CARTER: concerned tomorrow morning warning them of the dangers of what they are doing and again reminding them that next year they will have to answer for their deeds.

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

MR. SPEAKER (Ottenheimer): A supplementary.

MR. J. HODDER: Mr. Speaker, last week I asked the Minister of Justice if there was evidence of price fixing in the Province and at that time he had no evidence but subsequently to that the Minister of Fisheries has said that, you know, he has talked about manipulation, would the Minister of Fisheries be willing to ask the federal government under the Combines Act to investigate this because it seems to me that this is a very serious charge and a charge that certainly should be checked out legally, through legal channels.

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Yes, I would certainly do that,
Mr. Speaker.

MR. SPEAKER: The hon. member for Burgeo-Bay d'Espoir, followed by the hon. gentlemen for Eagle River, and Bellevue.

MR. SIMMONS: Mr. Speaker, I have a question for the hon. the Minister of Finance, the question also relates to the Department of Fisheries so it is a finance item so

MR. R. SIMMONS: the minister for telegrams should give ear as well. But, my question is for the Minister of Finance (Dr. Collins) in the first instance. I understand that Newfoundland Quick Freeze which operated the La Scie fish plant for some time has outstanding debt to the Province on the operation, the Province's share of profits on the La Scie operation for the year ended June 1977, a debt outstanding of about \$160,000 or \$170,000. There was \$225,000 owing and about \$60,000 or so has been recovered by the treasury. This matter, or an aspect of it, was referred to in the Auditor General's Report and subsequently in the observations tabled in the House a week or so ago from the various government departments' observations on the Auditor General's Report. I want to ask the Minister of Finance first of all, what amount is still owing by Newfoundland Quick Freeze to the Public Treasury.

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

DR. J. COLLINS: Mr. Speaker, I will take notice of that and get the information so that it will be as precise as possible.

MR. R. SIMMONS: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. R. SIMMONS: This one I would direct to either the Minister of Fisheries (Mr. W. Carter) or the Minister of Justice (Mr. Hickman). The report of the Auditor General gave some indication that this had gotten to the stage where legal steps were being contemplated or being taken, and I am wondering if either the Minister of Justice or the Minister of Fisheries could indicate to the House what steps are being taken to recover the amounts from Newfoundland Quick Freeze?

MR. SPEAKER: The hon. Minister of Justice.

MR. T. A. HICKMAN: I will take that as notice, Mr. Speaker, and I will certainly inquire as to whether a writ has been issued. I do not know, but I will find out.

MR. R. SIMMONS: A supplementary, Mr. Speaker.

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

MR. R. SIMMONS: Mr. Speaker, perhaps the Minister of Justice might take the following supplementary as notice as well. I have referred to this particular document here, the Departmental Observations, it indicates that no legal proceedings have been taken on the matter. The Auditor General's Report indicates that legal proceedings have been taken on the matter in quite specific terms and only one or the other is correct, obviously. I wonder would the minister take that question as notice as well and get the answer for me.

MR. SPEAKER: I had indicated the hon. member for Eagle River then followed by the hon. members for Bellevue and Port au Port.

MR. I. STRACHAN: Mr. Speaker, I have a question for the Minister of Transportation and Communications concerning some transportation problems in Labrador. The Spring run-off is now taking place. We are wondering

Mr. Strachan: what the situation is concerning the upgrading of the road between Goose Bay and Churchill Falls, the so-called Freedom Road? Due to heavy ice this year and so on we are wondering what exactly is the situation since if we wait much longer we will end up with the roads only being upgraded in late August or September, which is far too late in a very short season. The road is only open for virtually four and a half or five months a year. So I am wondering what exactly the situation is regarding the upgrading of that Freedom Road because people now are waiting to get up there, and the people in Churchill Falls, obviously, will be coming down very soon for the Summer holiday period. Could he indicate this to us?

MR. SPEAKER (MR. OTTENHEIMER): The hon. Minister of Transportation and Communications.

MR. BRETT: Mr. Speaker, I am hoping to get into the Happy Valley-Goose Bay area the weekend of the 28th. I think it is. While I am there I intend to take a look at the road, not that that is absolutely necessary because we intend to put our maintenance forces up there as quickly as possible. I hope there are no bridges washed out. That could cause a lot of problems. We realize we spent a fair amount of money there last year repairing the bridges so we could make it passable. But I will be taking a look at it on the weekend of the 28th. And it is our intention to put our maintenance forces in there and to keep the road open again this Summer.

MR. STRACHAN: A supplementary.

MR. SPEAKER: A supplementary.

MR. STRACHAN: It is a quite short one. Mr. Speaker, do I hear the minister correctly in stating that he has had no report so far on the bridges there, on the rivers? And that he is stating that the road will be open as soon as possible? That is, as soon as the bridges, any repair work has to be done immediately, in the month of June, the road will be opened so that people can travel back and forth during the long Summer days rather than waiting until

Mr. Strachan: November, as we did last year at which time we had real problems trying to get the equipment down and people moving back and forth.

MR. SPEAKER (MR. OTTENHEIMER): The hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, in the absence of the Minister of Public Works (Mr. Young) let me ask the Premier how many hundreds of thousands or how many millions of dollars is being paid out of the Public Treasury for office rental or office space for the various departments of government throughout this city? I am not talking about Grand Falls, and the other outlying areas, just in this city alone?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: No, Mr. Speaker, I do not know the exact number. If the hon. gentleman will look in last year's Budget under the Public Works estimates I am sure there is a figure in there for the rental per year, and the hon. gentleman could be directed to that. But I do not have the exact figure at my fingertips right now.

MR. CALLAN: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. CALLAN: Mr. Speaker, let me ask the Premier then, in view of the fact that we have government offices scattered all over the city and it makes it very,

MR. CALLAN: very difficult for delegations coming in who have no idea where an office may be located and so on, and in view of the fact that, you know, money usually paid out in rent is considered wasted money that could be spent in new construction, let me ask the Premier, in this new Budget coming down in a couple of weeks, does the Premier intend to build an addition, for example, to this existing building, or another building in very close proximity to this one, so that the government will have to rent less office space and will have its own building to house the various departments of government?

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

PREMIER PECKFORD: That will be reviewed now, Mr. Speaker, but it is highly unlikely that we will make a decision to begin an extension to this building this year.

MR. SPEAKER: I had indicated the hon. the member for Port au Port.

MR. HODDER: Mr. Speaker, a question for the Minister of Rural, Agricultural and Northern Development (Mr. Goudie).

Mr. Speaker, I wonder if the minister could tell me, since the veterinarian on the West Coast is on extended sick leave, whether he will be replaced temporarily in light of the fact that this is the time of the year when most people with livestock need the services of a veterinarian?

MR. SPEAKER: The hon. minister.

MR. GOUDIE: Mr. Speaker, I will have to take note of that particular item, the veterinarian on the West Coast. I do not have the information available right now. However, I should say there are a number of other concerns in relation to agriculture on the West Coast as well, concerns expressed to me over the last week and a half or so by people involved in agriculture in the area. And I am hoping to get out there within the next week or week and a half to meet with them to discuss some of their problems, and I would suspect that we can deal, prior to that meeting, with the problem of a veterinarian as well, the person being on extended sick leave and whether or not he is going to be replaced. I will check into the matter and get the information for the member.

MR. HODDER:

Mr. Speaker, a supplementary.

MR. SPEAKER: (Mr. Ottenheimer)

A supplementary.

MR. HODDER:

I might point out to the minister that there are, I believe, some 600 cases waiting for the veterinarian at the present time and they have asked to get one from the St. John's area and have not been able to get one. And it is a very serious situation. It is going to cost the farmers and part-time farmers a lot of money, and I think that the minister, perhaps, should look into it as soon as possible.

MR. SPEAKER:

The hon. minister.

MR. GOUDIE:

Yes, of course, Mr. Speaker. If, certainly, there are that many people and animals involved in this particular problem, then we would not want to see any difficulties arise because of a lack of a veterinarian's services, so if the person, in particular, is going to remain on extended sick leave for some time to come, then we will certainly look at the possibility of getting someone else out there as quickly as possible.

ORDERS OF THE DAY

MR. SPEAKER:

It being Private Members' Day, we proceed to the debate on Motion 1.

The hon. the member for Port au Port.

MR. HODDER:

Mr. Speaker, I believe last day I had ended up talking on lobster prices, but today - I must say that

MR. HODDER:

I wanted very much to take part in this debate and I am very pleased that this motion was put forward by this side of the House. The wording of the motion particularly fits the area which I represent and points out that whereas unemployment in Newfoundland and Labrador has doubled since 1971, and half of those who are now unemployed are between fifteen and twenty-four years of age and that thousands are presently out of work and many are forced to leave the Province. I think it is the sum and substance of the Private Member's Motion to which I would like to address myself today.

