

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD  
3:00 P.M. - 6:00 P.M.  
WEDNESDAY, DECEMBER 12, 1979

The House met at 3 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER: (Simms)

Order, please!

Statements by Ministers.

The hon. the Premier

MR. NEARY:

(Inaudible) by-election

PREMIER PECKFORD:

I do not know where. If the hon.

member is going to resign his seat in LaPoile I will call a by-election tomorrow morning and we will win it.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

MR. NEARY:

I will resign if the hon. gentleman will

resign and we will go down and have it out.

PREMIER PECKFORD:

That is right. Sure. Any day of the

week.

MR. SPEAKER:

Order, please!

STATEMENTS BY MINISTERS

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, rather than do it outside

this House I thought I would wait until the House opened to do it: I want to table a response to the comments made by the Federal Minister of Fisheries (M.R.McGrath) yesterday while he was in St. John's here. I thought I should do it through the medium of the House, seeing the House is open, with respect for the institution and the members, including the member for LaPoile (Mr.Neary). The points in the statement, I will just briefly review them for hon. members, which obviously they can read. I think I should highlight a number of the comments because I am sure they are of interest to all of us.

My first point in the statement that I am now releasing in response to what the Federal Minister of Fisheries (Mr.McGrath) had'to say is the current controversy over the harvesting of Northern cod stocks does not represent a challenge by this government to the constitutional authority of the Government of Canada to manage the

PREMIER PECKFORD: fisheries. Rather, this government was trying to influence how the Government of Canada actually manages the Northern cod stock. Point number two, the key issue is whether the existing Mainland wetfish trawler fleet should be allowed to be replaced by a more powerful, semi-factory freezer trawler fleet which could use existing unrestricted groundfish licenses to fish the Northern cod stocks. Thirdly, that the current difference that everybody knows about is not a personal attack on the Federal Minister of Fisheries (Mr. McGrath), that there is no inference that Mr. McGrath was anything less than a Newfoundlander because he, as Minister of Fisheries, adopted a policy different from that of the Province. I note in particular that my statement to the House of Assembly did not use or infer the words which Mr. McGrath alleged I said, 'outright betrayal of this Province to the Mainland corporate interests', which he used in his speech yesterday alleging that I had said this, which I did not. Point number four, you have it in my statement here a couple of days ago, that it would be in the best interests of all concerned if the establishment of the total allowable catch, the determination of quotas for inshore and offshore catching effort and the licensing of all offshore trawlers and the replacement of wetfish trawler effort by freezer trawlers were subject to the public hearing process. I note that I had made this proposal on December 11 and felt that this could clear the air insofar as inshore fishermen are concerned and bring a better understanding of the relevant interests of the different sectors of the fishing industry insofar as

PREMIER PECKFORD: the Northern cod was concerned. Point number five, this government was not attacking Nova Scotia or Nova Scotian fishermen, but merely defending the historic right of the fishermen of the Northeast Coast of Newfoundland and the coast of Labrador to harvest Northern cod unaffected by distant water trawler fleets. I feel sure that when this is explained to the people of Nova Scotia and to the people of Canada in general that the Province will not lose any prestige in Confederation or any economic or political advantage that it presently has.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: (Simms) Order, please!

PREMIER PECKFORD: Point number six, it is not the policy of this government to ensure "that all the fish around the shores of Newfoundland should be reserved for Newfoundland processing companies along," rather, as I have indicated both on television and in other statements, that traditional and historic rights are at the foundation of our contention that we should have access to the Northern cod stocks. That is the whole point of the matter at stake here, that if you use the traditional and historic right principle, that therefore gives us the same right to the Northern cod stocks as Nova Scotia has to the scallop stocks - no difference at all. So this is fully in accordance with the kinds of policies that the federal government has enunciated in other areas.

Point number seven, the 25,000 tons allocated to foreign countries in 1980 was a surplus to Canadian catching capacity. It has not been shown that inshore fishermen, if given the chance, could not catch this amount, either with existing technology or with slightly improved technology. It certainly has not been shown that the existing Newfoundland wetfish trawler fleet could not catch this portion of the total allowable catch. It is completely out of whack to indicate or to say that this 25,000 tons which is now being allocated to the foreign fleet cannot be caught by inshore fishermen or, at the very least, by the Newfoundland offshore effort if in fact we agree to that kind of effort continuing.

PREMIER PECKFORD:

My whole premise, Mr. Speaker, in this matter - and we will continue to pursue it with all diligence and with all aggression at our disposal - is not in any way, as sometimes people would like to construe it, any viciousness on our part against foreigners or mainlanders or anything else, and there is no flag waving rhetoric contained here or anything more to do with worn out or well worn clichés. The government's policy is fully in keeping with the spirit of Confederation, the same spirit of acknowledging vital, local interests which caused Prime Minister Clark to recognize this Province's pre-eminent role in the management of its offshore oil resources. And in the same way, we are asking for this kind of principle, which is the key to Confederation, to be acknowledged, recognized and fully pursued by the Government of Canada in how it intends, with the help of the coastal provinces or any other provinces, to manage properly

PREMIER PECKFORD: the whole question of the Northern cod stocks. So there is absolutely no difference whatsoever in the kind of approach we are taking here on the Northern cod stocks than what we have taken on the offshore, and we are looking for the same kind of principle and spirit to be adhered to by federal authorities as it has been in so many other areas, not the least of which is the Inuit or native claims by other societies in this Confederation.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER: (Simms) The hon. the Leader of the Opposition.

MR. S. NEARY: (Inaudible) cannot say a word wrong.

MR. SPEAKER: Order, please! The hon. the Leader of the Opposition.

MR. D. JAMIESON: Well, Mr. Speaker, I find it rather difficult to know how to respond to the particular statement made by the Premier today. I suppose, in one sense of the word, we, on this side of the House, ought to be gleefully delighted to watch the Premier and the distinguished national Minister of Fisheries fighting it out on prime time television.

SOME HON. MEMBERS: Hear, hear!

MR. D. JAMIESON: I say that I suppose we should be delighted, but I have to say as a Newfoundlander that I find this a very, very sad episode and I think it is quite scandalous -

AN HON. MEMBER: Hear, hear.

MR. D. JAMIESON: - that we have this situation develop. Whether the hon. Premier and the Minister of Fisheries happen to give, at least, superficial allegiance to the same party or not, it certainly is not in the best interest of Newfoundland for us to be having this ongoing saga.

And I must confess that I am very pleased to hear today that the Premier has, in a sense, disassociated himself from any charges that the Minister of Fisheries of Canada is in some way or other disloyal to his Province or is engaged in a sell-out. It would be interesting to see the actual words that were used. I must say that I obviously accept the Premier's statement

December 12, 1979

Tape No. 1802

SD - 2

MR. D. JAMIESON: that he did not make that statement.

PREMIER PECKFORD: I tabled the statement.

MR. D. JAMIESON: I am not necessarily saying that -

MR. NEARY: Yes, you were foaming at the mouth.

MR. J. JAMIESON: With respect, I am not saying that.

I say I accept it, I accept the fact that he did not use those words. Obviously, he has said that he did not. However, whatever -

PREMIER PECKFORD: You know that I did not, too (inaudible).

MR. D. JAMIESON: Yes.

SOME HON. MEMBERS: Oh, oh!

MR. D. JAMIESON: With respect, I am speaking about other statements that have been made.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: (Simms) Order, please!

MR. D. JAMIESON: We only have the statement that was made in the House.

PREMIER PECKFORD: (Inaudible) the hon. minister (inaudible).

MR. D. JAMIESON: I see, alright. Well, in any event that is by the way, but I do think that it is good to have the record cleared. I happen to have been an associate of the Minister of Fisheries for Canada for a great many years both, by the way, in business and in public life, and I must say that I always found him most co-operative and helpful in anything that I had to do with him. But I must also say that I find it unseemly if not quite inappropriate for the Government of Newfoundland to be running in the second line troops, if you want to call it that, or the hired gun to refute or to argue against statements made by the federal government. For the life of me, I do not understand why there was the necessity for Mr. Cabot Martin and the Deputy Minister to be brought into this, to make statements which clearly exacerbated the situation.

MR. D. JAMIESON: and it was a very, very unhappy week, I would say, or two weeks that we have witnessed in this Province. If the gentlemen opposite want to argue with me on this point, really, as I said, from our point of view it is not our argument, it is our point. You are the ones who are in consultation with Ottawa. Now when I said I did not quite know how I was going to respond to this, I am not sure yet. One has to pick the bones out of the Premier's statement to see whether it represents some kind of an olive branch, a palm leaf, perhaps, it being the Christmas season, a piece of mistletoe but it might be a piece of mistletoe that he has tied to the tail of his coat instead of over the door. I am not sure which.

SOME HON. MEMBERS: Hear, hear!

MR. D. JAMIESON: But unmistakably, and I will leave it at this, I urge in the strongest possible terms that I can that whatever the rights or wrongs of this situation, when one gets into statistics, as the Premier himself has noted, you can interpret them in a variety of ways. But the most important thing for Newfoundland is to heal this breach, to negotiate and to get back to a sensible basis of talking about it and stop the business of having it as a nightly serial on the television, whoever is responsible, with one side saying one thing and one saying the other and the public, who have the most at stake in this, and the fishing industry, which is so vital, being the only party that is really going to suffer in the long run if there is continuing tension between the Federal and Provincial governments.

SOME HON. MEMBERS: Hear, hear!

#### ORAL QUESTIONS

MR. SPEAKER: (SINMS) The hon. Leader of the Opposition.

MR. D. JAMIESON: Thank you very much, Mr. Speaker. I have a question for the Premier relating to last night's Budget. Obviously, as he indicated in the House, there was some consultation in advance. Has there been time or would he be in a position - I notice the Minister of Finance (Dr. Collins) has just returned and I wish I could share his glowing tributes to the Budget, which I cannot - but has the Premier had any indication of what the various measures in the Budget are going to do



MR. D. JAMIESON: in terms of the cost of living, that is in percentage points or anything of that nature? Has something along those lines been calculated?

MR. SPEAKER:(SIMMS) The hon. the Premier.

PREMIER PECKFORD: I have not seen it yet, Mr. Speaker. We are in the process now of doing the assessment. There were three other documents which accompanied the Budget Speech itself. Well, first of all there was a document in which the Budget Speech was contained, as well as a number of accompanying tables; that was one document. I think there were two or three other documents - three other documents, I think, accompanying it as well. We are having that assessed right now and we will be in a position in the next day or two to respond in a more substantive way to some of the measures which will affect negatively or positively Newfoundland.

I might say, Mr. Speaker, that I am waiting momentarily for copies of the Budget Speech to be brought up from my office to distribute to all members of the House of Assembly. I had them copied and they should be here momentarily so that at least the speech part of it, if it is not already in the hands of every hon. member, will be momentarily so that part of that Budget process in Ottawa will be available to all members of this hon. House.

MR. S. MURPHY. (Inaudible).

PREMIER PECKFORD: Mr. Speaker, if I may continue to respond without interruption?

MR. SPEAKER: The hon. Premier should be heard in silence.

PREMIER PECKFORD: I will ensure that if the hon. member for LaPoile (Mr. Neary) gets up to ask a question or to speak that I will be silent and I would expect the same in return. So to respond in substance will take another day or so, to assess the tables and a lot of the specifics of the speech and we should be in a position to do that very shortly.

MR. SPEAKER (Simms): A supplementary, the hon. Leader of the Opposition.

MR. JAMIESON: Also to the hon. the Premier in his role as Minister of Intergovernmental Affairs, a few days ago the Minister of Mines and Energy in commenting upon the gas pipeline to Atlantic Canada, indicated there would be no opposition provided there was not, and I am paraphrasing, some unequal advantage given to gas users as opposed to those of us in this Province who, as I believe he said, would not be able to benefit significantly. Given the fact that there has been a very marked change in the strategy of the federal government to encourage the use of gas, putting it at something like sixty per cent, as I recall, of other forms of fuel, or certainly of fuel oil, has the government had the opportunity to assess whether this does in fact constitute an unfair, or, if you like, unreasonable bonus for people who are or can be potential consumers of gas as opposed to gasoline, and the situation here in Newfoundland, that is where we are still going to be dependent upon fuel oil?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Obviously, Mr. Speaker, we have not had time to assess whether that kind of differentiation in price that the federal government wants to pursue in the active participation of more Canadians in using gas over oil, for obvious reasons, we have not had time to assess that yet. But I think the hon. Leader of the Opposition (Mr. Jamieson) might be aware that over the last two or three years in studies that have been done by a number of companies, that the chief opposition that we have to this Q and M pipeline would be that, given the policy yesterday or last night being one thing, but even before that

PREMIER PECKFORD: policy was articulated, when gas was even cheaper, the studies that were done showed that a fairly substantial subsidy, either at the wellhead to the producer of the gas or somewhere along the line would have to be put in place in order to make that pipeline a viable pipeline into the Eastern townships of Quebec and on into New Brunswick and Nova Scotia. And it was that kind of unfair advantage to which we were referring at that time, and before the announcement of last night, Whether this particular policy now enunciated by the federal government meets as much as that unfair advantage that we had thought about in a subsidy directly to the producer, is one that we would have to assess. My own, off the top of my head assessment of it would be that it would not be enough to make it, that there would still have to be additional subsidies and additional things done by a federal government in order to make that Q and M pipeline a viable alternative as it relates to energy.

And then one must not only do it as it relates to energy generally, but, as the Minister of Mines and Energy (Mr. Barry) has said, as it relates to whether in fact this would in any way inhibit or negate the going ahead or the movement towards a project on the Lower Churchill getting off the ground in 1980, and that would be our major thrust there, and our major opposition, that it should in no way impair incentives, encouragement by the federal government in getting one of our projects off the ground.

MR. SPEAKER (Simms): A supplementary, the hon. Leader of the Opposition.

MR. JAMIESON: Well, Mr. Speaker, the Premier gave an off the top of his head comment, My off the top of my head comment is that I think he is

Mr. Jamieson:

going to find when he gets into this that in fact the new emphasis on gas in the present scheme of things, and the very real difference that has been introduced here, is going to make quite a significant difference for us in Newfoundland. But I would hope that at some point he might be able to either table or in some other way give us the particulars.

I would also like to ask him another supplementary reflecting his own, I believe, comment today and that is the question of the super write-offs or the extra write-offs for frontier exploration, where the Government of Canada has now indicated that as of, I believe it is the end of next year, these are no longer going to be in existence. Given the fact that these have been by the government's own admission or comment very significant in terms of increasing the amount of exploration offshore, has he had an opportunity yet to examine what the implications might be? Perhaps I could phrase it this way; does he know what the Government of Canada is going to do about that super depreciation in terms of the very general comment which the Minister of Finance (Mr. Crosbie) made last night?

MR. SPEAKER (SIMMS): The hon. Premier.

PREMIER PECKFORD: No. I have read the Budget Speech, and I have not seen the details of how they intend to change it. Now, number one, I think it should be clear that from the Budget Speech the Government of Canada has not said that it is going to eliminate the super depletion allowance it has set for frontier exploration and production. It has said it is going to modify it. And they are going to modify -

MR. JAMIESON: They are going to cut it down, I mean that is the impression (inaudible).

PREMIER PECKFORD: They are going to reduce the incentive.

MR. JAMIESON: Right.

PREMIER PECKFORD: They are not going to eliminate the incentive, they are going to reduce the incentive. And as the

PREMIER PECKFORD: Leader of the Opposition knows, or should know, and I have said publicly on a number of occasions, a number of oil companies have been able through this very small '1' liberal policy of super depletion allowance, been able to take some of their drill ships and some of their semi-submersible rigs and have them repaired under this programme, to charge off some of their things, and use the repairs to drill wells, not only in Newfoundland, but off Nigeria and Indonesia and Venezuela and off the Gulf of Mexico and so on. So it has been a very, very lucrative kind of incentive to the extent which, I think it can be demonstrated in a number of cases, where they actually got back 102 or 103 cents on a dollar. They actually made money on the super depletion allowance in a number of cases.

So that therefore this is the kind of thing I understand that the Federal Government is trying to eliminate while still providing some incentives. Hopefully with the discovery rate etc. that we have, that it is now attractive enough to the oil companies with less incentive and is presently in place and that therefore it will have no adverse advantage or adverse affect upon the ongoing exploration activity off our shores. Whether that is true or not remains to be seen. I will want to see the detail as to just how they are going to change that and modify and reduce that incentive. And so that is why I reserved my comments on it last night and this morning, and why I continue to do because I am not sure of the specifics of the reduction.

MR. JAMIESON: A final supplementary.

MR. SPEAKER (SIMMS): A final supplementary, the hon. Leader of the Opposition.

MR. JAMIESON: Mr. Speaker, there are so many questions on the Budget that I think I could occupy

MR. JAMIESON: the whole time, but I will certainly yield to my colleagues. But there is one that is quite important and vital, and this is to the hon. the Premier, given the reiteration almost ad nauseam last night that there is going to be a cut-back in federal spending and that the whole thrust of the budget is to reduce federal spending, given the fact that, just, again, off the top of my head, Newfoundland is seeking some \$91 million in DREE, plus a renegotiated Trans-Canada Highway, plus, presumably, and I will leave out the energy projects because there are questions about that and the energy bank which I will not throw in today, but there must be on the shopping list that the hon. the Premier will be having in his bag when he goes up on Monday, a very, very considerable increase in federal spending in Newfoundland hoped for in 1980 on which, I guess, some of the labour figures that were quoted yesterday and the unemployment rate must be based.

Now, has the Premier received any assurance that, given this belt tightening, he is likely to get this very significant increase in federal spending, under DREE agreements and the like, from the government in its present position?

MR. SPEAKER(Simms): The hon. the Premier.

PREMIER PECKFORD: Number one, Mr. Speaker, as I understand it, and as some of the negative criticism on the budget last night comes in from various sectors of the economy, and as I read and listened to the budget speech last night, there is to be a 10 per cent increase in the spending of the federal government over the next while and there are a number of people in the business sector who have criticized the Government of Canada for continuing to expend at this rate of 10 per cent, given that one can talk about inflation, of it being 6 or 7 or 8 per cent, but there has been a fair amount of criticism today in the press from the private sector and other people saying that this is still too much. So it is in that context that I put the

PREMIER PECKFORD: Leader of the Opposition's questions and opinions as they relate to what the federal government is talking about.

I do not have the figures before me to show whether what we are not proposing before DREE and in other ways, through transportation agreements being negotiated or whatever, whether we are asking for over 10 per cent increase in the revenues forthcoming to the Province through these agreements than was true in 1979 or not, so that therefore I would have to bow until I got that.

MR. JAMIESON: (Inaudible)

PREMIER PECKFORD: The Leader of the Opposition makes the comment that we are looking for A, B,C,D and E, and leaves the impression that this is ten times or five times as much as we had last year. Well, I do not know if that is, in fact, that kind of impression is a valid one to leave in the minds of anybody. So all I would say is that we have legitimate agreements that have passed through all - the NORDCO agreement, the forestry agreement, the coastal Labrador agreement and so on, which are ongoing under the general development agreement and for which I see no reluctance at all on behalf of the federal authorities to approve.

On top of that there are other renegotiated agreements that we are looking for and I do not see in anything in the federal budget anything to indicate a slackening of their effort as it relates to regional

PREMIER PECKFORD: development, and given the fact that their overall expenditures will increase by 10 per cent, leads me to believe that no great reductions on these kinds of things will occur. They will occur on other things hopefully through the additional UIC contributions from employer and employee, There are some savings there for the federal government which will help, and in many other ways which will help offset it. But I do not perceive in how I read the Budget Speech, any kinds of reductions that will in any way inhibit our ongoing initiatives to sign agreements which really lead to job creation in this Province.

MR. SPEAKER: (Simms) The hon. the member for LaPoile.

PREMIER PECKFORD: If I can, Mr. Speaker, I will table the Budget Speech for all members of the House. I have copies of it here and I ask the Pages to come, if I may be allowed to take up five seconds to do that. I have them all copied for all hon. members.

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

MR. NEARY: I have a couple of quick questions for the Premier in connection with the Budget last night.

First of all, I would like to ask the Premier about the special assistance for people who live on fixed incomes and on low income in the Atlantic Provinces and in the poorer provinces of Canada, when the Premier of this Province was kissing the cheeks of Premier Lougheed in Alberta and they were agreeing with the increase in oil to bring it up to world prices - and we heard it again in the Budget last night - would the hon. gentleman tell us if the machinery, if the procedures have been worked out whereby the assistance to the people on fixed incomes and low income to help to cushion the blow of the increase, especially in heating fuel and gasoline and so forth, if the machinery has been worked out for the assistance for this Province? And how much in the way of assistance can this Province expect to get?

MR. SPEAKER: (Simms) The hon. the Premier.



PREMIER PECKFORD: Three points, Mr. Speaker, on the question from the hon. the member for LaPoile (Mr. Neary).

First of all, I am extremely proud that we were able to, as a government, negotiate such a good deal with the Province of Alberta as it relates to money that we are receiving from them. It is the best deal that any government ever negotiated to borrow funds outside of this Province since we were a Province.

SOME HON. MEMBERS: Hear, hear!

AN HON. MEMBER: (Inaudible).

PREMIER PECKFORD: Ever. It will save over the life of that loan agreement close to \$10 or \$12 million which we would have to spend if we went to New York or Paris or anywhere else, so it is an extremely good deal for the Province of Newfoundland. And I, for one, as one Newfoundlander, am proud to have had something to do with the negotiation of that agreement to keep money within Canada and to see it flowing from West to East. And one of these days, hopefully, we can see it flow the other way, from East to West. And that will not take as long as the hon. the member for LaPoile would like to think. That is number one.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: Number two, if the member for LaPoile is so well versed in the Budget Speech of last night as to indicate when I said that I am tabling copies that he already had copies of it, his question would be completely unnecessary, because if he read the Budget Speech, he would know the answer to the question that he just asked. But seeing he does not, I will try to inform him a little bit more of it so that his reading material tonight can be far more noteworthy and he can then absorb a lot more and understand the Budget Speech a little bit better.

Number one has to do with an energy tax credit which applies to all families who make \$21,000 a year or less, so it helps the middle income Canadian who hithertofore has very often been paying all the taxes in this country and has not been getting very much back from either the provincial governments or the federal government. So there is an energy tax credit which comes into place.

November 12, 1979

Tape 1807

BC - 3

PREMIER PECKFORD:

Secondly, there is a measure in here which was argued for by this government vociferously, by the Government of Nova Scotia

PREMIER PECKFORD:

and the government of New Brunswick and the government of Prince Edward Island to say that if you are going to increase oil prices in this country, why do you not link it, in Eastern Canada especially, to the high amount of oil that we now have to purchase to create electricity, to generate electricity? And the Government of Canada has, in this Budget, recognized that argument and have said that if oil goes up more than \$2.00 a barrel per year, then we will subsidize the amount of oil that you bring into your province over and above that if you are using it for generating electricity. So we will have monies flowing to the provinces as a result of this Budget which will help impact against the larger increases in electricity that would have otherwise happened here had not we had this kind of subsidy in place. So there are two specific measures in the Budget, as well as others, which do help address the kind of concerns that the hon. member for LaPoile (Mr. Neary) has.

MR. NEARY:

A supplementary question, Sir.

MR. SPEAKER: (Simms)

LaPoile.

A supplementary. The hon. member for

MR. NEARY:

I would love to be able to debate that with the hon. gentleman. I am well aware of the \$80.00 and \$30.00 over a two year period but that is not what I was driving at. I was driving at the subsidy on a barrel of oil coming into Atlantic Canada. My understanding was, when the hon. gentleman was out kissing various parts of Premier Lougheed's anatomy, that that was going to be either reduced or wiped out altogether. The hon. gentleman has not answered my question. How much will this Province get now, or Atlantic Canada, to soften the blow on the increase of oil in Eastern Canada? Can the hon. gentleman answer the question? Does he know or will he have to wait until he goes up to the Premier's Conference to find out?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, one thing that the hon. member for LaPoile (Mr. Neary) and perhaps other members opposite, I do

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MS. 11*

PREMIER PECKFORD: not know, I can only speak for the hon. member for LaPoile (Mr. Neary), has to understand and has failed to understand in the last number of years, is that the people on this side of the House, unlike the people who inhabited this side of the House previously, kiss nobody's anatomy, any part. We negotiate sound deals and do not have to bow down to anybody.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: The hon. member for LaPoile (Mr. Neary) might not like to hear that and hon. members opposite might not like to hear that, but if the hon. member for LaPoile (Mr. Neary) wants a one-way or a two-way ticket to Edmonton to try to scroff up some information or some data to show that this government or the Minister of Finance (Dr. Collins) or the Premier or anybody else who negotiated that deal took anything but a businesslike approach to it, I will pay his ticket over and back.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: The hon. member for LaPoile (Mr. Neary) might have gray hair now but he will have none by the time he tries to dig up anything to show anything but a responsible attitude by this government when we went to negotiate \$150 million with Peter Lougheed in Alberta.

AN HON. MEMBER: You are frothing at the mouth again.

PREMIER PECKFORD: So I challenge the hon. member for LaPoile to demonstrate and to prove and to put before this hon. House some evidence to show that we did anything but be responsible in how we worked out that deal. Now on the other point, the least substantive of the points that the hon. member made, all he has to do is know a little bit arithmetic and a little bit of mathematics. Find out - here is how you go about it. Mr. Speaker, it is a very simple matter; here is how you go about it: You leave the hon. House and you go out,

PREMIER PECKFORD:

you take up your phone and you call Newfoundland and Labrador Hydro - the number is in the book, it is a public utility - and you call that number and you ask the number of the technicians who work for Newfoundland Hydro, 'How much oil do we spend or do we buy each year to generate electricity, or how much did we last year and what is your projection for next year?' And you take that number - that number, whatever it is, that many barrels - and then you use an arithmetical kind of formula called multiplication and you multiply it by how much you project oil to be rising over \$2 per barrel for the next year, and out of that you will get a figure which will show you how many dollars subsidy will come from Ottawa to this Province as a result of this programme.

SOME HON. MEMBERS:

Hear, hear!

MR. S. NEARY:

A final supplementary, Mr. Speaker.

MR. SPEAKER (SIMMS):

A final supplementary, the hon. member for LaPoile.

MR. S. NEARY:

We just saw, Sir, the type of display on the part of the Premier that we are becoming used to in this Province now - wild-eyed, fanatical, frothing at the mouth. I would like to ask the hon. gentleman what impact the increase in fuel tax and gasoline tax is going to have on the cost of living in this Province? We just heard about an announcement of a 10 per cent increase on the East Coast ferries. Now what impact is this going to have if you add it on to the already announced increase of 10 per cent? And will the hon. gentleman tell the House, if he knows, whether or not the Newfoundland Railway will be considered as a part of public transportation and they will be able to get the rebate that was announced by bully-boy Crosbie last night?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Those two points, Mr. Speaker, as I have mentioned in response to the questions of the Leader of the Opposition, are now being assessed as a result of the supplements that accompanied the Budget Speech itself and as soon as that assessment is done, so that we can give some realistic figures of percentages, we will table them in this hon. House.

MR. SPEAKER: (SIMMS)

The hon. member for Terra Nova.

MR. T. LUSH:

Mr. Speaker, I want to direct a question to the Minister of Labour and Manpower (Mr. Dinn). I realize it might be a little early to enquire about details and specifics relating to last evening's Budget, but in view of this Province's sick and ugly unemployment problem, and assuming that the lines of communication are still open between both levels of government, and in view of the fact that the minister had a meeting with the hon. Don Atkey just recently, I wonder if the minister can indicate just what the announcement by Mr. Crosbie relating to the creation of 100,000 jobs just what that will mean to Newfoundland? I guess specifically I am asking the minister if he is aware of any formula that is created for the distribution of these jobs, whether, for example, it will be done equally all across the Canada or whether there will be special consideration to Newfoundland? I am sure the minister listened eagerly and was looking rather longingly at that 100,000 jobs. So I am sure the minister must have looked into it, so could he tell us just what this will mean to this Province?

MR. SPEAKER (Simms): The hon. Minister of Labour and Manpower.

MR. DINN: Yes, Mr. Speaker, with respect to the hon. member's question, first of all I would agree with his preamble that we do have a very serious unemployment situation in the Province.

MR. NEARY: No doubt about it.

MR. DINN: Not as bad as it was last year, not as bad as it was the year before.

MR. HODDER: What about Port au Port?

MR. DINN: As I indicated to the hon. member yesterday, that we have improved the unemployment rate from 1977 through 1978, to 1979, from 17.9 per cent, to 14.6 per cent, and we think that this is -

MR. HODDER: 80 per cent of what it was.

MR. DINN: - quite an improvement. And we have done something in Port au Port also. The hon. member, if he were to check with his constituents, would find that we have done something in Port au Port with respect to CES and other programmes and we will hope to continue in that vein.

With respect to formulas, we have not worked out the detail of all the formulas for the employment programmes that have been announced and also the programmes that have been announced with respect to training. We will be having a training programme that will involve something like 120,000 youths in Canada and that was as a result of meetings with the hon. Mr. Atkey, with respect to our unemployment in the age range from fifteen to twenty-four. We will have private sector employment. We have not worked out the detail on that but that will be worked out with respect to tax credits to the private sector.

We will have employment programmes in the National Youth Service Corps areas. There is some money allocated for that. We will have Summer youth employment for next year. We will have a continuation of programmes under LEAP, Local Employment Assistance Programme. We will have, as I said, in the training areas, pretty well

MR. DINN: the same money as last year, increased a little for inflation and the cost of training days. We anticipate that that will, for Newfoundland, be somewhere around \$14 million. For CMITP, which is Canada Manpower Industrial Training Programmes, that will increase this year to something like \$2,807,000. We have not got all the detail yet. We are working and attempting to work out all the detail. When I do get the details of all of the employment programmes and training programmes for Newfoundland, I will let the hon. member know.