Mr. Speaker, I feel and I believe that a statement made by a great Canadian, not of my political persuasion, at one time said, "If this country is to be great then all parts of the country must be great." I feel that that particular statement can be applied to this Province. And we in this Province, Mr. Speaker, while we have areas and pockets throughout the Province of high employment, we have other areas in the Province of high unemployment. I believe that we must look to the government of this Province to target those areas and to try to reverse the situation in many areas.

Now, Mr. Speaker, I represent one of the areas of this Province which has the highest unemployment in the Province. I do not have statistics to back up that particular fact but certainly if not the highest then very close to the highest unemployment problem in the Province. Mr. Speaker, in September of 1975, when I first became the member for the district, I did some research to see what the unemployment figures were and what I would have to be dealing with in the foregoing years. I found that at that particular time, as of July 1975, the percentage of the work force in that particular area employed was thirty-four point one per cent. Thirteen per cent of the work force was engaged in the fishing industry and thirty-two

MR. HODDER: point two per cent were either on social assistance or unemployment insurance and twenty point six per cent were partially employed. Now, Mr. Speaker, when we look at these figures and when we look at the partially employed figure that means, Mr. Speaker, these are people who very often are trying to work toward enough weeks, enough stamps to receive their unemployment insurance. Those who are fishing in this particular district - the fishing season starts in May and ends about the middle of June, but if you take the people who were on UIC and social assistance and those partially employed you had a figure of some fifty-four per cent of the population of the district who at that time were unemployed. Now this means, Mr. Speaker, that for the majority of the year, except for about two months of the year, the largest majority of your work force are unemployed. When these statistics were done, Mr. Speaker, they did not take into account people who were away from the district at that time because the work force is very mobile there, it is probably one of the most mobile work forces in the Province, and these people were not included in the statistics. As well, Mr. Speaker, - and some of these figures are Statistics Canada figures, but there was another survey done at that particular time, that is four years ago, which was done by the equivalent - I do not remember the name - but by the Young Canada Works, it was done by a group of students funded by the federal government through one of their works programmes which went into every household in the district and from the figures which I received and had tabulated and had someone look at, and to do a proper tabulation on it, it showed that the

MR. J. HODDER: true figure in the area at that particular time was some sixty per cent of the people were unemployed. This was done in August at a time in the year when, generally, the work force is much higher and there is much more work available than during the Winter months. And with projections on those particular figures in some communities in the district, the true unemployment figures were as high as seventy-five per cent during the Winter months.

Now, Mr. Speaker, this was a time when the Labrador Linerboard mill was operating. It was a time when the people of the district, a percentage of them were working directly with the mill but a large percentage of them were working part-time or seasonally with the woods operation for Labrador Linerboard Limited. And it was also a time when the business community in the town of Stephenville was working pretty near at full capacity and many of the people in the district do work in the Stephenville area.

Now, Mr. Speaker, since that time the picture has not changed radically. As a matter of fact, Mr. Speaker, looking at the short-term assistance roles at that particular time there were 369 families in July of 1976 on short-term assistance which represented some 1579 persons on short-term assistance. The present figures, Mr. Speaker, this is just a three year gap or a two year gap, the present social assistance roles, although I cannot get exact figures without permission from the minister and I did not have time to ask for it, but I was told on reliable authority that the social assistance figures at the present time are up about 40, 40 families over what it was in the last three years.

So you can see, Mr. Speaker, that the unemployment situation has remained stable in the district although people are finding - and perhaps worsened to some extent, and there are

MR. J. HODDER: not a lot of figures to find out exactly what is happening at the present time, but the situation has not changed dramatically and has not improved in the last four years.

Now, Mr. Speaker, I do not intend to stay here and spout statistics for the next fifteen or twenty minutes that I have left but one other figure, when I was looking for some statistics before I spoke here today, which struck me, and this is one from Statistics Canada, is that in the district of Port au Port forty-three per cent of the population is under fourteen years of age. That is one of the highest figures of its kind in the whole Country, in the whole Country of Canada. Forty-three per cent of the population under fourteen years of age and I believe, Mr. Speaker, that that has a great relevance, when you look at the future and you look at the employment opportunities that are presently existing in the area.

Now, Mr. Speaker, I do not believe for a moment that Port au Port is unique in this Province. Maybe that figure is unique but the employment situation is not unique in the Province. There are many, many areas in the Province where these figures might hold true but this particular figure of forty-three per cent is one that sort of horrifies me. Because, Mr. Speaker, we have to think of the implications for the future, both as far as the future of the area is concerned and of those people coming into the work force. At present the only thing - well, first of all you have the pressure on the schools, you have an awful lot of people who are about to join the work force. And the funny thing is that at the present time, even though you have forty-three per cent under the age of fourteen years, after the age of eighteen years you have a big drop. Then, because most of the young people presently are moving away, means, Mr. Speaker, that the

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MR. J. HODDER:

district itself is going to suffer because the leadership of the area, the community leaders, the people who we will look to to shape the destiny, I suppose, of the district will be far away because they will not be able to

MR. HODDER: find any work. Now, if we look at the type of work, the job situation that this 43 per cent in two or three years time will be looking at - at the present time the work in that district is concerned with Canada Works and the fishery. There are some people working in the Stephenville area, but these jobs are taken, and as those people enter the work force over the next two or three years, we are going to find that they will either have to go on social assistance, to become part-time employees who eke out a living from hand to mouth and try to receive their ten stamps and then try to go on U.I.C. or they are going to leave the area.

Now, Mr. Speaker, the hope for the area is in the fishery. And recently, when the fisheries ban was announced on the West Coast and on the East Coast of this Province, I came out against that ban, I opposed the ban on new entrants into the fishery. And I was well aware when I did it that many people would look at that and say, 'Well, you know, you cannot have it both ways.' You cannot oppose a fisheries ban when the stocks are down, and if the ban is not put on and the stocks are low in the Gulf, then you will find that pretty soon there will be no fish to catch anyhow. But, Mr. Speaker, the one thing that I said about that particular fisheries ban was that it does not take into view the social factor, that when you put a ban in an area such as Port au Port, what you are doing is you are denying the livelihood in particular of the young people. Many of the older people who have their licence to go out in fishing boats are okay, but many of those people who will be entering the work force and who are now trying to enter the work force and who want to get back to the fisheries cannot. And I believe, Mr. Speaker, that the ban must take into consideration some of the higher unemployment areas of this Province and it must have a human face, I suppose. Because, Mr. Speaker, when you look at what the future holds for all those people who are coming into the work force, there is not much left except to leave. Presently in the district you have many people who leave school, they go to trade schools, they go to the community college, if they have not been properly upgraded in their

MR. HODDER: own schools, they go to heavy equipment school and a small percentage go to University - not an awful lot, Mr. Speaker, but a small percentage. Those who go to University do not return except the occasional teacher who may find a teaching job in the area. These people are lost to the district forever. Those people who are going to trade schools; very often when they leave trade school find that there is no work in the area. I would venture to say, Mr. Speaker, that there are more people in the Bay St. George area and in the Port au Port area who have heavy equipment licences and welders' licences than perhaps any other area of the Province, and I think, Mr. Speaker, not through any fault of their own, that many people have been going into these vocational schools and trade schools merely to occupy a Manpower seat - yes, to upgrade themselves, but also it is a place when you can find a little bit more employment.

Now, Mr. Speaker, all those young people need jobs or else they will lose their initiative to find one.

The report of the People's Commission on Unemployment said that a young person needs a job to prove to himself and to others that he deserves to be called an adult. And they went on to say that we may be witnessing the creation of an unemployable generation in this Province. Mr. Speaker, I have seen evidence of young people who have already given up and who have already decided that 'There is no job for me.' They have spent their days at the Manpower office, they have called their member, they have gone around looking for jobs throughout the available areas, but they have not been successful and they have given up.

Sometime ago I was speaking to a group of young people who were back

MR. J. HODDER: from the scallop draggers in Nova Scotia. They said that they were very, very upset because they see the potential of the area, they were born there and the people of that particular area, perhaps as all Newfoundlanders, do have a particular love for their home and they do not want to leave. They are very angry and very upset. But their anger and their frustration, I suppose, come to nothing because they only come home for a short time and then they are gone again.

Mr. Speaker, as far as the regular workers are concerned, the only work available for those who are unemployed, I am not talking about those, I am talking about the almost sixty per cent who are unemployed, the only work available for them is Canada Works again, working on a water line or road construction. Throughout the last four years I have known people who travel as far as Africa, many of them go to Labrador City, there is a family at the present time who is now in Greenland. Many, many go to the Toronto area and we find a lot of people in the Northwest Territories, at Flin Flon, Manitoba, at Fort McMurray in Alberta, all over the globe. This is hard on family relationships, many times they leave their families at home, they go to these places, they work for as long as these jobs last, some work until their family problems bring them home. It means sometimes the break-down of the family unit. It certainly puts great stresses and strains on the family unit for those people who have to regularly leave home looking for work. Some people, Mr. Speaker, after they have been on the treadmill for so long, they give up and they decide that perhaps I will come home and try for my ten stamps, get my UIC if I can and sit here all winter and do nothing else. Now when that happens, Mr. Speaker, the initiative starts to go out of a man. And I believe this will have repercussions and has great significance for what will happen in the years to come.

MR. J. HODDER:

As far as the female work force in the area is concerned, they do not compete for male jobs. They do not compete for jobs traditionally held by men. Many of them work as domestic personnel in the Stephenville area. Some travel to Halifax, to St. John, New Brunswick and other places to work for a certain period of time, some return. Many of them, again, have gone into secretarial courses and beauty culture courses and again, these are courses that are offered close to home. Many of them have gone into these courses because of the fact there is a rate of pay involved there. When the Bay St. George Food Company opened, a business that opened in Stephenville, they advertised for sixty employees, They had 400 applicants, Mr. Speaker, and of those 400 applicants of the sixty employees that they hired, many of them who were working in a very manual way, at manual labor, were secretaries and beauticians or had other courses for which they had been trained but had not been able to find job opportunities in the area.

Now, Mr. Speaker, I think this says something about our educational system. I think that we have to change our vocational system to provide people with skills for which they can find jobs and for which they can be fitted to work in their own areas, because not everybody wants to leave home.

As far as the older workers in the district are concerned, they either move away for part of the year, many are on social assistance, but there are no semi-retired jobs in the district. There are no such jobs as night watchmen or jobs that elderly people can hold and many of those people, at the present time, have sort of dropped out of the work force.

I might say that an experiment was started in the district some time ago and I give credit to the Department of Social Services for this. It was a provincial and a federal funded scheme, and was known as the Port au Port

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MR. J. HODDER: Work Activity Project. This project was geared to try to rehabilitate workers who had dropped out of the labour force and would not return. The project was looked at in a scepticle way by many people in the area.

Mr. Hodder: However, Mr. Speaker, now that it has been in operation for some three years it has shown great results. I know of one example, Mr. Speaker, and I am thinking of particular names now, of people I know very well, of a person who had been on social assistance for eleven years, I spoke to him one time, and he was sort of forced into the work activity project where he learned to become a carpenter and he got paid extra money over his social assistance benefit, and he said to me one time, after he was on the project a few months, he said, "You know it is good to be able to go and take your cheque like that rather than to have to put your hand behind your back." Now this particular person who had been on social assistance steadily for eleven years, after he left this particular project and after he had had the opportunity to get back to work again has never been unemployed since. And at the present time he holds an executive position, and this is within the past two years, holds an executive position with one of the fish buyers in the area.

 Another person, Mr. Speaker, who was actually almost forced into this particular project and was there for a short time, he built a boat. They had tried to encourage him to build his own boat, and this is part of this particular project where you build your own boat and you will finance the motor and then you are encouraged to get back into the fishery, this person helped build a boat for someone else. He left the work activity project. He had worked there for some six or eight months. He received what they call high unemployment insurance stamps, I suppose, and after that particular job was over, it was a federal government job where he sort of had a manual job, he started to draw unemployment insurance for a certain length of time, and even though his unemployment insurance stamps were higher than the job which he subsequently took with Canada Works, he gave up the unemployment insurance, he said, because he did not want to be out of work again.

 Now there have been many, many people in this particular area who have been rehabilitated in that way. And the reason I bring this up, Mr. Speaker, - it is a little bit out of context here -

Mr. Hodder: but I bring it up because I understand now that the work activity project which has been doing this work in the district is going to be closed, it is going to be wrapped up. It is going to be moved to another area because they say, Mr. Speaker, that they have run out of their target group. I do not believe it for a moment. I think that they must change their target group. It was a successful experiment. I believe that there are many people in that particular area who can benefit from that particular project. And I do not believe that the project should be closed or moved to another area.

Mr. Speaker, as well it shows that people, and I think people all over this Province who are unemployed at the present time, I believe the People's Commission on Unemployment showed, and it did show the same thing, that people who do not have the opportunity to work for a long time, these people after so long they start to drop out of the work force.

Mr. Speaker, I believe that, and as I said before, that this government must pay particular attention to those areas of high unemployment. They must be isolated. And in the past four years the one thing that I can say is that nothing has been done, no master plan has been undertaken. Nothing has been done in that district to try to overcome the high unemployment. Now, Mr. Speaker, this Provincial Government does have ways and does have clout and does have ways in which to overcome those problems. We cannot leave it all to the federal government, to Canada Works projects, and federal government agencies, because, Mr. Speaker, if we take the attitude that we are going to combat unemployment then I think it can be done.

Mr. Speaker, in 1944 in the Bay St. George area meat production was higher than that which is produced by the whole Province of Newfoundland, beef production. As well, in the Bay St. George area, and Port au Port was a very large part of that, milk and butter came close in being

Mr. Hodder: produced, in 1944, to what is being produced in the whole Province at the present time. The Bay St. George area produced more cabbage than is produced in the whole Province of Newfoundland at the present time, in 1944, and they were close to it in potatoes. Now that is the agricultural end of it, Mr. Speaker. More produced in that particular area, what was known as the old St. George's district, which included Port au Port, Stephenville, and part of the present district of St. George's, that they produced more, on the whole, more agricultural products than is now produced in the whole Province.

Mr. Speaker, when you look at that kind of a statistic and you realize

MR. J. HODDER: why the people left their farms and why in many cases they left the fishery when the boom came, when the American Air Force Base came and the jobs became very plentiful, when you see what happened, and what people abandoned, perhaps, Mr. Speaker, it is a lesson for all of us that these people go back, that we go back, I should say, and take a close look at what is happening in the area.

As far as the fishery is concerned, Mr. Speaker, we are trying at the present time to construct breakwaters throughout the area, man-made harbours. One of the problems with the fisheries always has been that people cannot get away from the beach if there is any kind of wind at all. And we have been using Canada Works money, and funnelling Canada Works money into breakwaters. Now, at first look this would seem to be a very, very good use of Canada Works money and perhaps it is the best use that Canada Works money can be put to, but one of the problems, Mr. Speaker, is that the way that Canada Works is set up it is for employment purposes and that even though money has been put in by the Federal Government, Small Craft Harbours and through a group known as the Community Employment Strategy Association, even though it has been put in to top up those projects, these projects are being built in a sort of slapjack manner. When the Canada Works grants become available a work force goes out and the logs are cut by hand and then they try to get enough money to bring rock. Actually, what is happening is that the programmes are not suited to this type of construction and sometimes we have failures as we did at Three Rock Cove when a poorly constructed breakwater washed away this year. And I believe they are trying to work on that again. The same thing has happened on Fox Island River, which is very often in the news, where instead of developing a plan for that particular area and then going in and implementing that plan, we have been doing it by Canada Works, in dribs and drabs, and it

MR. J. HODDER: seems that, as the fishermen and the people of the area say, the money is being wasted because a hundred thousand, two hundred thousand dollars are being used this way and then suddenly the river fills in. There is no real planned way in coping with the elements of the area and trying to come up with a proper engineering study to allow these people to fish.

Mr. Speaker, the fishery of Port au Port is a very rich one. It is one of the three great lobster areas of this Province. It has scallop beds and I would venture to say that perhaps the scallop are better or as good as in an area in Canada or in the world, the type of scallop that come there. Although it was over-utilized at one particular time by boats which came in from Nova Scotia, the bay has been closed now and I understand that the Scallop beds are growing back.

Mr. Speaker, the other two traditional species are cod and herring. Mr. Speaker, if we are going to have success there, if we are going to make the area work, we have to look to the farming, we have to look to the fishery. In order to look to the fishery, we must provide ways for the people to get out and pursue the fishery. As well I believe, Mr. Speaker, that the processing of fish must be done in the district. Most of the fish at the present time, except for one operation which is run by National Sea, even though they ship most of their fish from the Port au Port Peninsula, they do do some processing on the Peninsula and sometimes during about a five or six week period they hire as many as a hundred people and I do believe that there may be some plans for expansion there. The other fish buyers in the area; the fish are taken from the district, they are carried to Port aux Basques; they are carried to the mainland of Canada, across on the boat from Port aux Basques, and jobs which could change the unemployment picture in the district are disappearing. I think, Mr. Speaker,

MR. J. HODDER: that we have to look at that because otherwise, you know, we will never be any different if we are going to continue to take the new materials away in bulk, in trucks, in tankers.