MR. SPEAKER (Simms): A supplementary, the hon. member for Terra Nova.

MR. LUSH: Again, Mr. Speaker, in view of the seriousness of our unemployment problem, and in view of the fact that we have two ministers who are very concerned about Newfoundland in Ottawa, and in view of their previous public statements about the unemployment level in this Province, has the minister made any representation on this Province's behalf to ensure that we get special treatment with respect to the allocation of these 100,000 jobs?

MR. SPEAKER: The hon. Minister of Labour and Manpower.

MR. DINN: Yes, Mr. Speaker. As a matter of fact, the detail has not been worked out on a special programme for Eastern Canada which will include the Province of Quebec, the Maritime Provinces and the Province of Newfoundland and Labrador. The detail of that has not been worked out as yet. When that is worked out, I will also inform the hon. member of the details of that programme.

MR. SPEAKER: A final supplementary, the hon. member for Terra Nova, followed by the hon. member for Torngat Mountains, if time permits.

MR. LUSH: Again, Mr. Speaker, in order to allay the fears and the frustrations of the 30,000 unemployed Newfoundlanders, and in view of the various announcements about job creation programmes in this



MR. LUSH: Province, the minister indicated yesterday that the 40,000 jobs that the government previously announced that they were going to create were going to be of their own creation. Now on top of this we have many other federal programmes coming into effect. Can the minister over the next few weeks indicate by means of a flow chart or some other means, just what jobs are going to be created in this Province -

SOME HON. MEMBERS: And where.

MR. LUSH: - just what all of these programmes are going to mean to this Province and precisely and where over the next year or so?

MR. FLIGHT: No, he cannot do that.

MR. SPEAKER: (Simms)

The hon. Minister of Labour and

Manpower.

MR. J. DINN:

Mr. Speaker, the numbers of programmes

that hon. members will become exposed to in the next four or five years -

SOME HON. MEMBERS:

Oh, oh!

MR. J. DINN:

- as a result of work done by the

hon. the Minister of Mines and Energy (Mr. L. Barry), the hon. the

Minister of Transportation and Communications (Mr. C. Brett), the

hon. the Minister of Fisheries (Mr. J. Goudie) and the other resource

ministers will astound even the hon. members opposite.

MR. SPEAKER:

The hon. member for Torngat Mountains.

MR. G. WARREN:

Mr. Speaker, my question is to the

Premier relating to last night's budget also. I understand that the

federal Minister of Finance (Mr. J. Crosbie) had the opportunity

of wearing a pair of Labrador sealskin boots when he presented his

budget; he did take something from Labrador to present such a

fantastic budget. However, due to the fact that he did announce an

18 cent a gallon increase in gasoline, and at the present time

residents in Rigolet and other communities are paying now - yesterday -

\$1.95 a gallon, on top of 18 cents that is \$2.13 for a gallon of

gasoline, does this government have any plans of assisting Labrador

residents through this difficult winter ahead of us where they

have to rely on gasoline for the operation of their snowmobiles

as the only means of transportation and for gathering wood and oil

and so on to live through the winter?

AN HON. MEMBER:

Hear, hear.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

One has to be fair in any kind of

policy decision that would have to be made by government and therefore

the price that citizens of Newfoundland and Labrador pay for gas

varies as one gets away from the major centres. So, to be fair to

all Newfoundlanders and to be totally democratic, one would have to

put in a system which not only improved the situation of the people

of Rigolet or Hopedale or Makkovik or Postville or Nain or Happy Valley.

PREMIER PECKFORD: Goose Bay or Mud Lake or Northwest River or Cartwright or any place on the Labrador coast, you would have to do the same for Cape Onion, you would have to do the same for Raleigh, you would have to do the same for Griquet and St. Lunair, you would have to do the same for St. Anthony, you would have to do something much similiar for Conche or Croque, you would have to do the same for La Scie and so on so that you would have to phase in some kind of a system which would be fair and demoncratic to all parts of the Province.

SOME HON. MEMBERS: Oh, oh.

PREMIER PECKFORD: I would hazard to guess that that kind of programme -

MR. SPEAKER: (Simms) Order, please!

PREMIER PECKFORD: - to do any kind of subsidy meaningfully would mean a fair number of dollars and at this point in time I do not think that the Government of Newfoundland is financially fixed in such a way as to continue the programmes they are doing and trying to expand them and at the same time to make some meaningful kind of dent into that kind of problem that the hon. member just mentioned.

MR. SPEAKER: Order, please! Time for Oral Questions has expired.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The hon. member for Stephenville.

MR. F. STAGG: Mr. Speaker, it gives me pleasure to present to the House the proceedings of the Standing Committee on Government Services. These are the estimates for 1979/1980 fiscal year. These Estimates were considered from July 31st to August 7th of this year on five sitting days of the committee. They comprise 457 printed pages and I must say that the Hansard staff in reproducing them did an excellent job. I will make one suggestion for next year, that in the report the Budget Estimates actually be reproduced into the report itself because in reading through it becomes somewhat difficult to follow unless one has the Budget in front of one.

So, Mr. Speaker, on behalf of myself,

MR. F. STAGG: the member for Stephenville, the member for Kilbride (Mr. R. Aylward), the member for St. George's (Mr. R. Dawe), the member for Bay of Islands (Mr. L. Woodrow), the member for Terra Nova (Mr. T. Lush), who was the Vice-Chairman, the member for Burin - Placentia West (Mr. D. Hollett) and the member for Eagle River (Mr. E. Hiscock), it gives me great pleasure to table this report.

SOME HON. MEMBERS: Hear, hear.

ORDERS OF THE DAY

MR. SPEAKER: (Simms) Motion 2.  
The hon. member for Baie Verte -  
White Bay.

SOME HON. MEMBERS: Hear, hear.

MR. RIDEOUT: Mr. Speaker, when I placed this Private Member's Resolution on the Order Paper back in July, while we had some indication then of the energy problems facing the country as a whole, and the Province in particular, I did not realize that I would stand to introduce the motion itself today after the shock that we received in the Federal Budget last night. If ever any of us were complacent and choose to ignore the energy situation facing Newfoundland and Labrador, then certainly we should have been brought to our senses by the sock in the pocketbook that we received only last night.

The motion itself now is obviously a timely one and one that we ought to give serious consideration to. The motion, Mr. Speaker, is very simple. All it says is that a select Committee of the House be appointed to investigate, consider and report upon the feasibility and the desirability of the several proposals to develop the water power resources of this Province, including in particular those of the Churchill River and other waters in Labrador, and to investigate, consider and report upon the prospects therefore.

There are a couple of other Whereas clauses that just apply to the mechanics of doing that. I put the motion on the Order Paper, Mr. Speaker, really for two reasons. I did it first of all in the faint hope, sort of a small hope, that the government might support it. I would not be too surprised if they did not, but I put it down in the hope that it might be the kind of motion that we could receive support from both sides of the House for. It is not a partisan motion, Mr. Speaker. I do not think that anybody can read the motion, the resolution itself and find anything in it that can even playfully be construed as being partisan. It is not that kind of a motion. It is not a motion that is critical of the government in any way.

That is right.

Mr. Rideout: The motion itself, I think, Sir, is a very positive motion. It is a motion that provides an opportunity really, for a large cross section of the people of this Province to be able to voice their opinion, to be able to tell as they see it what ought to take place, what kind of energy strategy ought to be developed for this Province in the years ahead as we move into the 1980s. I believe that it is imperative if we are going to develop a proper energy policy, a proper energy strategy, especially now in view of the circumstances and the events that we have had over the last number of months, especially the last day or so, I believe it is important and very imperative that the voice, the opinion of the people be allowed to be heard. I think the time has gone where we can make those kinds of decisions in vacuum and I will have more to say about that a little later on.

Well, that is the first reason why I put this Resolution on the Order Paper so that, it is not a critical resolution by any means, but so that we might be able to tap the vast experience and expertise that is out there among the people and be able to come to a sort of general consensus and a general agreement about the energy strategy or development of an energy policy for this Province after listening to all of the various factors, to all the various opinions, after listening to all of that, be able to as a Legislature, as an Assembly, to put forth concrete recommendations to the government and hope that the government will see fit to follow them. That was the first reason why I put down the resolution.

And secondly, the second reason I put down the resolution, and if nothing else is accomplished, if the first reason is not even considered, if the government have already made up their minds that they are not going to support this non-partisan and very positive resolution, if they have already done that, then the second reason is that at least, at least the members of this House will have been provided with an opportunity to debate the formation and formulation of an energy policy for this Province over this Wednesday and hopefully next Wednesday. At least we will have that kind of opportunity, whether

Mr. Rideout: the government chooses to defeat the motion or not, whether the select Committee never gets off the ground or not, at least there will be two days, two sitting days of this session, this present session allocated so that a proper debate can take place on all facets, all phases of development of an-

SOME HON. MEMBERS: Hear, hear!

MR. RIDEOUT: -energy policy for the Province.

I think that in itself is reason enough to have the resolution placed on the Order Paper, so that we can have an opportunity to do that.

And really, Mr. Speaker, other than questions in Question Period, there has not been the kind of

MR. RIDEOUT: opportunity to do that in this particular session that I would like. We had a day or so at it when we gave approval to the LCDC bill some months ago. We had some crack at it in Committee when we did the estimates of the Department of Mines and Energy. But there has never been an opportunity in this session so far. Critical as an energy policy is, there has never been an opportunity in this session so far when there was a time, an opportunity, for all members on both sides of the House to be able to present their views to the Legislature so that the government may have the benefit of listening to those views and hopefully finding something constructive and positive that they could take from them in the development of an overall energy strategy for the Province.

So the two reasons are simple. I hope the government accepts the resolution in the non-partisan, very positive way that it is put down - it is not critical of anybody or anything. If that does not come about, then at least, we will have had an opportunity to debate energy potential and the development of energy for the next day or so.

Now, Mr. Speaker, the meat of the resolution, I think, is very important for the future of the Province. There ought to be, I feel, the broadest possible consensus from the public on how the vital energy resources, hydro resources that this resolution refers to - how they ought to be developed and utilized for the overall good of the people of Newfoundland and Labrador.

The resolution, itself, I think is sufficiently broad and sufficiently wide-ranging to consider all aspects of hydro development in any part of the Province, be it on-island sites or, be it in Labrador, itself. So the debate, itself, need not be limited or the discussion, itself, the speeches, themselves, need not be limited to just the discussion of the larger, more easily to identify projects like the Lower Churchill and that kind of thing. There is a whole broad range, really broad, sufficiently broad so that the whole development of hydro potential on-island and in Labrador itself can be discussed.



MR. RIDEOUT:

There is provision - it is simply broad enough to consider the resource potential of on Island sites as well as the Labrador potential, and I think it is important that we do that.

Also, of course, the resolution itself is sufficiently broad so that we can have room within the bounds of debate to be able to talk about an inter-tie that there has been some passing reference to but never very much debate on in this Legislature, an inter-tie between the potential of Labrador and the Island itself.

Now, the more I look at Hansard and public utterance, the more I am convinced that basically, in this Province, in the development of an energy strategy, we are sort of still in the study stage. There seems to be the reference every time you ask a question, that, 'We are studying this, we are looking at that.' We are still, I think it is fair to say, basically in a study stage. The Hinds Lake development is off the ground and it is going. The Upper Salmon is beginning to go. There are still serious questions regarding the Upper Salmon and people are beginning to raise, now, I suppose, more than ever, some of the questions related to that project. But these two projects are out of the study stage, as I refer to it, and they are at least proceeding, or about to proceed on schedule. But there is no public indication of where we stand on other on-island sites. I have not heard any public indication, for example, of where we would stand with what Hydro considers to be the next suitable on-island site, which would be Cat Arm. I have not heard any public indication of how far down the road that might be. I have not heard any public indication of a number of other sites that Hydro has identified. And in order to develop an overall energy strategy for this Province, then I think we have to begin to look, not only as the projects are about to come onstream, Sir, but to look down the road now to see what we have to bring onstream in another eight or ten or twelve years if we are to ensure energy sufficiency in this Province.

There is still a great deal of potential on Island. There is still a great deal of

MR. RIDEOUT: hydro potential on island that has not - it is not fair to say, seriously looked at, but it certainly has not been seriously looked at in the public forum so that the people in the areas concerned, and the people in the Province as a whole can have an opportunity to voice their opinions, not when the crisis comes but before we reach that stage.

The public, I believe, should be given a chance to voice that kind of opinion and to voice it now while we are in the planning stage rather than when we reach the crucial stage. We should not have to object and to make objections after the fact. I think the time has come for us to start the planning now. I think the time actually, Sir, has come for Newfoundland and Labrador Hydro and for the government of the Province to stop secret planning when it comes to what hydro projects are going to be developed in this Province. The time has come for us to stop planning in a vacuum, to let the people in, to let the people in on the planning, to let the people have a say in what direction we should go with regard to developing on-island hydro potential now, not later on.

What has happened, Sir, in this Province, the present pattern, is that people get a chance to say their piece about specific hydro developments only after the panic button has been pushed, when the project is so far advanced that you cannot do anything about it. When environmental impact studies and hearings are being heard then some people in some areas get an opportunity to voice their opinions on that particular development. What I am suggesting is that we should do it a little different than that, a select committee of this legislature to work with hydro, what has already been developed, so that the people of the Province as a whole will be able to have an opportunity to voice their opinions and to voice them now not after the panic has been pushed, not after the decision to go ahead has been made, not after, in many cases, millions of dollars have been spent and we are too far in to get

MR. RIDEOUT: out, but to have a look at it now before we reach that stage.

And I see no conflict whatsoever between the principle of this resolution and the present activities, for example, of LCDC, the Lower Churchill Development Corporation. I see absolutely no conflict between the principle of this resolution and the activities of that corporation whatsoever.

I understand that LCDC is presently carrying out feasibility studies for the development of the Lower Churchill and on the potential of the Lower Churchill, the feasibility of developing that potential and that is fine. There is no problem with that and there ought to be no problem between that activity and the principle of this resolution.

I must say in passing that I found it interesting in listening to the federal budget speech last night that I do not believe there was any specific reference made to hydro development whatsoever. There was a lot of talk about oil and gas, and there was talk about the super depletion allowance, and there was talk about all those kinds of things, but in specific terms I do not believe there was any mention whatsoever of developing the hydro potential of Eastern Canada in general and the hydro potential of Newfoundland and Labrador in particular.

MR. FLIGHT: Non-renewable resources were not mentioned.