Mr. Speaker, one other thing I might say and this is one thing that I do not very often talk about - the limestone resources. Here we are in a district with the highest unemployment in the Province, or one of the highest unemployment situations in the Province and we are sitting on the largest and purest block of limestone on the Eastern seaboard of Canada. Not only are we sitting on the largest and purest block of limestone, Mr. Speaker, but we are in a very good geographical location to supply the Eastern seaboard of the United States. At the present time the market for limestone is very, very good. I understand that most of the limestone now coming to the Eastern seaboard of the United States is coming from Africa and I think, Mr. Speaker, that we have to start looking at this, particularly at the present time when the world market is up for limestone, and to try and interest some companies or try and interest somebody. I believe the concessions are presently held by BRINCO. I feel that they must either develop them or give them up.

Mr. Speaker, in addition to this the district is in need of a proper transportation system if we are we are going to take advantage of the resources we have. I think that in this House you have seen a number of

MR. J. HODDER: petitions come from there asking for proper fisheries access roads and proper facilities and proper roads over which fish can be carried. I believe, Mr. Speaker, that this is a district which can in itself, it can look after its own unemployment problem. It has the resources. It has the fishery. It has the people who are willing to work. What they need is some assistance. And I guess what I am trying to say here today, Mr. Speaker, is that, as I stated before, the government must, if this Province is going to be a successful Province, if it is going to be a high employment Province, if it is going to be a wealthy province instead of a backward poor Province, then we have to start looking at areas such as the one I represent and we have to start looking to seeing how we can best change the unemployment situation and make them contributors to the Newfoundland economy.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (CROSS): The hon. member for Eagle River.

MR. STRACHAN: The Minister of Health, Mr. Speaker, was intending to talk next and we had made a prior arrangement but I will carry on and he can -

AN HON. MEMBER: (Inaudible).

MR. STRACHAN: No, no, he can talk -

MR. NEARY: Too late now.

MR. STRACHAN: Too late now. He can talk after me.

MR. NEARY: He has been recognized.

MR. STRACHAN: Mr. Speaker, the substance of the motion is to set up a committee to look into the whole situation concerning the high unemployment in this Province and in respect to that I would like to address myself particularly to the situation in Labrador, the only situation I really know well and especially the situation in the three areas of Labrador, the Labrador West situation, the Central Labrador situation and on the Coast of Labrador where there are some very unique problems concerning unemployment.

MR. STRACHAN: In Labrador West there seems to be a situation which is somewhat paradoxical. We think of Labrador City and Wabush as being an area which has very high employment, a great deal of activity, a great deal of work, and yet if we examine the figures that Manpower sent to us in Labrador West, the increasing number of young people in the age group stated here, the seventeen to twenty-four age group, young people coming out of the high schools in Labrador West, Labrador City and Wabush, cannot find jobs in Labrador West. They have been brought up in the communities, they belong to Labrador West, they feel they belong there and yet they have to move from Labrador City to obtain a job, something which I am not totally against but at the same time many of them cannot find work elsewhere and have to return to Labrador City and still unemployed.

It is a ridiculous situation when we consider the resource in Labrador West, the large resource of iron ore, one of the largest in the world, the largest in Canada, which is supplying jobs, in the raw material state is supplying jobs, being shipped out elsewhere in Canada, especially to Central Canada, to the steel mills of Hamilton and to Detroit and to the Upper States and yet in Labrador West we find that the young people there living on top of this huge resource cannot find work locally because what we are doing is following an extractive process, a process of extracting the raw material from the ground and shipping it further West in order to satisfy very large corporations, much of the profits of which will never return to this Province.

We in this Province obtain a minute fraction of this in the form of royalties, very small royalties at that, and most of the iron ore, the resource, is shipped elsewhere by rail to Seven Islands which is, if anyone wants to look at and see the figures, the richest community, the richest town in Canada.

MR. STRACHAN: Seven Islands is the richest town in Canda. Its average figures for annual income, the average there is almost \$13,000 average income in Seven Islands, the top city in Canada and its whole economy is based on nothing else but Labrador iron ore. So we see a situation in which we have young people in Labrador West coming out of school able, qualified, who want to get into some form of work rather than just straightforward mining and yet cannot find any jobs, any employment because we in this Province have allowed the Iron Ore Company and other companies there to ship out a resource in raw form by rail to Central Canada where it is then converted into steel which

MR. STRACHAN: which is then used and converted into other products. So all the work, in essence, is sent out of the Province, and I think this is a situation in to which we have to obviously take a very serious look. It requires a very serious discussion with the ore companies, with the mining companies, and we should think of very strong legislation, if the negotiations fail, to try to change this situation around. We have, as we well know - and I brought this up before - in Labrador an ample supply of hydro-electricity for which we are looking for a market. Some of the smaller falls in Labrador, not necessarily the Gull Island one which will produce 1,700 megawatts, but some of the smaller falls such as Muskrat which will produce 600 megawatts, that falls would be ideally suited to providing power for a conversion of this raw material into a further finished product, and obviously, therefore, creating in Labrador City not a town of 17,000 people but a town of 40,000 or 50,000 people, because really, with a resource that size, that should be the size of that community right now. And what is happening now is it is being maintained at its old mining level of 17,000 people, increasing only by birth and so on, but not increasing at all in the number of jobs being created. It is an argument with the unions. It has been an argument and the subject of many commissions, and yet, still nothing has been done on the contracting out which is an absolute disgrace that we allow in this Province companies in Labrador West to contract out their services back to Sept-Iles, with the result that if something needs to be fixed, if it is the handles on buckets or pails, it is put onboard a train, shipped down to Sept-Iles to be fixed and put aboard the return train back to Labrador West. And there are many more obviously sophisticated jobs which could be created there and it is a ridiculous situation that we allow this to occur, when companies and vested interests in Labrador West carry out this process.

The situation which has occurred is that people in Labrador West - and there have been many accusations of this and proof of it as well - that many of the higher management levels in the companies and many of the local companies are Quebec based or many of the people in the companies own real estate, not in Labrador West, which is

MR. STRACHAN: purely a mining town, but own real estate and properties in Sept-Iles themselves. And so it is to their advantage to ship equipment from Labrador West, equipment needed at the iron ore mine in Labrador West, to Sept-Iles and have it fixed in Sept-Iles or the work done in Sept-Iles, the supplies and the produce coming from Sept-Iles, because they have interests in Sept-Iles and their interests are not in Labrador West. We have argued this, the companies have argued this many, many times and people become very, very annoyed at this dependency on Sept-Iles. It is not only the transportation, which we can understand if there has to be transportation, and the only link at the moment is by rail from Labrador West to Sept-Iles, and if that transportation is the only link we will accept that, but to see regular work leaving the area and being contracted out to Quebec companies while young people in this Province are unemployed is a scandal and a disgrace in 1979. It is something that has been pointed out for many, many years, right through the 1960s and 1970s. It has been a bone of contention with the unions and their negotiations with the companies. There have been many, many commissions looking into it, many arguments, and yet at the same time, nothing has been done to correct the situation in any major way. There have been small negotiations, small agreements - last year one of the companies was given a public warning and a public crack across the fingers for it

MR. STRACHAN: and did change some of their methods, but there has been no serious legislation, no serious discussion to try to change this. And I state quite clearly that the government should look after the concerns of the young people in Labrador West. Not regarded as a very rich area in which there are no unemployed, but look after the interest of the young people there and change some of the situations concerning contracting out and look at, very seriously, the situation concerning the shipping out of the resource from Labrador in a raw material form with only minor returns in royalties to this Province. We have also, as I stated many times before, seen some serious situations there where the raw material, iron ore, is mined out of this Province by Quebec miners. At one point last year the mines at Schefferville were supplied by seventy-five per cent, as much as seventy-five per cent of the iron ore moving into the pelletizing plant in Schefferville came from the Province of Newfoundland and Labrador mined by the Quebec mining companies without any payment of royalties to this Province. It is a scandalous situation in which someone can come into your back garden, essentially, and take your potatoes and take them home without paying you for them or even paying you the courtesy of even asking to come into the back garden and take the potatoes. Last year up to 75 per cent, at one period, of the iron ore used in Schefferville in the Province of Quebec, was extracted from this Province, from land belonging to this Province, on this side of the border and was moved over to Schefferville without any whimper from this Province.

This also represents not only a rape of the resource by another province, but it also represents jobs for people in Labrador West which are being utilized by other people in Quebec. If the situation has been corrected - I have not had an update on it since last year - but if the situation has been corrected then I will give full marks to the people who have been involved in it. But as I understand the situation at that time, I think it is still

MR. STRACHAN:

current. On occasion when there is any question raised or any publicity made on this situation the Quebec miners and the Quebec mining companies will move out of the area only to return at a later date and remove this resource. And it is a serious infringement on the territorial rights of this Province and I think should be investigated and once and for all a stop put to it.

I should indicate, too, that I have often stated in Labrador and I will state so here, that serious consideration should be given quite clearly, though it is not in the bounds of this motion here, to this Province delineating the border between Labrador and Quebec in a physical way inasmuch as setting up survey monuments and doing a complete survey because the border moves back and forth and there could be in the future many arguments. But in this case here we would have a delineated border in which it was quite clear that Quebec Mining Companies—and I might say for the North too we have Quebec tourists being flown into Labrador to hunt caribou under Quebec regulations, not under the regulations of this Province. So there is a very serious situation there that needs to be corrected.