MR. RIDEOUT: I am not sure about that but I am sure there was no reference whatsoever made to hydro as an alternate energy source in this country and I find that very strange, Mr. Speaker, because the previous administration in Ottawa, I believe it is fair to say, had, after tough negotiations and after a long time, given its blessing to the concept as envisioned in the LCDC agreement, and once the feasibility studies were complete and so on, I believe there was some kind of commitment by that previous administration to channel funds into the development of the potential of the Lower Churchill depending, of course, on the

MR. RIDEOUT: outcome of the feasibility studies themselves. I find it passing strange that there was no reference made in the budget last night to that concept. I find it passing strange indeed and I wonder if that is a fore-bearing note of what might come of the negotiations for the development of the Lower Churchill potential.

I understand that the LCDC feasibility studies ought to be soon completed and we are going to be at the stage over the next number of months when we are going to have to get firm commitments from

MR. RIDEOUT:

the Government of Canada with regard to the development of that huge hydro potential. And as I say, I find it strange that there was not any mention of it at all last night. But what I started of to say is that I do not think there is any conflict whatsoever between the principle of this resolution and any current activity that LCDC may be involved in. The people should have an opportunity to voice their opinion and the opinions should be open with regard to the options of the Lower Churchill and with regard to other options that we may have in this Province in regard to hydro potential. To concentrate for a moment or so on the Lower Churchill development: You know there are four or five options. The Minister of Mines and Energy (Mr. Barry) has referred to them in this House in this session. Previous Ministers of Mines and Energy over the years have referred to them. There are a number of options that are open to us when we consider the development of that resource. One of the options, for example, is should all the power from the Lower Churchill, should all that potential power for a limited period of time be sold Westward? That is an option. It may not be an option that some of us would like and it may not be one that a number of people would wish to consider, but in considering options it is an option. For a limited period of time, should we be content with selling all the potential development of that project to the West? Or a second option is, should we be content with only selling a portion of the development of that hydro Westward for a limited period of time? Those are two options that are open to us. There is a third one, of course, and that is should options one and two, that is sell all of it Westward for a period of time or sell a portion of it Westward for a limited period of time, should options one and two be discarded altogether and should we develop with a view to the total usage of the potential of the Lower Churchill in this Province? I must say that is an option that I personally am more interested in than the other two but my personal interest and what is feasible and practical economically are two different things. But it is

MR. RIDEOUT: certainly another option that I know the government has given consideration to and, I am sure, Newfoundland Hydro. Now, if that third option, that is the utilization of the full potential of the power potential of the Lower Churchill development, if that option is the way we want to proceed - and as I say that is, personally, the one I favour - how do we go about utilizing that block of power once it is developed? In order to develop it, federal government support or no federal support, we have to have some indication that that huge chunk of power can be utilized by industrial consumers or by the present - Mr. Speaker, I thought you had twenty minutes introducing -

MR. SPEAKER: (Butt)

Yes. Twenty minutes.

MR. RIDEOUT:

You mean to tell me I am gone

nineteen minutes?

AN HON. MEMBER:

Yes.

MR. RIDEOUT:

I have not even got into what I

want to say yet.

SOME HON. MEMBERS:

Oh, oh!

AN HON. MEMBER:

By leave?

MR. RIDEOUT:

Well, I will just make a minute

or so, that is all, I would like for other people to speak on it. But what I am saying, Sir, is that if we are going to do that, then in order to get the money to develop that potential we have to have some users. We have to have some markets. I think it would be interesting to find how the people of this Province feel in regard to that particular situation. This debate has been going on - well, I have been aware of it since 1972 and I think it is probably fair to say that the debate has been going on many years before that. What I am really asking, really the soul searching question is are we any closer to a decision, are we any closer to a final decision now, in 1979, and as we head into the 1980s, and as it becomes more and more imperative for us to develop that resource for our own use or for export for a limited period of time, as that becomes more and more imperative are we any closer, in final terms, to a decision now than we were back in 1972 when this debate started going in the first

MR. RIDEOUT: place? I am not really sure that we are and maybe this kind of committee would be able to add some impetus, would be able to add some direction, would be able to supplement and compliment the efforts made in that direction already by the government of the Province and by Newfoundland and Labrador Hydro.

Now, Sir, I had a number of other areas that I wanted to get into but I understand that if the House is still in session I will have an opportunity to clue up the debate so, therefore, the other remarks that I have, I guess I have no choice but to save them for that time since my time has expired.

Thank you.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER: (Butt)

The hon. member for LaPoile.

MR. NEARY:

Mr. Speaker, if the hon. Minister of Mines and Energy (Mr. Barry) wants to answer my friend I will gladly yield providing I can -

MR. BARRY:

Why do you not go ahead there now, I will speak afterwards.

MR. NEARY:

That will be fine.

MR. NEARY:

First of all, Mr. Speaker, I again have to congratulate one of my colleagues for bringing in a private members' resolution that gives members on both sides of the House an opportunity to talk about a matter that is of major importance to this Province, namely, energy.

So far, we have had discussions on the fishery, and various other topics that ordinarily would not have been raised. Government, for some reason or other, seems to sidetrack, sidestep the real issues in this Province and very rarely in this session which, in my opinion, has been a very non-productive session of the House - I do not mean that we have not had a bit of action but non-productive in the way that none of the items, none of the matters that are of major importance to the people of this Province have really come up for debate. The only way that we seem to be able to generate debate in this House is - obviously, the government is not going to bring in as government business energy, unemployment and cost of living and so forth so we have to, the responsibility falls on the shoulders of members on this side of the House.

So my colleague brought in a private members' motion that gives us an opportunity to have a wide-ranging debate on the energy policy in this Province which is non-existent. Mr. Speaker, the energy policy is non-existent. The present minister who used to be the Minister of Mines and Energy before he went down to a resounding defeat, carried the energy policy around in his vest pocket, then left the House for awhile and then came back and tried to pick up where he left off. In the meantime, a number of other ministers had had a stab at it and did not do very much with it, including Mr. Crosbie.

Now, Mr. Speaker, let us go back to 1972, let us just refresh hon. members' memories of 1972, when the government changed. When the government changed, Mr. Speaker, it was possible to develop the Lower Churchill - for what? - \$600 or \$700 million. I believe it was \$500 or \$600 million. It was



MR. NEARY: possible to develop the Lower Churchill at that time, say - just to be on the safe side I will say \$600 or \$700 million.

MR. STAGG: One and a half billion.

MR. NEARY: No, Mr. Speaker, in 1972 it was not more than \$700 million. It was somewhere between, I believe, \$600 million and \$700 million. Now, Mr. Speaker, what is the cost today, the present day cost of developing the Lower Churchill? \$3 billion, almost five times more than in 1972. We have procrastinated so long in this Province, and stalled and used excuses and carried out so many studies that now it will cost upwards of \$3 billion to develop the Lower Churchill in total.

Now the Minister of Mines and Energy recently shifted his ground again and said, Well, maybe we will not develop the Lower Churchill in total, we might just go ahead and develop the Muskrat Falls and maybe bring that over to the Island of Newfoundland, or bring some of it over if we can.

Now, Mr. Speaker, back in 1972, again, so I am given to understand, when the proposition was put to this government to develop the Lower Churchill and to carry out any hydro development of that magnitude, you had to have a customer. I am told that there was a customer at that time and the customer was not, as hon. gentlemen have been leading us to believe, Hydro Quebec, the customer was an aluminium company, the customer was one of the most notable aluminium companies on the face of this earth who were prepared to go in to Labrador, and that is what we have been talking about, Sir, all along, when we are talking about development of Labrador Hydro, when we are talking about trying to leave as much of that hydro

MR. NEARY: electricity in Labrador as we can.  
I am told, Mr. Speaker, that BRINCO - and there should be an investigation, an inquiry into this - that BRINCO had the customer, that BRINCO was prepared to put down side by side to that development on the Lower Churchill an aluminum factory that would employ several thousand Newfoundlanders. The hon. gentleman looks at me. The hon. gentleman cannot deny that as being a fact. I said that BRINCO, who wanted to develop the Lower Churchill back in 1972 for \$500 million or \$600 million or \$700 million - I think it was \$600 million - What is the hon. gentleman hanging his head for?

MR. BARRY: You are not telling us that we should have another Upper Churchill now?

MR. NEARY: No, the hon. gentleman surely was not listening. I was just saying something to the contrary. I said that BRINCO had a customer for the power and the customer was an aluminum company that was prepared to go into Labrador and put an aluminum factory side by side to that development. And this government kicked out BRINCO, nationalized Churchill Falls -

MR. BARRY: Tell us a little bit about the price, tell us what the Province was going to get out of it.

MR. NEARY: The Province was going to get a major industry in Labrador. The Province was going to get 3,000 or 4,000 or 5,000 jobs, because, as the hon. minister knows, aluminum factories or mills, whatever you want to call them, generate a large number of jobs. And if you used the multiplier effect, Sir -

MR. BARRY: How were they going to get their product out?

MR. NEARY: How were they going to get their product out? That was their problem, getting their product out.

Is the hon. gentleman admitting that that proposal was before the government?

MR. BARRY: We have aluminum companies now that have proposals before government.

MR. NEARY: The hon. gentleman tells us that we now have aluminum companies' proposals before government. Well, that is exactly

MR. NEARY: why my hon. friend put down that motion.

MR. BARRY: It is no secret.

MR. NEARY: It is a secret, Sir. That is the first we heard of it.

Now, that I have drawn the hon. minister out - and I had to draw him out by making a positive statement, by making a statement of fact, that this government -

MR. BARRY: Everybody else in the Province knows it.

MR. NEARY: Every knows it - well, it is the first that I heard of it, Sir.

MR. BARRY: I have said it on radio, on television.

MR. NEARY: Did my hon. friend know about it?

MR. RIDEOUT: Never heard it.

MR. NEARY: Did my hon. colleague know about it?

AN HON. MEMBER: No.

MR. NEARY: Mr. Speaker, these are the kinds of things -

MR. BARRY: Everybody except the Opposition knows about it.

MR. NEARY: These are the kinds of things that we want to know, and that is why my hon. colleague put this motion on the Order Paper, to travel around the Province, to hold public hearings, to find out how people feel about these proposals.

MR. BARRY: You are going to have more information this afternoon than you will know what to do with.

MR. NEARY: Well, I am glad now, Sir, that I spoke before the hon. gentleman.

But ever since that blunder, that goof, was made of kicking out BRINCO, which was one of the best corporate citizens we had in this Province, and nationalizing the Churchill Falls Corporation at a cost of interest alone, I am told, of somewhere in the vicinity of \$35 million to \$40 million a year - and that is more revenue than we are

MR. NEARY: taking in from the Upper Churchill this year. They have been blundering their way along ever since, Mr. Speaker, and we have no energy policy in this Province at the moment. They are flying by the seat of their pants. Whatever way the minister feels when he is making his speech to Rotary or to this one or to that one, however he feels at the time, whatever is politically expedient to say at the time, then that is the government's policy.

MR. BARRY: We did not do badly yesterday, did we?

MR. NEARY: The minister says they did not do badly yesterday. Well, how did they do yesterday? How did they fare off yesterday? I did not hear too much about hydro in the Budget Speech last night. I heard quite a bit about oil.

Mr. Speaker, the fact of the matter is, whether we like it or not, whether the minister likes it or not, whether Your Honour likes it or not, before you can develop the Lower Churchill you have to have a customer. The customer was there and they kicked him out. Now, we have to find a customer. And the hon. gentleman can get up

MR. NEARY: and say, "Well the customers are the people of Newfoundland, the consumers of Newfoundland." I say balderdash! Go to the money markets of the world, go out to the money bags of North America and Europe and say the customers are the consumers in Newfoundland and they will laugh in your face. You have to show something a little more concrete than that. You have to show a little more proof to these people that you have customers that can use at least seventy-five or eighty per cent of that electricity before they will give you the money, \$3 billion to develop that project.

Mr. Speaker, ERCO is a case in point.

ERCO. Even though the Government of Canada had a programme at the time where they would give financial assistance to the Province, to the Atlantic Provinces, to develop natural resources in the Provinces - what was the name of that? Not APEC, not ARDA.

AN HON. MEMBER: FRED?

MR. NEARY: FRED, no it was not the FRED Programme. But it was one of these giveaway programmes that they had at the time when the Bay d'Espoir development took place. But in order for the Province, Mr. Speaker, and let this just sink in for a moment in hon. gentlemen's heads, in order for the Province to go ahead, to borrow the money it needed to carry out the Bay d'Espoir hydro development we had to have customers. And the government of the day advertised in newspapers all around the world for customers and only received one response, one only, and that happened to be ERCO. ERCO was the only company in the world that responded and they were big users of electricity, and they were given electricity at a certain price here in Newfoundland. But if ERCO had not responded you may not have had a Bay d'Espoir development.

MR. BARRY: Not so. Not so.

MR. NEARY: Well, I read the ad -

MR. BARRY: The first phase was started before there was any arrangement made with ERCO.

MR. NEARY: The first phase of the Bay d'Espoir?

Well, Mr. Speaker, my understanding is that the Bay d'Espoir development in its entirety could not have taken place if there were no customers.

MR. BARRY: You are wrong.

MR. NEARY: The hon. gentleman is saying that is wrong.

Well, then, I read the ad the other day and I read the letter that ERCO circulated to their employees and I have also discussed it with various and sundry other people who had something to do with the negotiations and I am told that that is so. And I am also told, I do not know if it is correct or not and I seemed to get a rise out of the minister the other day when I mentioned this, that ERCO is now voluntarily agreeing to renegotiate their electricity agreement based on the cost of production of power at Bay d'Espoir. And the government are trying to force ERCO into contributing or paying for the cost of generating the electricity at the thermo-generating plant in Holyrood. Now perhaps the minister can confirm that or deny it, but that is my impression.

AN HON. MEMBER: That what?

MR. NEARY: That ERCO is prepared to voluntarily renegotiate the cost of the price of their electricity based on Bay d'Espoir power only. The minister did not deny that the other day. He got up and tried to give me a few political flicks that did not work because I am coming back again looking for information on this particular matter because I think it is very significant.

I said the other day that the strategy of the government seems to be, "Issue ultimatums." The Premier is becoming wild-eyed and fanatical and is continuously frothing at the mouth, attacking Ottawa, issuing ultimatums to ERCO and various

MR. NEARY: and sundry other people. That seems to be becoming the policy. And then now, today, we saw him use weasel words. He is backing down from McGrath. And pretty soon he will call a news conference and say, "We have had a major victory with ERCO." Major victory. I can see the news conference now. They knuckled under, when ERCO I am told is prepared to come to the bargaining table, open up the agreement, and volunteer to change the terms and conditions of the agreement as far as the price of electricity generated at Bay d'Espoir is concerned.

Mr. Neary: So, Mr. Speaker, I got a little bit sidetracked there for the moment, but the point I was making was that you have to have a customer for that power in Churchill Falls. We would all like to see it used in Labrador, every kilowatt of it used in Labrador if that is possible. I doubt very much if it is possible or even feasible, Mr. Speaker, But I would like to know what has happened now -

MR. BARRY: And what do you want to do as far as the consumers on the Island are concerned?