But to get back to the main point of this motion concerning unemployment, it is a scandal that in this day and age we are allowing young people in Labrador West to go wandering around the streets in what should be a booming, prosperous community. If anyone wants to go to Labrador West now you will find that in the last while, as a result of strikes but also because of a down play in Labrador West, there is a great deal of discontent because there is not a feeling that things are on the move, that things are being developed, that we are developing at a rational sense. I think that should end. There should be a great deal of work in Labrador West. There is no reason to think why a concerted programme of tying the resources of this Province together, tying the hydro together with the iron ore could not produce certainly if not steel mills, could not produce something of very elementary form beyond the pelletizer stage of sponge iron which

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MR. STRACHAN:

is in tremendous demand in Europe and in tremendous demand in Japan. It is always unbelievable to me that here we are screaming about our high unemployment

MR. STRACHAN: when a country like Japan who has to rely on oil to produce electricity, who has no resources, no iron ore and must ship that in as well, oil shipped in, iron ore shipped in, ships in its charcoal and the other necessary ingredients can put it all together in Japan and come out with a finished produce such as a ship or a finished product such as cars and various other products. By bringing in all the resources from all over the world into Japan. Here we are, as soon as we mention it in this Province, a plan to tie the hydro power which we have together with iron ore which we have next door to each other, 200 miles away, that a plan to do that and provide a booming Labrador West, a place in which there would be no unemployment, it could, in fact, boom so much that it could take up the slack of unemployment elsewhere in the Province, that anyone in the Province who wanted a job could manage to work there and produce not finished products but certainly semi-finished products with a view to going down the road and in the end producing a finished product, and this could be done, it is not done because it is not in the interest of the iron ore companies. It is not in the interest of the multi-nationals. It is not in the interest of Bethlehem Steel. Because, of course, if this did occur in this Province then there would be no iron ore resource to ship to Detroit and to ship to other centres where they are interested in converting it into finished products at high profits to them and at no royalties or taxes to be paid to this Province. I think it is a scandalous situation that we should be talking here on this motion on unemployment when we have very rich, very vast resources in Labrador.

In the Central Labrador area we have a serious situation and here I can do nothing but fault government time after time on this, because I believe the government have made serious, serious errors in the Central Labrador area, a number of errors of accord, and we could start with Labrador Linerboard in Happy Valley - Goose Bay, Lake Melville, and we could as well describe the situation

MR. STRACHAN: with Gull Island prior to the 1975 election.

MR. FLIGHT: That is right.

MR. STRACHAN: We have a situation in which this Province spent \$110 million to carry out work on Gull Island without any market having been found, created a boom situation, or a semi-boom situation in the Central Labrador area, everyone started to flood in, all the local businesses brought in goods, ready for two or three years of booming work, high supplies came in and all of a sudden, before the navigation season closed, Gull Island closes down, everything closes down and the local companies are left in a very serious situation with people moving out at a very fast rate. It has now declined to a community the size, I think about 6,000 or 7,000 people from initially 11,000 or 12,000. It is declining fast because of this situation and this was, I think, a total misleading of the people in trying to create a boom period there without having any market, without having any agreement as to the financing of the project, without having any agreement from anyone who was going to put in the development capital required and a market contract, a sales contract to sell the power from Gull Island.

I think to spend that amount of money indicates to many of us that it is pure election bait in many ways, in order to try to provide employment for people in the Province, that everything is going to go, that Gull Island is going to provide as much labour as Churchill Falls and we are going to have another three or four years in which everybody is going to have a job. If a fellow wants to come from Torbay and go to Gull Island there is plenty of work for him. If a fellow wants to leave Baie Verte there is plenty of work for him, and all of a sudden after the election, a few weeks after the election, in October '75, everything goes down after spending \$110 million. \$110 million virtually wasted, virtually wasted and creating a situation of unemployment now when that \$110 million

MR. STRACHAN: could have been used and utilized for far wiser and far saner projects. Not that Gull Island Development is not a sane and wise project, but the development of Gull Island depends on a sales contracts, it depends on development of the resources within Labrador and within this Island and it depends on the surplus energy being sold to Quebec Hydro and as

MR. STRACHAN: stated, and I will get onto it in the Gull Island bill, as is stated quite clearly there by John Crosbie in his remarks in November, 1975, "There could be no sales contract with Quebec Hydro because at the same time as Gull Island surplus power was going to come on stream, James Bay would also come on stream and produce a surplus in the Province of Quebec which they themselves could not handle". The statement was made quite clearly by the ministers and quite clearly by John Crosbie when your predecessor in your portfolio, one of your predecessors way back, the fellow who is running for federal election.

This, obviously then, was a great deal of money spent, some of which will be recoverable but much of it which will not be recoverable, to create a boom situation followed very clearly by what we can call irresponsible action in closing it down and leaving people in the area, leaving people on the island who had gone there to work, leaving people flat, depressed, down and a serious economic situation - companies going bankrupt, people not being able to find work or jobs. So, it is a serious situation there. Exactly the same with Linerboard operation. although I must admit that I, in particular, while in looking at the whole picture of Labrador Linerboard felt a great deal of the problem was due to the previous administration, you know, this administration here that is soon going to be previous administration, the problem being that the whole plan for development of Labrador Linerboard in Labrador was another extractive process inasmuch as it was a shipment, it would eventually have ended up as being a shipment of raw material from Labrador albeit within this Province, albeit from Labrador to Stephenville, but exactly the same occurs inasmuch as it was not considered that the Linerboard operation should, as far as I am concerned, have been located in the central Lake Melville area rather than in Stephenville. It is just as easy to ship out from there the finished product as it is to ship out a stockpile of raw material, in fact, probably easier.

MR. STRACHAN:

However, that be as it may, the situation occurred when Linerboard closed down and the unemployment created in that situation was very, very severe. The people in the area came in and did a considerable amount of work, many people who came in and set up homes, brought in their families and they were prepared to spend a number of years in Labrador and many of them prepared to stay there and settle down in Labrador, all of a sudden found themselves, on the closing down of Linerboard, left unemployed, on welfare, thrown out, had to move elsewhere, some West to Fort MacMurray, some to other provinces; some came back to the island and some stayed on in Labrador trying to look for other jobs. And a very serious situation occurred and I think there was a certain irresponsibility there regardless of a certain government program to try and keep them on. It was obvious that the operation there was run in a way which indicated quite clearly over the years a tremendous wastage, a tremendous wastage of money, all of which contributed to the eventual closure of the mill here and of the Linerboard operation in Labrador. I think that the situation has become serious. It is a very serious situation around there and over the last few years has worsened and worsened.

One of the real problems that we face in Labrador and one of the situations which many Labrador people are very skeptical of, although they may express it in some more radical fashion than I do, is that they are often concerned about this boom and bust situation in which we create something and then drop it down and create tremendous unemployment. If we are going to do any development, it should be on a rational basis. It should be on a basis in which it is not purely an extractive process so that when the mining markets fluctuate in the world, it becomes uneconomical to mine in Labrador, we slow things down, or if the Linerboard price in the marketplace drops then we slow down the operation, it should be done in an operation in which it is dovetailed

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MR. STRACHAN: to try to diversify the product as much as possible and so, therefore, make it a long lasting, more stable industry. That is a problem, of course, which is not unique to Labrador. It is unique in any mining operation and unique

MR. STRACHAN: in the handling of any resource, natural resource, this fluctuation, but it can be lessened by a situation of diversifying the product, of not only putting your eggs in one basket and if it goes down and busts then that is the end of the development in the area and people are left up in the air, and it creates high unemployment and a certain amount of despondency. It is almost like here we go again, and up you go again and two years later down you go again, followed by two or three years more by another splurge onwards and this is not rational development. I think if it is done for political purposes and if we in this House allow this to be done for purely political purposes, for electioneering or campaigns or promises then I think this is totally wrong and it is not the way that rational development should take place. We have in this Province tremendous resources, a tremendous amount of resources, resources which are much in demand elsewhere in Canada and North America, and resources which we should be developing in a rational way, developing in such a way that we can maintain a stable, employed population.

Our other argument, of course, is the argument which takes place elsewhere where there has been some oil and gas development and this is something that we may have to be careful of in the future, or in the development of Gull Island, or the uranium mine development, for instance, that we have very seriously got to take into consideration that we are not going to create another Buchans, that we are not going to create another permanent community which, on the loss of ore, the life span of the ore is eight to ten years, then if the loss of ore, running out of the ore body therefore means that we have a sustained population in an area in which no further work exists. This is a very serious situation. It is something which has been legislated in other

MR. STRACHAN: countries, in Norway and as far North as Scotland, and very bad examples exist in Scotland. And something is being legislated, in Iceland, and I think this is something that we have to be very careful of, that we should bring in legislation here to make sure that in our effort to alleviate the situation of unemployment, the bad situation of unemployment, that we do not go helter skelter into a development with another boom in mind only to create in a few years time, five, six or seven years time situations of which a community is then left high and dry with no form of economic viability to it. And this is a serious situation that we must look into and I think that it could be pointed out very clearly in the proposal here in this motion.