MR. NEARY: Well, that is what I am going to ask the hon. gentleman; what has happened to the government's policy of building a tunnel underneath the Straits of Belle Isle to transmit that power, some of it to the Island of Newfoundland?

MR. BARRY: Under your scheme you do not need a tunnel, you are going to leave it all in Labrador.

MR. NEARY: Well, sure, Mr. Speaker, I would like to see it all used in Labrador, if not in Labrador, certainly in Newfoundland and Labrador.

MR. BARRY: Bring in industry however -

MR. NEARY: If possible bring in -

MR. BARRY: - beneficial in Labrador and let the consumers on the Island rely on petroleum.

MR. NEARY: Oh, Mr. Speaker, I am glad the hon. gentleman raised that, because when I was talking about Bay d'Espoir I should have raised it myself. That thermo-generating plant up at Holyrood was not built to generate electricity on a permanent basis, it was only put there to generate electricity for peak periods, to take care of the overload.

MR. JAMIESON: did not operate (inaudible) years.

MR. NEARY: And this government were so lax in their energy policy that they had to bring it into production twenty-four hours a day, and therein lies a story, Mr. Speaker, When they



Mr. Neary: should have been out developing the Lower Churchill back in 1972, and developing the hydro here on the Island, and trying to get industry back into this Province and generate new dollars for economy, they took the line of least resistance, they went over and they just did not have any imagination or any initiative of their own and they said, Okay, let the thermo-generating plant in Holyrood take care of our needs. That is what they did. It was never meant to do that, it was standby power only. But this government through lack of initiative, stupidity, and blunders now have it producing twenty-four hours a day and that is what is driving up the cost of electricity in this Province.

MR. R. MOORES: That is right.

MR. NEARY: In the meantime, we have rivers, rivers—I hear so much in this House, it makes me sick, about our wonderful natural resource that we have down in the Lower Churchill, that wonderful natural resource. Well, what good is it? How wonderful is it as long as it is flowing out into the ocean?

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: And how good are all the rivers we have on this Island that can be utilized to generate electricity, unless they are developed?

You know, I am amused sometimes by the Premier ranting and raving. He thinks he is the only one in Newfoundland that can be patriotic, He says, "We have the most fantastic resources, We have the biggest storehouses of natural resources left in the world." And I can make that statement and I have made it, the Premier makes it, the Premier before him made it, the one before him made it, but what is the good of it all if we do not do anything about it?

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: And that is the weakness in their policy. They like to go on crusades, they like to get on the white horse, and they like to talk about all the natural resources, all the wealth we have.

MR. WARREN:

It is all talk. no action.

MR. NEARY:

Now, it is all talk and no action, they do not do anything about it, Mr. Speaker.

I wish I had more time. I am just getting in high gear now, but I will have to take my seat and let the hon. minister have his say. But I hope the hon. gentleman when he gets up today will not express his own personal views or blah, blah, blah, but will lay out a blueprint, lay out a plan for the next five or ten years in this Province, and then agree with my hon. colleague, the member for Baie Verte (Mr. Rideout), agree that the people of this Province should have some input in that blueprint, in that master plan, if there is one available, and go around the Province, have your environmental impact studies, get the views of the people on this and that, and on the major decisions that have to be made in connection with energy in this Province.

What is wrong with that? It is a reasonable resolution. It is a good motion and

MR. S. WELBY: I hope that members on both sides of the House will support it.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: (BAIRD) The hon. Minister of Mines and Energy.

MR. L. BARRY: Mr. Speaker, I have to oppose this notion. I have to oppose it primarily on the basis that it is premature. It is premature, Mr. Speaker, because we have at this very moment a large scale effort underway which is nearing completion for the preparation of detailed feasibility studies dealing with the Gull Island site, the Muskrat Falls site, the question of a Labrador/Island hydro tie, whether it be by way of submarine cable or by a tunnel crossing. And, Mr. Speaker, we expect to have this information—and I will give a detailed report in a moment as to how this work is proceeding and as to the timing — in a more or less completed form in our hands by February. The final report will be March/April by the time they put it together and tie it in a nice little bow and pass it in, but we will have the essence of the report before that time.

At that time, Mr. Speaker, when we have received the report, I am prepared to take another look at the possibility of having a full-scale debate in the House and maybe we would ask the hon. member to look at a similar type motion as he has on the Order Paper today at that time. And we will keep an open mind, Mr. Speaker, we will keep an open mind as to the extent of inquiry and investigation that should be carried out. But we have to keep in mind, also, Mr. Speaker, that there will be a time frame within which decisions will have to be made and it will not be sensible, it would not be expedient for government to set up an ongoing inquiry, by a Select Committee or otherwise, on an ongoing basis that would delay a start on the final project. Government has to govern, government has to make decisions, these decisions should be on the basis of the fullest possible participation by members of this House, by members of the general public. But, Mr. Speaker, I am amazed that the hon. member, in referring to the need for input by members of the general public, did not bother to mention the fact that, I suppose, the Lower Churchill project has been the first project of its kind that has actually gone out, held

MR. L. BARBY: public meetings all around the Province, Mr. Speaker, I will refer you to some of the places. Now, this was only a few months ago. They had meetings in Lappy Valley/Goose Bay, September 24th.; Forteau, September 25th.; Flower's Cove, September 26th.; Daniel's Harbour, September 27th.; Grand Falls, September 29th.; St. John's, October 1st. And at these meetings a large package of information relating to the alternative of Gull Island and Muskrat Falls, as up to date as the information was at that time, was presented to anybody who was interested enough to come out to the meeting. Not only that, it was not just a matter of feeding information, it was not just a one-way flow of information, the Lower Churchill Development Corporation

MR. BARRY: at the same time sent out questionnaires, distributed questionnaires to anybody who attended the meeting, has questionnaires available for distribution around the Province and I will just, Mr. Speaker, point out the sorts of things that the corporation is looking for. It is headed, "Lower Churchill Development Corporation Attitudes And Concerns Questionnaire." It gives a brief description of the Lower Churchill projects, Gull Island and Muskrat Falls and asks that members of the general public fill out and supply the following information.

Okay, what community do you live in? How long do you live there? What do you like best about the area in which you live? Do you feel that this will be affected by this development? If you do feel it will be affected, which aspect of the development concerns you? Is it the damn, the transmission line, the Strait crossing?

MR. WARREN: (Inaudible).

MR. BARRY: I cannot hear you.

MR. WARREN: How many replied from Northwest River?

MR. BARRY: How many replied from Northwest River?

I will get the hon. member the information. I am sure everybody replied.

It asks what are your prime activities in the area that would be affected; is it residential, hunting, fishing, trapping, hiking, nature appreciation, other? And approximate number of days per year that the activity would be carried out in the area of the project.

It asks, do you feel that these activities would be affected by the project? If so explain. Are you expecting any benefits from this development? If so explain. Do you have any additional concerns about any aspect, any aspect of the development? Explain. Then it asks age, sex, marital status, number of people in

MR. BARRY: a household, occupation, and so on.  
It goes on on the last page, "If you are interested in receiving further information on the proposed development, please fill out your name and address in the following space and mail it - give it with your mailing address - and the information would be supplied". Now, Mr. Speaker, I ask you, is that or is it not getting and encouraging public participation? Does this government not go out to the people and invite input from the general public? Has that ever been done, Mr. Speaker, when that other hon. crowd were in office? Did anybody here see any such questionnaire? Did anybody see any such questionnaire, Mr. Speaker, before the ERCO plant went in or before the Upper Churchill contract was entered into?

MR. FLIGHT: Will the minister permit a question?

MR. BARRY: How much input did the general public have into those great Liberal schemes, Mr. Speaker?

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: Now let me have, let me have a little bit of political debate while I give you all this information, for God's sake. It is too dull to give without having the occasional political flick.

MR. ROBERTS: The hon. schoolboy debate is at it again.

MR. BARRY: Certain gentlemen believe that we are all schoolboys.

MR. ROBERTS: Certainly the member is evidence that they are all schoolboys.

MR. FLIGHT: Would the minister permit a question?

MR. BARRY: Is it going to be a nice question or a nasty one?

MR. FLIGHT: A nice question.

MR. BARRY: A nice question, okay.

MR. FLIGHT: I wonder if the minister would indicate why he did not feel it necessary to do all the things he just referred to re the Lower Churchill development, with regard to the Upper Salmon development?

MR. SPEAKER: (Baird)

The hon. member for Mount Scio.

MR. BARRY:

Mr. Speaker, the hon. member begged the question with his question. In fact, the same public participation was invited with respect to the Upper Salmon project. In fact, Mr. Speaker, not only did Hydro make themselves available to supply information, I have been supplying information, Mr. Speaker, continuously, on a continuous basis to the people of Conne River, to people of Bay d'Espoir, to people of Buchans. Mr. Speaker, I went up to what I could only describe as a less than impartial discussion at the university.

MR. BARRY: It was called - I forget the exact name of the group now - a group to support the Inuit and native people of the Province, which is a very admirable objective, but it is laid out - basically they were supporting the position that had been taken by -

MR. ROBERTS: They were not there to examine the position but rather to advocate it.

MR. BARRY: That is right. They were advocating a particular side and basically a side opposing the project. Now, that is their right, their privilege, and there is nothing wrong with that. I am just saying that it was not a totally impartial approach that was taken. I went in there, Mr. Speaker, I spent the whole evening debating the issue -

MR. ROBERTS: It is like having your head hit with a hammer, it is nice when it stops.

MR. BARRY: and it keeps you on your toes, Mr. Speaker, I think all of us should from time to time -

MR. ROBERTS: Was the minister asked to give a grant to support the association?

MR. BARRY: descend into similar arenas.

AN HON. MEMBER: No public hearings.

MR. ROBERTS: Was the minister asked at that point to make a grant to support the association or did that request come subsequently?

MR. BARRY: The request for my donation came later I believe. Now, Mr. Speaker, if I could have - I think that that establishes that we have had considerable participation by the general public in what is proposed for the Lower Churchill project. To give hon. members just a brief updating of where the investigation stands right now -

MR. ROBERTS: That is more to the point and more interesting too.

MR. BARRY: You like this?

MR. ROBERTS: More interesting, and more to the point.



MR. BARRY: The LCDC study was initiated in May, 1979. Their actual formal target date for completion was the end of April, 1980. That is what they started with, but as I said before, the essence of the report will be in prior to that time, prior to the end of March, I would hope by mid-February. They are looking at the technical and financial feasibility of Gull Island and/or Muskrat Falls. Now, just to look at it step by step. Engineering feasibility: There they are looking at all project components, Gull Island transmission system, Strait of Belle Isle crossing, and Muskrat Falls, developing capital cost estimates and construction schedules. As far as Gull Island is concerned the basic information was already in place since 1975, and it was merely an updating, Mr. Speaker, of construction schedules and capital cost estimates, with some slight modification in basic design to take account of improved technology. This engineering review has now been completed, and the definitive capital cost estimates will be available later this month. So by the end of December we will have the capital cost estimates for the Gull Island project.

MR. ROBERTS: Does the engineering - If the minister would permit, does the engineering review touch upon the question of whether or not - We will give the minister some more time if he needs it. Did the engineering review touch upon the question of how the power is to come across the Straits -

MR. BARRY: I am getting to that now.

MR. ROBERTS: Okay then. Because that is not part of what the minister talked about to date. Okay.

MR. BARRY: Now, transmission, as with the Gull Island project, the main emphasis has been to update the 1974-75 figures - that is the transmission line itself. I will get to the crossing in a moment. Line rerouting has been investigated to avoid areas of heavy icing and so on in the Southern Labrador area and across the Long Range Mountains. The engineering review for the the high voltage direct current

MR. BARRY: transmission system - two 800 megawatt dc lines are now complete the engineering reveals, and cost and schedule information is also expected later this month, by the end of December.

The concept of one transmission line had not been looked at in detail previously and this is now being investigated. Now you might ask, why not just divide by two to get the cost of building a transmission line?

MR. ROBERTS: No, it does not work that way at all.

MR. BARRY: It is not that simple because you have similar costs for one or two lines.

MR. ROBERTS: A hundred unit hotel costs more than a fifty unit hotel.

MR. FLIGHT: (inaudible) schoolboy (inaudible)

MR. BARRY: Did the hon. member from Buchans burp or was there something less of a suggestion there?

MR. FLIGHT: (Inaudible)

MR. ROBERTS: The original concept was two 800 megawatt lines to move the Muskrat power or the Gull Island power?

MR. BARRY: To move the Gull Island power. The one line would be all that would be needed, one 800 megawatt line for Muskrat Falls, if that were the way to go.

MR. ROBERTS: So that is the diseconomy of scale, that point.

MR. BARRY: That is the diseconomy of scales I mentioned previously which results in a higher cost

MR. L. BARRY: per kilowatt hour for Muskrat in all probability. The alternating current transmission intertie between Gull Island and Churchill Falls has been confirmed as a single circuit 735 KV line and similar studies are now in progress to determine what would be needed for an intertie between the Upper and Muskrat to identify -

MR. E. ROBERTS: That is assuming there is recall power to be roved over -

MR. L. BARRY: Partly for recall power but also because you have to operate both sites -

MR. E. ROBERTS: You have to synchronize the system.

MR. L. BARRY: You have to synchronize their operation and you need an intertie in order to do that.

MR. E. ROBERTS: But would it be proposed to move power from either of the Lower Churchill sites back to Upper Churchill?

MR. L. BARRY: Under certain conditions, yes, that might be feasible.

MR. E. ROBERTS: What for, to meet the contractual commitments going West?

MR. L. BARRY: Well, you could save on water by using the same water twice, basically, and avoid spilling more water out of the Upper Churchill. If the demand was not on the Lower site at the time you would just -

MR. E. ROBERTS: The water will be used twice anyway, once going through the Upper Churchill turbines and once through - maybe three times.

MR. L. BARRY: If we get three sites down in the Lower Churchill, yes, it could be used three times. But in any event, you have to have this intertie for technical reasons to co-ordinate the flow of water and the systems have to be intertwined.

The Straits crossing, the hon. member asked about. One of the most intensive engineering activities of the LCDC has been assessing the feasibility of crossing the Strait of Belle Isle with a tunnel underneath the strait or with the installation and

MR. L. BARRY:                   suitable protection of submarine cables on the sea bottom. The tunnel method was extensively studied in 1974/75 and like Gull Island and the transmission line, an engineering review has been completed. For the submarine alternative a major marine survey programme was initiated in June of this year and completed in early September. And they gathered data such as sea bottom profiles of various cable routes, ocean currents, tides, wave heights, depths of overburden, all of which are required to fully assess the implications of laying and protecting submarine cables. They have had active discussions with manufacturers of high voltage submarine cables and with companies that actually have these installed in different places around the world.