I think that on the Coast of Labrador, and I do not want to belabour the points, I should say maybe that I have often thought -as an aside here, I think I have been talking fifteen minutes or so - that we should bring in some legislative reform and so on so that we can get on with twenty minute speeches on Private Members' Day so we can get through some resolutions, rather than everyone having to spend their maximum time going over points which have already been made. We can surely in twenty minutes say the points succinctly enough and sharply enough and make it far more interesting for us as well as getting through bills and getting possibly some decent motions on the table. However, I intend to spend a few minutes on the Coast of Labrador because we have a very different situation there and I think that in some areas a situation which will have to be faced by the government, a situation which may have to be faced by the federal government and provincial government. On the Labrador Coast we have, of course, the mainstay of the economy being the fishery in the Summer, and the fishery is providing a fair amount of prosperity, I should say,

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MR. STRACHAN: not prosperity in the greatest kind of sense but in comparable terms with a few years ago, The people in Labrador South and some in Labrador North who are fishing for char and salmon, with the upswell in prices and with some protection and with the coming back to the Labrador Coast of the groundfish they are, in fact,

MR. I. STRACHAN: providing and producing a greater economic prosperity for themselves and their families. Especially in view of the fact that many of the facilities are not there at present, that Labrador was never developed, this Labrador coast was never developed in a permanent way by government, that everything was regarded in the past as fish which one returned to the island part, to Fogo or Bonavista or Badgers Quay, Valleyfield that area there or returned to other areas in Northern Dame Bay. What we have now, of course, is a more stationary population there who are looking for facilities, looking for equipment, looking for the infrastructure, which exists elsewhere in the province, which does not exist there. And I think that the economy is increasing to a certain extent. There are some problems because of the ice problem, the freezing. In November, December, right through until June - May, June, there will always be, of course, five or six or seven months in which there will be no employment, that people will be following a subsistence form of living. They will be wooding, and trapping, hunting, and so on. This is encourageable, it can be encouraged. But I think that this should be - and I take exception to some remarks here - I think that this should be regarded exactly in the context of what is is; that much of the time during the winter it is a way of life, an important way of life, there is no argument about that whatsoever, a traditional way of life. But it must be remembered that it is a subsistence form of living. It is not the economic mainstay of the communities. And the economic mainstay of the communities is the provision of the fish, especially during the Summer, and the assistance through unemployment insurance and various other assistance forms during the winter supplemented by wooding, trapping, hunting, providing food and maintenance of the family home. I think that we should be wrong if we start viewing the Winter activities as providing the economic mainstay, it is not. In many instances it produces a very worthwhile way of life which many are fighting to try and keep, but at the same time it is not the main economic mainstay of the communities and against this there must be a balancing during this

unemployment period. There must be a balancing of wishes and desires and hopes of the people because one cannot ask for everything in the world without also contributing a great deal towards it and one has to balance out these kinds of situations there. On the Labrador coast there is a fair amount of unemployment during some Summer months. Many people who do not wish to enter into the fishery find it very difficult to obtain jobs and some people do not like to go, particularly, only into the fishery industry, they look for something else. Education is given to them, broader mind to go into other things although the fishery is far, by far the most lucrative and prosperous way of living. And so with the result that we have a number of young people who are unemployed, people who have gone on through high school and who are wandering around, who do not know exactly where they stand or what they want or where they want to go, who are confused a great deal, who do not want to involve themselves in the primary resources but without any infrastructure can not get jobs as accountants or book clerks, or secretaries or various other things so we have a population there which, a small group of people in the population, who are frustrated in a great way and yet because of the way of life on the Labrador coast it does not attune them to be able to enter into the main stream of work elsewhere where a far more vigorous production orientation is required. And many of them, although they call many times for work and opportunities to work with groups and companies and so on, find it very difficult to try to fit into that kind of schedule, that kind of production schedule. So, Mr. Speaker, there are, as I stated, three areas in Labrador. I have briefly covered the problems, the situations regarding them, and as I said, I think that the motion, although the motion does not directly deal with the resources of Labrador, I think that the non-development or the improper development of the resources in Labrador has contributed to this very serious problem of unemployment in a province which, if we had developed the resources correctly, should be a booming, healthy province with a very low rate of unemployment. There are - as I said, Labrador West could be very easily a city of forty to fifty thousand people. The central Labrador area, which in a very colonial way has been the child of the American forces and the child of some government schemes

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of providing boom-bust approaches to development and at the moment is in a very down depressed situation, is another example of wrong development of resources. And on Labrador coast,

MR. STRACHAN: peculiar problems particular to that area in which we have of necessity high unemployment during the Winter months, but which is complemented end of term by a certain value in a subsistence living and providing funds for the family and providing a way of life which people particularly enjoy and is not available elsewhere, certainly not in the larger centres and therefore people will tend to remain there and wish to remain there.

I think that these are the problems as I pointed out dealing with the unemployment in the Labrador area and I think that a study should take into view not only purely the unemployment per se, but should look at ways and means of overcoming it. And I hope that I have tried to be positive in this and tried to state some of the steps that must be taken to develop the resources in Labrador and therefore provide the employment that is necessary to get us out of this down period, these doldrums, this economic busted down period that many people in Labrador find themselves in.

Mr. Speaker, in closing I support the motion and I have said what I want to say, I think. If the Minister of Health (Mr. W. House) who was so keen to participate in the debate - he is behind you - wishes to participate in the debate - I think it was Minister of Health, was it not? -

MR. F. B. ROWE: No, that was (inaudible)

MR. STRACHAN: If you wish to participate in the debate, I would certainly close off now and -

MR. NEARY: Yield, yield.

MR. STRACHAN: - yield to him and -

MR. CALLAN: He is the environment -

MR. NEARY: It is hard to get psyched up these days, is it not?

MR. STRACHAN: Mr. Speaker, I could carry on but I particularly feel that I have said what I wish to say and -

MR. DOODY: You said we should have about twenty minute speeches.

MR. STRACHAN: I said twenty minutes, that is right, right, I spoke about twenty minute speeches, I believe that. I feel that - and I just thought that the minister would wish to follow me.

So, Mr. Speaker, I support this motion and hope that when we get to it that all people in this House will support the motion. I think it has a good deal of merit and that we should try to do something to resolve this serious situation by involving other people but at the same time by taking action. I think that is far more important than a great deal of talk, by taking action resulting from this.

MR. SPEAKER: (Ottenheimer) Hon. Government House Leader.

MR. MARSHALL: Mr. Speaker, this resolution which has been on the order paper since the House convened relates to employment or as the hon. Leader of the Opposition has phrased it, to the unemployment situation in the Province. The purpose of the resolution, of course, is to request that a select committee be appointed to hold hearings throughout the Province for the purpose of obtaining ideas of the general public, labour unions, business associations, the academic community, as well as interested individuals regarding the development of job opportunities and subsequently to draw up recommendations with respect to it.

It is a resolution which has many prongs and many aspects to it but it is one that is, I think, put on the order paper primarily to draw to the attention of the public and the Assembly the economic condition of this Province at the present time, and in particular with respect to the state of employment or unemployment. The resolution indicates that this House should form a committee for the purpose of making enquiries and obtaining information with respect to the state of the economy, but the fact of the matter is there is much information available to

MR. W. MARSHALL: those people who wish to enquire. Obviously, it is not as good - the employment opportunities in this Province and the employment situation is not as good as any of us in this House on any side would wish it to be. But I submit, Mr. Speaker, it is not quite as bad as the Opposition paints it to be and certainly is not as bad as the descriptions of it that we have received and we have heard the past few preceding weeks.

There are indicators, Mr. Speaker, and there are very firm indicators that the state of the economy in this Province shows promise of development and shows promise of progress. Probably the best indication, the most excellent indicator of all that I have seen recently is a report that has been made on the outlook of the economy of this Province for 1979 which has been published by the Cabinet Secretariat of the Executive Council and is available for the public to see and for the members of the Opposition to see and engross and to look it. It is a brief report -

MR. S. NEARY: Impartial and unbiased.

MR. W. MARSHALL: No, it not a - as the hon. member would indicate by his remarks, he seems to state or hint that the report is partial. It is not partial; it is a report that is done by very competent and informed individuals who have their fingers on the pulse of this Province and it is one that meets all of the issues quite squarely. It does not pretend to be a comprehensive and detailed report but is a brief one setting forth the salient, the most obvious and most noteworthy items with respect to the economy itself. As I say, this is put out by the -

MR. SIMMONS: (Inaudible) report?