                                  Significant progress has been made, Mr. Speaker, I think it is worthy of note, significant progress has been made and LCDC is quite optimistic about the feasibility of installing submarine cables across the Strait of Belle Isle and placing them in rock trenches in areas known to be frequented by icebergs. Apparently, Mr. Speaker, they have this little device - we all knew for some time that it was possible to build trenches to lay oil pipelines, say, in muddy bottoms, they just go in with a high pressure jet and they excavate a trench. In fact, in the English Channel they have, Mr. Speaker, developed a device to lay a power cable between England and France which is like a little D-9 tractor. It goes out on the seabed and there is little picks and it digs a trench about two feet wide through solid rock. Now the rock in the Strait of Belle Isle is harder than the rock in the English Channel and it is still not certain that the device can deal with rock of that hardness. But scientific studies are underway right now to determine this and conceivably we could have a little trench filled in, completely buried in solid rock with great protection of the cable and that would save considerable money and avoid the necessity of a tunnel. But that is still up in the air and further information will be brought to the House when available.

MR. E. ROBERTS:                   There is still no (inaudible).

MR. L. BARRY: All of these activities will culminate with a report on the engineering feasibility of the submarine cable crossing, which they indicate will be available in March 1980. Now, I believe that we will have the essence of the report during February but they are saying March 1980 for the final report on this.

MR. E. ROBERTS: We have a lovely - has the minister been up in either of the towers at Savage Cove or -

MR. L. BARRY: I have not gone back but for reasons of nostalgia I will have to do it one of these days.

MR. E. ROBERTS: Well, I will guarantee the minister safe passage. We can get a most marvelous view of the straits. I have been up in each of them.

MR. L. BARRY: I will take the Hon. member up on that some time in the New Year.

As previous studies on Muskrat Falls had only reached the level of pre-feasibility, we have had to considerable engineering input on that particular site. An indepth field investigation programme was conducted during the past Summer, Mr. Speaker, investigating the geo-technical and geological aspects of Muskrat Falls. You had eight contracts; access road, diamond drilling, topographic mapping, seismic work, all of which were completed in November. The field programme was necessary because we knew,

MR. BARRY: Mr. Speaker, that there was marine clay in the site which could be unstable and could be risky for the construction of a dam. And we had to look at ways that this marine clay could be stabilized. The engineering report on this will be available by the end of January, with the information on the cost and the schedule by February 15, 1980. The preliminary information that I have is that the marine clay instability should not prove a technical barrier to the development- or an economic barrier, for that matter - to the development of the Muskrat Falls site, and that looks as if it could be a go.

MR. ROBERTS: Did the hon. gentleman (inaudible) book called The Path Between the Seas, which is the story of the construction of the Panama Canal, a fascinating book on a fascinating subject, and there they have the same kind of clay condition - the clay does not bind one part to the other and whole mountains slid and filled up the - they dug it three or four times, in fact.

MR. BARRY: Mr. Speaker, I think everybody is aware of the risks inherent in dealing with that type of material, but we have had the best of scientific brains looking at it, and they indicate to us that first of all, the problem did not turn out to be as serious as had been feared, but secondly - one gentleman must have earned his day's pay because he came up with an idea of tackling the question of draining the water. Apparently the problem is one of getting the water out of the clay.

MR. ROBERTS: It is fluid.

MR. BARRY: And the water it turned out was not actually coming from the river, which was what was feared, but was from a couple of lakes adjacent to the river. They had one proposal for actually building a tremendous concrete wall to block the flow of water from the lakes to the dam area and this gentleman, this scientist, said 'No, I have a cheaper way.' And he suggested that you put a tunnel underneath the clay and you let the water drain down into the tunnel and you pump out the tunnel. So that appears to be one way of proceeding.

All of this, Mr. Speaker, I have to confess, I do not know nearly as much about as it might appear from my glib statements.

MR. ROBERTS: It does not appear the minister knows a great deal but he has a most interesting memorandum there.

MR. BARRY: But I find it a very interesting area and I am sure the engineers are delighting in the technical problems that they are running into.

MR. ROBERTS: I am awfully glad it is Wally Reid who is president, not the minister.

MR. BARRY: Thank you, thank you.  
The final project report, as I have said, will be available in April. Have I gone over time?

MR. ROBERTS: It just seems over time.

MR. BARRY: It seems like a long time. The final report will be available by April 30th, but I hope to have information for the House before that time.

Financing strategy, Mr. Speaker, is obviously a very important aspect of the project, and this is also being looked at. They have reviewed various types of credit support that might be available from the federal government and a report on preliminary financing was submitted to LCDC on October 18, 1979.

I have a few comments on the effects of the Budget. They do not mention hydro specifically, but they do mention, however, the creation of an energy bank, Mr. Speaker.

We will have further reports on credit support by the end of December, a final report on capital markets by January 31st and a final report on the total financial plan, they are looking at April, but the essence we will have before then.

MR. JAMIESON: I am sorry. Would you not repeat that timetable again? You are talking January of next year, is that it?

MR. BARRY: No, January, 1980 - this coming January.

MR. JAMIESON: What were the three items again, please?

MR. BARRY: Review of different forms of credit support, different types of assistance we might ask of the federal government to help make it fly, completion of a report on capital markets where your money

MR. BARRY: might be available and then the final report tying the whole financial package together.

MR. JAMIESON: And the last one is April?

MR. BARRY: Yes, the last one is April.

Environmental studies - these studies are proceeding on schedule. We hope to have all of the in-house studies completed by December 31, 1979. A final environmental impact statement will be prepared during January and will be available then for public consideration



Mr. Barry: shortly after that time. And, in fact, I might mention that there has been an Environmental Assessment Board which is required by the Federal Government in any project where it puts funds, that has been analyzing the project from 1974, I think it is, and the hon. member opposite, I believe, has some information on that. And there does not appear to be any terrible environmental factors relating to the project.

AN HON. MEMBER: Yes, Sir. Yes, Sir.

MR. BARRY: Well the hon. member may have difference of opinion, there may be some problems, but just to compare, Mr. Speaker, just to give you some idea of what we are talking about, the scale of this project - whereas on the Upper Churchill you had in terms of flooded area, you had 10,020 square miles flooded, for Gull Island there would be 42 square miles flooded, for Muskrat Falls there would be 22 square miles flooded, just to give you some feel for the -

MR. ROBERTS: Of course but it all depends what they are, I mean, 10 square miles in Downtown New York is a lot more than 1,000 square miles in the middle of Alaska.

MR. BARRY: Well, unless they move Downtown New York it is going to be safe from the waters of either Gull Island or Muskrat.

MR. ROBERTS: I have my doubts.

MR. FLIGHT: What happened to clear cutting propositions that the Province turned down? Are you still looking at clear cutting the reservoirs?

MR. ROBERTS: A year or so ago, remember?

MR. BARRY: I have information coming for the hon. member on the Upper Salmon which he requested.

MR. ROBERTS: No, no, but the clear cutting of the Lower Churchill?

MR. BARRY: The clear cutting of the Lower Churchill, I would have to get the updated position as to -

MR. ROBERTS: The hon. minister was at Dalhousie -

MR. BARRY: I was away at the time when the -

MR. ROBERTS: - elucidating constitutional

theories, which I hope made more sense than some of his others.

MR. BARRY: A similar environmental impact statement will be carried out as far as the transmission link is concerned, that was submitted to the Environmental Assessment Review Panel of the Federal Government in 1978. And in March 1979, there was a deficiency statement issued where that panel said there had to be additional study done on the transmission lines, they wanted further information. The field work is now being completed, and the final reports are in preparation and we should get them by the end of this month.

I have reached the end of my tether here, have I?

MR. ROBERTS: The minister went considerably beyond the end of his tether sometime ago, but that is another story.

MR. BARRY: Okay.

If I could just have a moment to clue up.

MR. ROBERTS: Five minutes, five minutes. We will give the minister a courtesy they would not give our spokesman.

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: There has been updating of escalation projections. There are discussions of what will be needed as far as a labour agreement is concerned, a discussion of what will be needed as far as attracting customers, which the hon. member for Port aux Basques was referring to - LaPoile sorry - which I do not have time to go into but which I am sure other hon. members will be referring to. And, Mr. Speaker, generally the universe is unfolding as it should with respect to this project. Other island sites, the hon. member asked for information about on-island sites. Hydro is examining, apart from Cat Arm which has been mentioned -

MR. ROBERTS: Hey, hold on a minute! Does the hon.

MR. ROBERTS:

gentleman know the Minister of Justice has returned? I just saw him in the lobby.

MR. BARRY:

Somebody catch that man. Are the rabbit snares set? Mr. Speaker, I could just refer to the other sites on the Island which are being looked at. These are smaller sites now. There is a site near Burgeo, Dry Pond Brook; River of Ponds on the Great Northern Peninsula.

MR. ROBERTS:

River of Ponds or Ten Mile Pond?

MR. BARRY:

Cloud River near Roddickton, I think that is where they already have the mini one started and the Pinware in Labrador.

MR. ROBERTS:

What about Ten - is River of Ponds -

MR. BARRY:

And the Pinware is being looked at as a way of getting the people of Southern Labrador off diesel generators because it will be very difficult to have the direct current transmission line - to have them tied into a direct current transmission line that might be coming from Labrador to the Island. And we can all appreciate what the people would be thinking if they were there paying diesel rates and looking at a transmission line going over their heads. So we are very sympathetic to the need to get hydro development for the people in Southern Labrador. And the Pinware has a certain potential which is being looked at in this respect.

MR. JAMIESON:

Has the Swift Current River got anything, does the hon. minister know?

MR. BARRY:

Pipers Hole, I understand, was looked at years ago

MR. BARRY: very, very closely. I was speaking to an old employee of Newfoundland Light and Power who mentioned that company, I think, had looked at it and I have to confess that it has not been brought to my attention except indirectly. I think it is because of environmental factors or whatever. The hon. member would be out there with his placards on that one, I am sure.

Okay, Mr. Speaker, just generally with respect as far as the effect of the budget is concerned, I think hon. members might be interested in, when you look at the projected increase in the price of oil, you are looking at, by 1984, you are looking at oil in Canada being about \$33 a barrel. Now that is high, but if we consider that internationally oil is being bought and sold for \$40 a barrel today, this very day, it helps keep it in perspective. But at \$33.50 a barrel, then you are talking about that being the equivalent of 55 to 56 mills per kilowatt hour, just in the burning of the oil alone. So, you can see, Mr. Speaker, that with this price for oil anticipated, the economics of developing the hydro power of Labrador is greatly enhanced. It is the old 'ill will blowing not everybody no good' - I think I fooled that one up - whatever, Mr. Speaker, you know. A silver -

MR. ROBERTS: 'Every cloud has a silver lining.'

MR. BARRY: 'Every cloud has a silver lining.'

It is going to be hard on low income - the Federal Government, I think, indicated that it was aware of the impact upon lower income people, and this is why we have the energy tax rebate and other steps have been taken, but it does point out that the Lower Churchill project is more economically viable today than it was this time yesterday, Mr. Speaker. I think that that it is a clearly established fact.

Finally, Mr. Speaker the hon. member has suggested that we should have a complete energy policy. Mr. Speaker, I agree, and I intend and I have instructed officials that we should have prepared a white paper or a green paper or a blue paper, or whatever is the appropriate colour, prepared on energy as soon as we have the

MR. BARRY: decision with respect to Labrador power, because that will have to be an essential ingredient of any such energy policy. Thank you very much, Mr. Speaker.

MR. SPEAKER: (Butt) The hon. the Leader of the Opposition.

MR. JAMIESON: Thank you very much, Mr. Speaker, and I do not propose to take a great deal of time today and I am also not going to rethrash old straw with regard to the past and various things that have happened. I am going to try, however, to, in a reasoned way, argue for the merits of this resolution. As I understood the minister, he again is not opposed to the resolution but says it is a question of timing. I completely agree, but I am inclined to think that the timing is now and not after a lot of other important decisions have been made, which may then be quite impossible to change. It seems to me there is always a tendency on the part of this government to look at anything that comes from this side of the House - and we had it a few days ago - and say it is a good idea but we want to put it off for some reason or other, the timing is wrong. They do not come flat out most of the time and say we are not going to pay the slightest attention to what those Opposition members say, but they always have a reason for saying well, you know, another occasion would be better, or we are not ready, or whatever the case might be. Now, my hon. Friend who moved this motion is really getting to the crux of something which, I have no doubt that the Minister of Mines and Energy (Mr. Barry) would agree is absolutely crucial and vital to the future of Newfoundland, and I suppose it is not improper to use the cliché 'for generations yet to come', because energy, the cost of it, the strategy that we are going to employ with regard to its utilization, these things will not only affect

MR. D. JAMIESON:

the economic life of Newfoundland but they are going to have a very, very profound effect on something which I gather from earlier statements of the minister and many other members of government is dear to their hearts, namely, the life style of Newfoundland. That this is completely linked up with those two things - economic development on the one hand and how we are going to handle that economic development on the other. I emphasize that I do not intend to go back over the ground that was covered so thoroughly by the hon. member, my friend from LaPoile (Mr. S. Neary), because, indeed, despite all of the racous responses that it generated on the other side, the truth of the matter is that we have been talking about the Lower Churchill for at least a decade and we have been over one route after another. I would hate to think of how much money it has cost various levels of government and sundry other organizations in order to bring us to the point where we are today which, I suggest, is fairly well-advanced in some respects but which in many other ways is still just as confusing to the average Newfoundlander and, indeed, I suppose it would be fair to say, even more confusing to the bond market and some of the others as it was a decade ago.

Now, I want to refer hon. members and particularly the minister to the Speech from the Throne of July 12th of this year when certain basic objectives of the government with regard to the Lower Churchill were laid out, and I do so because I believe that if the government was sincere in these particular intentions, there are questions which could be asked now and which could properly be made the subject of a select committee inquiry, in advance of the final ribboned package to which the hon. Minister of Mines and Energy (Mr. L. Barry) has referred.

May I, in response to him on this project, and on this resolution, make the point that he made to me the other day. When I was asking about Kitts-Michelin he said that there had to be several activities going on simultaneously so that there would be at some point in time, and I recall him using the

MR. D. JAMIESON: analogy about several balls in the air at one time, so that when the time came to make the decision all of the factors had been taken into account.

Now, in the case of the Lower Churchill development, which we devoutly wish will come about as soon as possible, first of all, the Throne Speech said that it will be used to create industry in this Province not merely construction jobs with little long-term benefit such as happened at Churchill Falls. That is an eminently sensible arrangement, no quarrel with it whatever, that every last kilowatt that we can generate in this Province and that can be employed for job creation in this Province obviously we ought to do so. But so far as I am aware, since the 12th. of July there has been no public comment, whatever may have been going on behind the scenes, which suggests that there is a comprehensive search underway for industrial users or for the various kinds of undertakings for which these jobs are supposed to be designed. It may be that this is happening, it may be that it is not. To the best of my knowledge, at least so far as I am aware, there is no large entrepreneur, large industrial user beating down the door and saying, 'As soon as this power is available we are ready to rush in and fill the breach.' It may be that one exists. My point, however, in this particular argument that I am putting forward, is that we should be and we have a right, I think as Newfoundlanders, whatever rights we may have on this side of the House, to know what kind of industrial development the minister who has that double responsibility and I confess I do not envy him, what kind of industrial development is being pursued if any is and how does he see it emerging? Two reasons for that; one is that if it is, let us say, heavy industry and it is to be located on the Island and I presume from everything the minister has said in his usual lucid way that the amount of power we bring on to the Island of Newfoundland and the site that is going to be developed is going to depend to a large extent on two factors; whether it is going to be on the anticipated increase in the normal load or whether



MR. D. JAMIESON: there is a large scale industrial customer? I guess that will be one of the key considerations when we consider whether it is Muskrat or the Gull or whatever or a combination that kind of thing. And so, therefore, it is not only a question of the economics of the project itself that is at stake here, it seems to me, it is also a question of on the island of Newfoundland do we wish to have, if we can get it, let us put it that way and that is a very big if, do we wish to have the so-called heavy industry type of user of that power. Now why is that important? I ask it rhetorically because members will clearly know

MR. BARRY: I will be listening, by the way.

MR. D. JAMIESON: By all means. The reason it is important is that we - and members opposite are fond of talking about the mistakes that were made in previous efforts in industrial development and hindsight is always easy and, you know, we can always be -

MR. NEARY: But that is only if you are in the Liberal regime.

MR. D. JAMIESON: Oh, of course, never anything since 1972, oh no, but we have been hearing about that, but I think what we had come, and I am speaking here now - I will come to Labrador in a moment - I am speaking here about the Island of Newfoundland, I think, Mr. Speaker, what we have come to realize is that heavy industry or large industrial enterprises can be a very mixed kind of blessing unless there has been carefully thought out planning from beginning to end. In this House a few days ago I asked about seventy five building lots in Sunnyside, created in order for people who were going to be working at the Come By Chance Refinery to have somewhere to live. Here we have that kind of white elephant, if that is what it can be described as, in place because there was not, it seems to me, carefully thought out planning with regard to all of the elements. The social disruption; you can have an entrepreneur come in and say "I will build a particular kind of enterprise " and then it is up to government, it is up to the public, it is up to the taxpayers to come in behind that, and I have often asked the question as to whether it really is of value when you have educational facilities, when you



MR. D. JAMIESON: have housing, when you have water and sewerage, when you have all of the various other social implications that go with industrial development? And so, therefore in the island sense alone, we have two good reasons for starting public inquiries now. One is, how much is the minimum amount of power that is going to come over here? If, in fact, it is going to be less than is practical in terms of the cable, then who is going to use the balance? What kind of industry? Where is it going to go? What are the prospects? Or, are we going to wind up with a situation, and it is conceivable that we could, where for a very considerable period of time, and I am using the figure of nine hundred, let us say I could use any figure, nine hundred megawatts, or whatever it is - there is only a useable amount of five or six hundred and there are three hundred which for all practical purposes is being piddled away because there is no user, and I do not want to be too repetitive here but that -

MR. NEARY: Where do we get the money to develop  
(Inaudible)

MR. D. JAMIESON: Well, that, of course, is the next point I am coming to because if you cannot get the funds on that kind of basis then the whole project falls on that account. But I emphasize once again that I believe the people of Newfoundland should be posed the kind of question which I can sum up, really, in one sentence and that is, what kind of Newfoundland do we want? What kind of Newfoundland do we want? Now, if that is true on the island of Newfoundland where it may very well be that we can say, we will take any kind of industry, anything at all, whether it is smoke stacks or whatever it is, that we will take it, we will find a place for it, we have got enough open country that it is not going to be polluting, it is not going to be harmful, it may well be, but if that is true in the case of Newfoundland, how much more true is it of the next phrase in the Throne Speech to which I want to make reference because it is relevant here, 'Labrador Resource Development, including

December 12, 1979

Tape No. 1828

RA - 3

MR. D. JAMIESON:

the Lower Churchill Power

Development, those two are linked together in the Speech from the Throne and then on the following page. The development of the Lower Churchill will be pursued as an integral part of an overall Labrador development plan so as to allow proper development of complementary resource based industries.

MR. JAMIESON:

Now, that is clear, unmistakable.

It is also six months ago, and what I want to know and I think the people of Newfoundland want to know in a completely non-argumentative fashion - I am not saying that the hon. gentlemen opposite are wrong or right at this moment, I am simply saying that I believe it of tremendous importance that the people of Labrador, that the people who are now resident in Labrador be given an opportunity before it is too late to say whether they want high industrial development in Labrador, even if it is available. Because if they do not want it - and I am not being, by the way, so narrow on this that I think they should be so 'dog in the manger' as to not to accept anything, I am not going that far - but what I am saying is that the social disruption that I have spoken of with regard to the Island of Newfoundland is multiplied perhaps a hundredfold. I wonder sometimes if this government has given a single moment's thought - I am sure that the hon. member who represents a portion of Labrador has given thought to it - has given a single thought to the enormous implications, the quite incredible implications of going out to a large industrial organization somewhere in the world and saying, "Come to Labrador, come to Labrador", because if you are going to start large scale enterprises in Labrador, what you really have to do is begin quite literally at square one, quite literally at the beginning. You have to say here is, in effect, nothing by way of infrastructure, by way of support services, by way of anything of that sort. So just let me pluck an example, say, a smelter - I do not know what else, but these are some of the things one hears about, resource based industries, a smelter or something relating to steel or some other kind of ore extractive plus manufacturing kind of process. Let us say you went into that and let us say, as I believe was said, incidentally, by the previous part of this administration, the pre 'born again' part of this administration, that there was a search on for large industrial enterprises. I believe it was even a Mr. Roosevelt was brought in at one stage in the game and presented an enormously complicated study, and we are still talking about 'Port Labrador' or whatever the case might be. Now, Mr. Speaker, the reason

MR. JAMIESON: for a study now is, of course, it seems to me, eminently sensible because what it would do is (a) give the people concerned an opportunity to say whether they wanted that or not. It would also, in economic terms, give us the opportunity to know - never mind what the final cost is going to be, we all know it is going to be in the billions of dollars to generate that power - whether or not, in fact, given those kinds of figures and that magnitude, is it practical to consider going ahead with that kind of industrialization, even if the people were for it? Now the information that I have, and I would imagine that it is fairly accurate, is that unless the benefits, unless the benefits to the user are of enormous size, that getting the power on site is not going to be so attractive as to, for instance, persuade a large industrialist to face into the difficulties of a shortened shipping season, whatever happens in 'Port Labrador', and so on, as opposed to locating in a more attractive, if you like in the industrial sense, more attractive region or more attractive climate. So here we have in the Speech from the Throne quite unmistakable commitments relating to development in Labrador, committing a linkage between the Lower Churchill Development and industrialization. The minister today, in the tremendous flow of facts and various other pieces of information which he passed on to us, said nothing, not a word, about the ultimate user of the power. Therefore, having omitted all of that, we can only assume, we can only assume at the moment at least, that what we are talking about here is that there is good work.

MR. D. JAMIESON: I have no doubt about it, I have great by the way, great respect for most of the people. I had the opportunity to work with them and to know them, who are involved in all of this and I think they are - and what figures they come up with, their conclusion on that side will probably be reliable and that is really not, in a sense, what we want to talk about in terms of a select committee or anything of that nature, it is more the total package because we are either just going to generate this power because Newfoundland is like it is, that is the present infrastructure which has not changed, by the way, significantly since Confederation. The present infrastructure is going to remain the same, therefore, there is a projection of demand and, therefore, that is what we are going to attempt to supply because that is essential to supply or, if we are going to totally utilize the water resources as well as those on the Island, then it has to be linked - and I hate the phrase but there is no other one that I can think of - to an industrial strategy. That seems to me to be self-evident, that either you take the minimum amount and that may be too small, as my hon. friend for LaPoile (Mr. Neary) has pointed out, or we need to know, also, what it is that we are going to have by way of industrial users. Now, if those two things do not come out at exactly the same time, if there is not an awareness on the part of the government and the people of Newfoundland as to who these additional users are going to be, I can visualize the situation in which the Minister of Mines and Energy (Mr. Barry) may have everything he needs to know about the cost of generating power in Labrador but he may still be boxed in as we have been -

MR. NEARY: He said just now at least \$3 billion.

MR. D. JAMIESON: At least \$3 billion. So we will be boxed in, even when we know the cost, because we will have plethora of riches in a sense. We will have so much that we will not be able to afford to develop it and that is really the challenge, that is the difficulty! Now, if it was just a question of saying that we are going to give some very high pressure salesman his little suitcase and send him off to get industry, if that was only it, and by the way that is a very big only, that would be one thing.

MR. D. JAMILSON: First of all, we would like to know, is there something underway to find out where those industries might be? But having done all of that we do not even know if the public of Newfoundland and the people of Labrador will welcome or will reject what might come along. I can see horrendous problems, I have no doubt that my hon. friend for Naskaupi (Mr. Goudie) can see them as well. If you suddenly establish large scale industry - and, incidentally, the more labour intensive it is, in many ways, the more difficult the problem is going to be because you are not going to have the trained people on site. Now there is another reason and I will not take too much more time, but just in terms of why we need to talk about these things now, as my hon. friend's resolution proposes, is something else which - I do not know whose fault this is, I have no idea, I am not attributing blame at all. But my colleague for Terra Nova (Mr. Lush) has said repeatedly, has said over and over again that we have a mismatch in terms of our educational and our training programmes and the kind of employment that is likely to be coming up in the future. It is true, although contradictory, that the hon. the Minister of Labour and Manpower (Mr. Dinn) may well be right. If you look at the demographics of this Province in ten years or so we could be into a labour shortage and so there is a very fundamental question which the government, I suggest, has not addressed and, by the way, hardly anybody else in Newfoundland has addressed and that is; do we wish to have an economic structure in this Province that will require the import of a very, very significant amount of labour and perhaps at the same time and simultaneously, have many Newfoundlanders doing nothing because there has not been the matching of the jobs and the training at the same time. Now, I caution those who have the responsibility on the other side, that within five to ten years that will be one of the most serious economic challenges facing this Province even if everything that we have been talking about goes ahead. We have already seen about the fishery - I understand, Mr. Speaker, and I do not see anybody objecting from the other side but I will, I assure you, end in a moment. We are talking about an expansion

MR. JAMIESON:

in the fishery. We are talking in very broad terms about industrialization and one thing and the other and quite literally we have never taken a hard look at where the makeup of this population, the demographics of this population fit in that kind of strategy. Therefore, for all of those reasons I support the resolution and for the life of me I do not see why we cannot go ahead. I would have no objection to having the terms of reference spelled out in some way that will not impede or interfere with or will not cause problems with regard to the various economic studies and the like which are under way. But these things are so basic and so fundamental, Mr. Speaker, that I support this resolution and I commend it to all hon. members.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (BUTT):

The Minister of Rural, Agricultural and Northern Development.

MR. GOUDIE:

Thank you, Mr. Speaker. I hardly know where to begin to address myself to this resolution, however, I will attempt to do so and in doing so commend the hon. Leader of the Opposition (Mr. Jamieson) for his comments and comments just completed. I think he addressed himself to some very important, related issues to the development of the hydro potential of Labrador and these issues, I would like to reassure the hon. gentleman, are being addressed right now, very quietly by some people and vocally by others, and those are the related effects of development of any large scale development in Labrador, the most recent of which is still ongoing. The hearing was just recently completed into the proposed BRINEX operations at Kitts-Michelin near Makkovik. Labrador has been discussed ever since I can remember. We moved to Happy Valley in 1944, when the military operations were just setting up and I can reassure hon. members and Mr. Speaker himself who spent a number of years in Happy Valley-Goose Bay, can reassure hon. members of the attitudes that many of the military people who came in there had about Labrador, classifying it as a wilderness, some people called it the land God gave to Cain and



MR. GOUDIE:

there are many other more derogatory comments that were on the go.

For me, my opinion, perhaps a couple of the members opposite, Labrador is a Paradise as far as I am concerned. It is a wilderness, yes agreed, 112,000 -

SOME HON. MEMBERS:

Hear, hear!

MR. GOUDIE:

- 112,000 square miles of land and water and 35,000 people. It is one of the few remaining undeveloped areas in North America, perhaps the world, I do not know, I am not all that familiar with other parts but certainly North America. And there are certain aspects to development, the spinoff effects that the hon. Leader of the Opposition was talking about which have to be considered when we talk about hydro development, the BRINEX development, a uranium smelter setting up, even increased activity in the fishery, because with so much undeveloped land and country up there, one of the things I think we are going to have to bear in mind in relation to these developments is the need for preserved areas, national parks, perhaps, is the best way to put it. There was a great deal of discussion last Winter - I was involved in it - where there was disagreement on the part of the Labrador people in relation to proposals put forward by federal and provincial governments to develop two provincial parks in Labrador. And the only reason that the people in Labrador objected at that time to the establishment of a couple of parks, was because of the lack of information, no more than that. The people are not objecting, I do not think, to the idea of a national park, they want to be aware of what the effects are. What jobs are going to be created? What kind of developments take place on the land itself? Will we be allowed to fish, to hunt, to trap? Those kinds of questions have to be addressed.

MR. WARREN:

(Inaudible) in Winter.

MR. GOUDIE:

That is right. That is right. I think you would find every person in Labrador in favour of a, or several national parks if they were developed in conjunction with the thoughts



MR. GOUDIE:

and feelings of the people who have to live in that area and live with the parks. If these developments go ahead, such as the development of the Lower Churchill, the Gull Island Rapids and the Muskrat Falls, you are going to have other industry locating there I think. I do not think we can spell out right now what these industries are going to be, but if you are going to develop that much hydro power there

MR. GOUDIE: has to be a customer for it as several hon. members suggested in their discussions this afternoon. Some of the related effects of this development; what would happen in terms of transportation? Will we, indeed, have to develop a year round transportation system by water in and out of Lake Melville or some other part of Labrador? Would it be restricted to eight or ten months shipping? Would there be a highway connected with that? Would there be a railway connected with that? If these developments take place, the shipping, year round, in and out of Labrador, that is going to bring in - I do not know - thousands, millions of people, I suppose, from the Province of Quebec, from other parts of the country and that would have a devastating effect on an area of land of this Province where there is - what? - one-quarter of the population of St. John's, I guess, the largest centre in the Province. Untold effects; we can all drive in now to Churchill Falls in the Summertime and have a look at the reservoir, the 26,000 square miles of fresh water known as the Smallwood Reservoir, and see the dead trees and the mercury pollution that was discovered there in the last three or four years and the other effects of that type of development. I do not know what type of effects this proposed development would have on the river valley, but one of the things I think that would have to happen was that the trees, the wood there, would have to be moved out, and some plans brought into play to deal with the sandy, muddy soil that exists all along the river and what effect that would have on the water levels, to the fishermen, the salmon fishermen, the trout fishermen, in the Lake Melville area, and the concern - well, the trappers as well. Not all that many trappers left, Mr. Speaker, and some people might not attach all that much importance to trapping to a provincial economy, but just let me illustrate with one example the importance that trapping and fishing plays to some of the families in there. Two men who are living in my district, two brothers, last year, in addition to their regular eight to five job, trapped fox, lynx, otter and beaver in their spare time, after their eight to five work, and grossed \$35,000 in a couple of months' activity. It is a fair amount of money and can mean an

MR. GOUDIE:                   awful lot to a family who may be living on a subsistence level in terms of the other work that they may be pursuing. So there are so many, I guess, social questions that have to be addressed with this kind of development. Whether or not this is the right time to appoint a select committee of the House to travel to Labrador or to any other part of the Province to examine this question, I do not know, we have heard arguments on both sides. I think a select committee should be formed, yes. The timing is a different matter.