MR. W. MARSHALL: It is the report on the economy for 1979 that is now being published annually by the Cabinet Secretariat of the Executive Council which contains some individuals amongst the finest public servants, as I think the hon. gentleman will agree, in the Public Service who are very knowledgeable in their field, and it goes through a brief outline of the economic situation of this Province. It outlines

MR. W. MARSHALL:

first of all, the position with respect to international and national economies. There is no need to go in - I have no intention of reading the report, I will wish to make reference to it in the course of my remarks. It points out what is quite obvious, and obvious to everyone, is the state of the international economic setting and the unfavourable situation in that area that the Western world finds itself in in recent years particularly as a result of the oil crisis that we have all heard so much about.

MR. MARSHALL:

It then goes on to talk about the national economy and the problem interrelated with the international situation, that the Canadian economic community finds itself in and with particular reference to the somewhat disastrous results in the preceding year, devaluation of the dollar and the effect that it has had upon Canada. We all know in this Province really, a really, really disastrous effect it has had upon the financial situation and condition of this Province as it relates to borrowings that were made in times past, particularly with respect to borrowings in the West German Market where the rate of exchange now has resulted in our having to pay more than double the capital back as a result of revaluation. And, of course, as a result of devaluation there is much more that has to be paid back in our U.S. dollars. All of this has an effect on our economy.

But then it goes on and says that despite - one of the items that it does point out - and, as I say, I recommend this to members and the general public - it does point out that despite all of these factors and despite what we call and what is in fact a position, a valid description, the albatrosses that have been around this Province strangling its lifeblood for the past ten or fifteen years in the presence of the defunct but now resurrected Labrador Lumber and the Oil Refinery and other things, despite these albatrosses the net employment in this Province had increased last year and I think increased quite substantially. As I say this is put out by an independent body of professional people. It points out that employment as measured by the Labour Force Study - this is the Labour Force Study that had been done by the Department of Statistics - increased by 5,000 in 1978. It points out that this growth was concentrated mainly in the trade and manufacturing sectors responding to expansion in retail space, fish products production and continued creation of small businesses, particularly in the rural areas. Now, you know, it is not dramatic but I think it is very significant that despite the problems that were experienced in the economy last year, internationally and nationally and in this Province itself, that there was a net job

MR. MARSHALL:

increase of some 5,000. Now here again, unfortunately, the entrance into the labour market exceeded that. It is as in previous years the entry into the labour market of the persons fifteen years and older, increased greater than the amount of employment. Some people refer to it as the pressure, which

MR. MARSHALL: I think is unfair, brought on the economy by the youth coming into the labour market but I think that is really an unfair and most inapt description, but it certainly is a fact. It is a fact that this has occurred in the past five or six years and it is a fact, also, that it will continue to do so as projected for the next two or three years. So, therefore, the increase in the jobs was curtailed by people entering into the labour force itself. But it is very, very incorrect I think for people to get up and castigate, which is the normal function of the Opposition, is to castigate the government for its lack of job creation, and not to mention as well - you know the actual factors, the factors of the matter is that the economy progressed last year and is continuing to progress, I think, in a dramatic fashion.

There is one point in this report that I would like to deal with in the main part of my remarks on this debate, because the report contains many, many statistics which I have no intention of putting forth before this assembly today, there are some of them favourable, there are others of them that obviously could be improved. And I advert to one now that I think is not really appreciated, its influence on the economy of this Province to the degree that it should. Now, this is when dealing with the subject of the Province's Gross Domestic Product, as they now style it as opposed to the Gross Provincial Product, the Gross Domestic Product being the measure of output produced by Newfoundland factors of production within the boundaries of the Province itself, putting out this table and the table of provincial expenditures which appears on page twelve, if members would like to refer to it when they get a copy, is what I consider to be one of the most startling and most significant statistics, unfavourable as it is, that faces this Province today.

Now this is the fact that measured against exports, imports exceed in this Province exports by \$880 million. And I think, really, that that is a staggering figure. It is a staggering statistic and a staggering fact, together with our financial condition I would say it is probably

MR. MARSHALL:

the most important factor although the one most ignored, but one of the most important factors affecting our financial condition today and the economy of the Province, and the most important one which I think must be faced by this government because it has many, many significant aspects to it. We must, as I say - and I invite public attention to it, the public and members of this House because the public must address itself to this very important fact. It shows that the value of goods leaving the Province in relation to the goods and services entering the Province is quite substantial. It means that most of our production is being exported without really receiving anything in return and it means in terms of an economic unit, as we must consider the Province of Newfoundland but perhaps in many years have not considered it as an economic unit but for these purposes I think we have to, it means that there is a significant imbalance in the provincial trade of this Province. If we were not a province we would be in the position where we had a trade imbalance and it would be regarded accordingly. But because of the transfer payments that have been made to bolster the economy of this Province since Confederation and because of the monies that come from the federal government to bolster, as I say, the economy, this particular fact has long since and for, I think, far, far too long the significance of this fact and the fact itself of the trade imbalance has been totally and absolutely ignored.

I would like to quote for a moment from the report. And, as I say, for those who wish to make reference to it it is page 13 and 14 of that report. In describing the particular table in which this imbalance of trade starkly appears it is said and I quote, "The last major item of expenditures" - and this is where they were measuring the provincial expenditures in relation to the Gross Domestic Product - "in the provincial economy is the trade balance, exports minus imports. Exports can be generally defined as the value of goods and services leaving the Province. Imports can be defined as the value of goods and services entering the Province. The Newfoundland economy has a large trade deficit with the

MR. MARSHALL: remainder of the world indicating that the value of its exports is much less than the value of its imports. A trade deficit means that the wages and other incomes of provincial residents are leaving the Province and this is where it is significant, are leaving the provincial economy through the expenditures on imported items by individuals, groups and businesses. An increase in the Province's sales, that is exports, to other parts of the world or a decrease in its purchases, that is imports, would reduce the leakage of income to the economy's involvement in trade. An improvement in our trade balance would, therefore, increase the amount of income circulating within the provincial economy and continue the improvement in the standard of living of provincial residents."

I think that that is really a self-evident statement but really one that I think with a certain amount of - deserves not a certain amount of, but a great degree of consideration because it really has a major effect upon the standard of living of the people of this Province and has for quite some period of time.

Now I might state that this particular statistic, what I call the 'Stark Statistic' of this report showing an imbalance of \$880 million between our exports and our imports, that is, I want to point out first of all that it is extremely difficult to measure the amount of imports into this Province.

MR. STRACHAN: (Inaudible) figures do they give?

MR. MARSHALL: Well, the actual figure that they give - I have the figures on exports - total domestic exports plus the Iron Ore Company is \$1,114,671,000 so if the total amount, and I am just doing this calculation off the top of my head, the total amount of the imports then must come to, according to my calculations, about \$2 billion, somewhere in that area, but that

MR. MARSHALL: is subject to correction. But I want to point out when we talk about these figures that it is extremely difficult to measure with accuracy the imports into this Province and it is extremely difficult because of many factors. Some of those relate to the - and I could here again just refer to a few notes on the matter - "The measure of inbound shipments is extremely difficult. Only direct foreign imports are measured by value in available statistics. It is known that most foreign goods entering Newfoundland entered Canada by way of other provinces and that is one of the problems. Also a large portion of our goods, purchases, originate elsewhere in Canada. No value measure is available for goods entering Newfoundland from other provinces. Such volume measures as are available are impossible

MR. MARSHALL: to translate into valued terms, such measurement units as carloads, tons, packages are used to measure goods described as mixed freight, inedible goods, perishable goods, etc." So I should like to point out that these figures are figures that admit to a certain amount of error because it is very difficult, extremely difficult to measure the amount of our imports into this Province and compare them to the exports. It is a little bit difficult with the exports but not certainly as difficult as with the imports. But there is no doubt from the figures that are available, and they prepare these figures allowing a certain amount for residual error of estimates so that really what it amounts to is an estimate but it is an educated estimate and it is a pretty good indication that there is, and there definitely is a trade deficit in this Province. And this deficit, Mr. Speaker, is sufficiently large, as has been seen from the figures, to be a severe strain on Newfoundland's economy, next to the strain presented to the economy of our financial situation and our horrendous debt which eats every year a larger amount of that circle as it were, showing the actual provincial resources. Next to that, but very closely next to that, I think one of our major problems we have is this severe drain on the economy resulting from the imbalance in our trades.