MR. STIRLING:                 It is one of the chances that you would get to make your voice heard. It is too important to ignore.

MR. GOUDIE:                 Yes, and I agree, but there is one suggestion I would like to make in terms of timing - the hon. member who introduced the motion, the member for Baie Verte-White Bay (Mr. Rideout), might want to address himself to it. I did mention a couple of minutes ago that we are now into a process where BRINEX is proposing to develop the uranium deposits at Kitts-Michelin, and we are going through this public hearing process right now. All hon. members, from listening to the news, from watching television and so on, are aware of the concerns that have been expressed and the questions asked and the forum that people want to discuss uranium development in, the larger questions of nuclear power and so on. You know, we are just going through that one process right now. If we lay something like this, in addition, I think, on the people of Labrador particularly, where travel is a problem, where - well, there are all kinds of problems this time of the year related to travel and meetings and so on. I really do not know if it could be accommodated now whether we were to agree to it or not.

MR. STIRLING:                 (Inaudible) on timing?

MR. GOUDIE:                 Pardon me?

MR. STIRLING:                 Want to put an amendment on timing?

MR. GOUDIE: I never even thought about it really.

MR. STIRLING: Because you will notice the difference, though, is that this says a select committee.

MR. GOUDIE: Yes.

MR. STIRLING: Presumably, it would have the hon. member on it, and you can tell us where the committee should go. So, if you would put in an amendment on timing, we would support it, if you were saying like May instead of now.

MR. GOUDIE: Yes, I never even thought of an amendment. The public hearing process, as I was saying, is through now, so we are waiting, I guess, for that committee - I have forgotten what the official name of it is - to make its report to government and then some kind of a decision will be made on whether this will go ahead or not.

MR. GOUDIE: The emotional issues come out during this kind of a process and I have not thought about the timing of this. I really could not offer an amendment to suggest a time, but it would have to be, if you are going to have the majority of people in Labrador take advantage of this kind of a process, it would have to be I think, sometime during the late Fall or mid-Winter months. Otherwise, they are scattered all over the coastline fishing in their Summer fishing communities. I think I would like - I really do not want to say much more than that, but I think what I would like to do is make one suggestion. We talk about the consultation process and listening to the concerns of people in relation to hydro developments, to uranium developments and everything else. One decision which had been made several years ago, prior to the present Churchill Falls development coming into existence, was made without consultation. If my mother was here she could speak much more eloquently on this particular thing than I could.

MR. STIRLING: Your mother would vote for that resolution. Take your mother's advice.

MR. GOUDIE: She probably would, yes. But she would also suggest that the name of the Churchill River be changed back to what it was - The Grand River, or the Hamilton, either one. It was the Grand River. Maybe we could call it the Grand Falls development. I do not know what it would be referred to after that. But I really think that should be done, and I have never suggested this to my colleagues, it only came to my mind while the Leader of the Opposition was speaking. So that is just one thing there I thought I would mention.

But certainly the Leader of the Opposition addressed himself to some very important, related issues, the other developments which would take place following this type of hydro development, and I think it is something that we have to be concerned about. I agree in principle with this resolution. The timing is another matter and I really do not feel qualified to address myself to it right now because I did not consider an alternate time for it.

Thank you, Mr. Speaker.

MR. SPEAKER: (Baird)  
Affairs and Housing.

The hon. Minister of Municipal

MR. WINDSOR:

Mr. Speaker, I am asking leave, and I have consulted with the Leader opposite, to make a statement as it relates to the labour situation, and I understand I do have agreement to revert.

MR. SPEAKER:

All agreed?

Agreed.

By leave, the Hon. the Minister

MR. WINDSOR:

Mr. Speaker, there are a couple of items that I would like to bring to the attention of the hon. House to keep them fully advised of the situation, particularly the very serious situation, as we are all aware, relating to the hospital support staff. I have to advise hon. members that this afternoon in the negotiations that have been ongoing now for the past two days with the Treasury Board and hospital officials and with the two unions involved, NAPE and CUPE, with the assistance of the Department of Labour and Manpower, that unfortunately this afternoon on an offer that we made to them relating to salaries, which we feel was a fairly generous offer which was laid on the table by our negotiating committee, our negotiating team, the union negotiating team did not even wish to consider this particular offer and left the bargaining table, left the room and, indeed, left the hotel and did not have any dialogue at all with either our negotiators or with the people who were there in a mediation capacity. So it is an unfortunate turn of events but I did wish to inform hon. members before the day ended so that they would be aware of that very unfortunate situation.

On a much more positive note, however, I have also been advised that just very recently, just over the last few moments, in fact, we finalized a tentative agreement with the police brotherhood which the negotiating committee are now prepared to take back to their membership and recommend acceptance. And, similarly, with the St. John's Firefighters Brotherhood, they have also tentatively reached agreement

MR. WINDSOR:

with our negotiating team and they as well will be going back to their membership over the next day or two and recommending acceptance of that. So we have both a positive and a negative note. Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (BUTT):

The hon. member for Terra Nova.

MR. LUSH:

Mr. Speaker, I want to say that this is certainly distressing news indeed, to know that these negotiations have broken down. Without any information, of course, relating to just what the offer was, there is not much we can say other than to point out the seriousness of the situation, serious to all of Newfoundland and it is, indeed, a matter that all Newfoundlanders should be concerned about. It

MR. LUSH:

is a very, very serious situation and as we look into the details of the offer, when we can get them, we will have a little more to say. But suffice it to say that it is distressing news, a serious situation and a matter with which all Newfoundlanders should be concerned.

MR. SPEAKER (BUTT):

I assume we will continue debate on the hon. member for Baie Verte-White Bay's (Mr. Rideout) motion. All right. The hon. member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, I did not know if the Minister of Rural, Agricultural and Northern Development was finished or not. I would like to echo some of the comments that the minister did make. In fact, with all due respect to the minister he was quite in favour of our motion. We have shown concern in this motion that has been presented by the hon. member for Baie Verte-White Bay (Mr. Rideout) and the concerns were expressed by the Leader of the Opposition (Mr. Jamieson) and also by the Minister of Rural, Agricultural and Northern Development.

Mr. Speaker, I am going to mention in particular, the environmental aspects of the cre development in supporting this resolution and saying that we should have a select committee set up of members of this House to look into all aspects of hydro development, in particular pertaining to the Churchill Falls Development. As the Minister of Mines and Energy mentioned the federal government has been doing an environmental assessment review on the Upper Churchill and other hydro potentials within Newfoundland and Labrador. However, there is a lot of work left undone and there is a lot of other information needed before any development should take place on, in particular, the Lower Churchill. I just note there from this assessment review that - well, I am going to make some quotes from here if I am in order - that there was some intention of using PCB compound in the cable liquid. Now if this hydro development of the Lower Churchill does proceed on schedule in the next year or so, and if there are any indications of PCB compound being used as the



MR. WARREN:

cable liquid, with all due respect, comments have been made about PCB being left at the radar sites throughout Newfoundland and Labrador I am sure that the Minister of Environment has been bombarded with questions and comments concerning the safety of PCB.

Now, if this project does go ahead as scheduled and PCB is used, I am just wondering what has been done environmentally-wise to see that all the safety of the wildlife, the fish and persons are protected. Now, the hon. Minister of Rural, Agricultural and Northern Development mentioned that two trappers made in excess of \$35,000 last year trapping in this area. Now what will happen if more of the Churchill River is diverted or slowed down? As you know from the Upper Churchill, when the Upper Churchill went on stream - and the hon. minister can also vouch for this, that the flow of the Churchill River has decreased tremendously. Sand bars came up out of nowhere that we did not even know existed. And, also, another thing that we should take into consideration is, when they do let excess water off from the Upper Churchill and this excess water flows down, it is running into Happy Valley-Goose Bay and the river bank erosion takes place. And at the present time, there are eight or twelve homes in Happy Valley-Goose Bay that are pretty well toppling into the river and this has been caused by the flow of the Churchill River and its going on and coming off.

Mr. Speaker, if this

MR. WARREN: Lower Churchill does go ahead, BRINEX has proposed and is in agreement with Newfoundland and Labrador Hydro that a power line would be constructed from Happy Valley-Goose Bay in to Kitts-Michelin. Now, here we see a company that, in all due respect, that very little, very little money will come into the pockets of Newfoundlanders. The majority of this money, the money that will be derived from this uranium, will go back to companies outside of Canada. Now, we have the Lower Churchill, when it does go ahead on the power line transmission, will go into Kitts-Michelin to generate electricity for this site and for the great bulk of the revenue going down into companies in the United States and in Germany. Now, Mr. Speaker, I believe I will mention also about the hon. minister that the rights of the people are of great concern. If that hydro line is going into Kitts-Michelin, how about the people in Makkovik and Postville who will be only 12 and 7 miles away from that hydro line? You know, there definitely should be consideration given that if the hydro line is coming in there, at least Newfoundland Hydro and the government, or BRINEX or whatever it may be, should definitely take into consideration those 765 people who live in those two communities and see that at least we, as Newfoundlanders, those people, as Newfoundlanders and Labradorians, do derive a benefit from the Churchill Falls.

Mr. Speaker, I would like to quote from the Minister of Energy (Mr. Barry) on another topic. He said on August the 31st that there are certain options open and the final figures prepared by the consultants will tell the tale to which route we will take. Actually, what he was referring to is the whole development in Labrador concerning the Churchill Falls and, you know, this year - we give another 15 days we will be approaching 1980 - and basically what the minister has said, he has said it in this House before and he has said it time and time again, in 1980 there is going to be a start on the Lower Churchill or the Muskrat. Mr. Speaker, in due respect to all studies that have been done, in due respect to the environment assessment that has been done by the Federal Government

MR. WARREN: and other consultant groups, there is the whole social impact on the people in Labrador. I believe if we go back in history long enough, we will notice that the Indians in Northwest River, the Indians in Northwest River have used the land from Churchill Falls to Happy Valley as their trapping grounds and their hunting grounds. Only just last year, pretty well the whole population from Northwest River took their tents and their families and moved up about 45 miles up the road from Happy Valley-Goose Bay and stayed there for about a month. This is their style of life. If this development goes ahead - until we can all sit down, members of this House can sit down with the people - you know, we have to face something, Mr. Speaker, that we have to come to grips with, is that people like to talk to people who are concerned about them. Now, what I am trying to say is that if there is a select committee from this House, it is representative of the people, whether it is the member from Grand Falls or Baie Verte-White Bay who is on the panel or the member from Naskaupi or the member from Torngat who is on that panel, we are the people who have been elected by the people to represent them. So they feel much more at ease, they feel much more satisfied to sit down and listen to our pros and cons and for us to listen to their pros and cons than to sit down with a bunch of intellectual lawyers or doctors or consultants who do not even know that there is an Indian living in Northwest River. I think the Minister of Rural, Agricultural and Northern Development (Mr. Goudie) has pretty well said the same thing in a nutshell, that what we need -

MR. WARREN:

this is why we are asking for this. We are talking about a very major project, a very extremely major project that will not only benefit Newfoundland and Labrador financially but it will have a serious environmental impact on the lives of the people in Labrador. So this is why we are accounting for this sort of a select committee from the House, is that three or four members, or six or seven members can go up and talk to the people and talk to the companies and talk to the government departments that are going to be involved up there. You know, there is a big chance of Happy Valley-Goose Bay becoming a metropolis once again. There in 1968 there were something like 15,000 people living in Happy Valley-Goose Bay. Today we have less than 7,000. What happened to them is because the United States Air Force have pulled out, Labrador Linerboard have gone bankrupt, whatever you mind to, but the whole fact is that we could have an influx of people moving into Happy Valley-Goose Bay by the results of the Lower Churchill and probably the people and the conditions are not ready for it. So this is why I have to support this motion and say that we need a select committee of the House, a select committee that can sit down with companies and with people and with the ordinary human beings of this Province and tell them and let them know what to expect if the Lower Churchill will go ahead.

Mr. Speaker, I again would like to -  
I hope you are not expecting me to continue until six o'clock, are you? I am sure somebody will have a few minutes to say something -  
I would like to reiterate that it is a very extremely touchy ground we are treading on if we go ahead and take for granted what the federal government has reviewed in their environmental assessment, take for granted what the Minister of Mines and Energy is saying, "Look, the Lower Churchill is there and by 1980, regardless, we are going to go ahead as scheduled." Mr. Speaker, I believe those public hearings in the Kitts-Michelin uranium have proven that there is a touchy subject and that is the whole aspect of environment in the area. Now if the people

MR. WARREN:

have balked so much, have called on the government, have called on Madam Minister of the Environment until she said, okay, we will go ahead and have public hearings in the Kitts-Michelin uranium deposit, we will have public hearings in this respect, now if public hearings were necessary here, which I firmly believe that they were necessary, then again I think a select committee could probably divert any public hearings that will be called for down the road on the Lower Churchill. I am sure these public hearings, I am sure the minister cannot give me an accurate figures as to how much it did cost the government, but I would venture to say it cost this government a substantial amount of money for those public hearings for the last eight or ten days that were held in Coastal Labrador. And by having a select committee of this House established to look into basically those same kind of things that we could stop a public hearing probably next year or the year after down the road.

Mr. Speaker, I think as our hon.

member for Baie Verte-White Bay (Mr. Rideout) has said, that we need this kind of consultation with the people. We are dealing with the people's lives, whether it is financially or environmentally, we are still dealing with the people's lives. So I support the hon. member's motion and hope that the members opposite will do likewise. Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. ROBERTS: Mr. Speaker, if there is nobody on the other side who wishes to speak, let us call it six o'clock, because I understand there is another public engagement of a private nature to which some hon. gentlemen intend to repair.

MR. SPEAKER: (Simms) It is agreed to call it six o'clock, then?

MR. ROBERTS: I will move the adjournment. Sorry, my friend from Stephenville?

MR. STAGG: Are we all invited?

MR. ROBERTS: Well, only the good guys are, so the gentleman from Stephenville would have to decide for himself, Mr. Speaker.

MR. SPEAKER: You adjourned the debate?

MR. ROBERTS: I adjourned the debate, Mr. Speaker.

On motion, the House at its rising adjourned until tomorrow, Thursday, until three o'clock.