Now the figures I have—I feel that we have to draw attention very closely to this, the fact that we have not the possibility of measuring with accuracy the imports has to be studied itself because I think we should be able, as a Province, to measure much more carefully the imports that are coming into this Province. It is extremely difficult, obviously. It is not as difficult if you were an independent country. Prior to Confederation it was much easier because you had customs duties and what have you. But, of course, in the union with Canada there are no customs duties so it is very

MR. MARSHALL: difficult. There has not been the desire of the Dominion Bureau of Statistics to get these figures heretofore. I have checked with the Federal Department of Trade and Commerce and understand that they are going to make a move in this direction in the very near future, indeed this Summer, by employing a certain number of students who have, I suppose, discipline in economics and accounting or what have you, for the purpose of attempting to make a more accurate measure. But I think it is a matter of concern to all of us in this Province and one that we really have to turn our attention to,

MR. W. MARSHALL: that we have to know exactly not only the amount of our imports but where these imports are coming from. It was to me somewhat of a startling revelation when I made the enquiries, because I thought it would be fairly easy to determine the ratio of imports, even the ratio of imports coming from our sister provinces as opposed to those coming from a foreign country but this, in turn, is not able to be ascertained or perceived. But it is a very, very important fact as far as I am concerned, particularly in our relations with the other provinces and with the Federal Government because Newfoundland from time to time is looked on, or perceived in a certain erroneous manner but at the same time we hear nothing whatsoever of the free market that has been provided to the rest of Canada particularly to the manufacturing concerns of Central Canada as, in this, is represented by this Province. And I think that really it would be beneficial for us to know this, not only from where it comes in Canada, but really the type of goods which are coming in because we have to tackle the problem, we have to do something about it and, of course, there are two ways in which to do it: The first, you improve your balance of trade by reducing your imports, by increasing production here. Obviously, in order to increase your economy at any time, you have to increase your production, but you can improve your balance of trade by either reducing imports, by producing more here so that we produce more of the goods and services which we need in this Province than we presently do so that we are not so dependent on imports. Another way to do it is to increase our exports. I shall get to that in a few moments.

But instead of talking about generalities I have managed to determine that some of the imports that are coming into this Province today are imports, I would suggest, which our independent forefathers years gone by would hang their heads in shame if they could see that Newfoundlanders have to go to other parts of Canada or other parts of the world for such things as lumber and certain types of agriculture and what have you. I can recall not too long ago being in a dining place with a certain

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MR. W. MARSHALL:

gentleman who is known to this

Assembly, and being told -

AN HON. MEMBER:

(Inaudible)

MR. W. MARSHALL:

It was over at the Holiday Inn across the street - when ordering cod tongues and asking the waiter, as we all do, whether they are frozen or fresh, he replied, "They are frozen." I said to him, "I thought there would be fresh cod tongues around this time of year. Why do you freeze them?" He said, "They are not from here." I said, "Where are they from?" He said, "From Denmark."

Here we are in the middle of

MR. MARSHALL:

of the, you know, here we are right here in middle of the fishing grounds, we proud Newfoundlanders and we import cod tongues from Europe. You know, that is just one. I know other hon. members can give many other instances. Undoubtedly there are many other instances. But it is a problem that we have to face and it is a problem that we have to grapple with. As I say there are two ways to do it; We have got to reduce imports by increasing our own production for our own consumption purposes because a lot of the imports, I am told, even though they cannot be specific as to what they are, regrettably - and that should not be, I mean this Province should not be in the position and the federal government, the Dominion Bureau of Statistics should be able to furnish us in this day of sophisticated age with computers and what have you, be able to furnish us with more accurate figures. Perhaps the pressure has not been brought to bear. Maybe it is a factor that they do not really wish to bring to our attention but it is one, I think, that we have to meet because the fact of the matter is that it is a two way street in Confederation, meant to be a two way street between each Province.

MR. HICKMAN: (Inaudible.) of course.

MR. MARSHALL: And we sit back here - the hon. member, I will call him the hon. member for Grand Bank (Mr. Hickman)- I always call him that when he says what I do not agree with. I will not say what he said but anyways he is trying to put me off the track. But the fact of the matter is that here in this Province we constitute a market for the rest of Canada and we have a right to know the extent of that market, what that market is made up of, the exact amount or the estimated exact amount of the types of goods and services that are being bought in here. It sort of galls me in a way when I think of the free market that we have here. You know there is an open door for the rest of Canada as it should be, but by the same token one of our means of production, and that is what it was, that is the power of Labrador, we were denied the right to sell our own products in other parts of Canada and all we required in order to do that was to transport it over

MR. MARSHALL:

provincial territory just as the people from the other parts of Canada have the right - and we welcome it - to go through Nova Scotia or any part of Canada for the purpose of transporting it and selling it down here. But that is another story that we have gone into.

The fact of the matter and what I am trying to zero in on in my few remarks here is this imbalance of trade that we have and its serious effect on this particular economy and the necessity of us to direct ourselves to the specifics of it and be able to ascertain where the imports come from, what they are and be able to analyze them accordingly. There is no doubt that this is also another issue that brings up another because it relates both to productivity on the one hand and to our entrepreneurial or business community leadership and development on the other. The time has come, I think, for us to address ourselves also to the fact that while there are many people in the business community who have contributed greatly in this Province, there is probably too much of an adherence on their part that instead of producing, the entrepreneurial people in this Province tend to be really manufacturers agents. They were so for the British prior to Confederation and to a large extent they are now after Confederation for the other interests in Canada and thus are agents for bringing in these imports themselves.

MR. MARSHALL: But we need more direction in the entrepreneurial and business life of this Province to give us direction, as well as more productivity. On the item of productivity, as we all know, the Economic Council of Canada has been engaged by the government to do a productivity study in this Province. They are in the course of doing their work with respect to this. I am given to understand that in possibly a year or so we can look forward to, if not a final report, certainly a preliminary report and we will all wait anxiously for that report itself, and it is certainly one is that going to have to be addressed in an objective and an earnest and a direct way by all Newfoundlanders.

Mr. Speaker, as I say, I feel that this particular statistic as shown in this report, and this is a very beneficial report, is one that should not be allowed to escape notice. Its effect on us is very serious but its effect very often is either not perceived or if perceived it is ignored. It does not auger well for this Province.

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

MR. SPEAKER (Ottenheimer): Point of Order.

MR. NEARY: The hon. gentleman, Sir, quoted from the report. I presume now that the hon. gentleman is going to table the report in the House in accordance with the rules of the House?

MR. MARSHALL: If the hon. gentleman had been in the House and I was rather glad he was not, but if the hon. gentleman had been in the House he would have heard when I first referred to the report that I was going to table it for the edification of all hon. members.

MR. NEARY: Just checking up on the hon. member

MR. MARSHALL: Now, Mr. Speaker, there is something else that is interesting in this report as well. We are debating the issue of unemployment or employment and the economy of this

MR. MARSHALL:

Province, and we look to the

Summary or the Outlook for 1979 where it is stated that Newfoundland, now this is done by economists I might point out, it is not done by politicians but it is done by professional economists, "Newfoundland is expected to achieve," this report says, "one of the highest real growths in Canada in 1979. The Gross National Product, that growth of the Federal Government of Canada, is forecast to slow somewhat during the year as a result of slower export growth and an anticipated softening of the U.S. economy." Now, you can see one of the factors affecting them as it affects us is that there will be less exports.

"Real Gross National Product growth is expected to decline, to decline to 2.3 to 3 per cent range in 1979," and that is a pretty stark statistic when we look at that from a national point of view, that our Gross National Product the value of our production next year is going to decline relatively to 1978. In 1978 there was a 3.5 increase but now it is expected to go down by

MR. MARSHALL:

by one per cent. It goes on to say that Newfoundland's performance is strengthening. "The provincial economy is emerging from a prolonged slow growth period which was triggered by the 1974-1975 international recession and was aggravated by two major industrial failures in this Province. Though not reflected by the annual performance indicators, general economic improvement in Newfoundland began to be felt in the second half of 1978 and should carry through strongly during 1979. The present strong economic performance is highlighted by rapid output expansion in the primary resource sectors and in the resource based manufacturing. Fisheries has consistently led the economy over the past three years and is expected to continue in its momentum in 1979." And here I pause to say -

AN HON. MEMBER: You are not reading the confession right.

MR. MARSHALL: The hon. gentleman does not like what I am saying.

MR. NEARY: Move the adjournment, boy.

MR. MARSHALL: Well, perhaps I will move the adjournment although it is impossible to edify the hon. member. While the (inaudible).

MR. NEARY: So boring and monotonous. (Inaudible).

MR. MARSHALL: Listen to him. Listen to him, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. MARSHALL: Anyway, Mr. Speaker, I will tell you what I will do, I think I will move the adjournment of the debate. That means I will hold onto the report and I will table it because I need it and I will table it the next time.

MR. NEARY: Your Honour knows full well that the hon. gentleman cannot do that. He has to put the report on the table of the House.

MR. SPEAKER (Ottenheimer): No doubt having read from it it has to be tabled. The question of whether it has to be tabled now or when he is finished, I really do not know. So I will give that due consideration during the evening and will be able to make a ruling on it tomorrow.

On motion, the House at its rising do now stand adjourned until tomorrow, Thursday, at 3:00 P.M.