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PRELIMINARY

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DEBATE

HOUSE OF ASSEMBLY

FOR THE PERIOD:

3:00 p.m. - 6:00 p.m.

MONDAY, JULY 16, 1979

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER (Simms): Order, please!

It is my pleasure, on behalf of all members of the House to welcome two visitors who are seated in the Speaker's Gallery, Jean-Maxime Leveque and Jacques R. Mignon, the President and Director of the Credit Commercial de France.

SOME HON. MEMBERS: Hear, hear!

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES:

MR. SPEAKER: The hon. member for Menihek.

MR. P. WALSH: Mr. Speaker, on behalf of the select committee appointed to draft a reply to the Speech from the Throne to the Lieutenant-Governor, I present the report of the select committee as follows: " To His Honour the Lieutenant-Governor, May it please Your Honour, we, the Commons of Newfoundland in Legislative Session assembled, beg to thank Your Honour for the gracious speech which Your Honour has addressed to this House. (Signed) Peter Walsh, Randy Collins, and Trevor Bennett."

NOTICES OF MOTION:

MR. SPEAKER: The hon. Minister of Justice.

MR. OTTENHEIMER: Mr. Speaker, I give notice that I shall on tomorrow ask leave to introduce the following bill, "An Act To Amend The Unified Family Court Act."

MR. SPEAKER: The hon. Minister of Social Services.

MR. HICKEY: Mr. Speaker, I give notice that I will on tomorrow introduce a bill, "An Act To Amend The Adoption Of Children Act, 1972."

ORAL QUESTIONS:

MR. SPEAKER: The hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, this question to the Minister of Lands and Forests, and I would be grateful for a short preamble. As the minister knows, and the House knows, this Province

MR. FLIGHT: has gone through a very agonizing period re the forest fire situations. We saw as high as fifteen fires going at one time; one or two major fires that had the effect of threatening economies of the areas in the Province and even threatening the safety of communities. The feeling was rampant in the areas most affected, Mr. Minister, that the Province - we were sure that we had the ability to cope. Now this side, and I am sure all of Newfoundland, have got a great deal of admiration for the way the firefighters, and all the people involved in the forest fire fighting,

Mr. Flight: performed admirably and we appreciate their efforts.

But I would then like to ask the minister in view of what we have come through, in view of the seriousness of the situation, is he confident that we were in control, that his department was coping to the extent that the people of Newfoundland had a right to expect? Was the minister confident that the Province was getting the kind of protection that we have a right to expect in that situation?

MR. SPEAKER (SIMMS): The hon. Minister of Lands and Forests.

MR. MORGAN: Mr. Speaker, to be in total control I guess would be in control of the weather conditions and that is something we do not have on this side of the House at this time.

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: However, being in control of the staff of the department and doing the job they have been doing in fighting fires, some months ago, the House will recall, I said in the Assembly then we were in a potentially dangerous situation in the Province because of the extreme low water tables in the Province and extreme dryness in the forest areas, and there was a potentially dangerous forest fire situation. And since that time, of course, unfortunately my words have come true there was a dangerous situation and in fact still is.

However, the firefighting crews I would say are the best crews anywhere in Canada.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: And our water bomber pilots in particular have been doing a tremendous job under very sometimes hazardous and very demanding times, and I have to heap praise on these pilots and crew members in particular for the fine job they have done in that one fire alone which now has burnt more than 60,000 acres of forest area in the general area of Gambo - Glovertown.

We are hoping that our residents using the forest areas will co-operate with us in being extremely careful.

Mr. Morgan: We are counting on, and again without having control over, getting some further wet weather conditions like we had the past few days which helped substantially to control or contain somewhat the major forest fire we had which burnt over 60,000 acres.

Mr. Speaker, in answering the question I would like to point out that it is difficult to control a large forest fire. I recall reading in an editorial recently in the local paper that we were doing nothing to control a forest fire burning out of control. That editorial, in my view, is irresponsible, because we presently have major forest fires burning out of control in Alberta, in the Province of Ontario, and once a fire spreads by means of heavy wind conditions, high velocity of winds like we had in the recent fire caused by lightning, fires, for example, can spread as much as eight miles in four hours, and that happened. And to answer the hon. gentleman's question I am convinced we do have control of the situation by means of our crews; however, we are counting on the co-operation of the general populace of our Province.

MR. FLIGHT:

A supplementary, Mr.

Speaker.

MR. SPEAKER: (Simms)

A supplementary.

MR. FLIGHT:

Mr. Speaker, I can understand

the feeling of ill-ease amongst the general public of this Province during the fires when an official of the Forest Department made a statement that in one fire in particular "we would probably have to let it burn to the sea. We have lost control and we will have to let it burn itself out." I might remind the House that there were communities between that fire and the sea.

Now, Mr. Speaker, in 1961,

I think the year that is comparable to this one, we had something of the same kind of a situation, there was perceived in this Province a crisis. I was wondering, Mr. Speaker, if the minister considered calling in the Armed Forces as was done in 1961? That is one alternative. What would have happened if a major fire had broken out somewhere else? Did the minister consider the possibilities available to him other than spreading so thin, as obviously was spread, the capabilities that he has? What other precautions was the minister looking at and did he consider bringing in the Armed Forces or taking any other measures that would have solved and contained the fires and stopped them from becoming the major fires that they were? Because one of those fires, the major one of all, burnt three days before it got out of control.

MR. SPEAKER:

The hon. minister.

MR. MORGAN:

Mr. Speaker, when the

fire was burning out of control, the senior staff and myself met almost hourly for that two or three day period. We were in constant contact with the law enforcement agencies in the area, the RCMP, and we did have a contingency emergency plan in place. However, I would like to point out we never did lose control of the direction of the fire. The forest fire fighters using water bombers were in

MR. MORGAN: control of the direction. They were able to keep the fire directed away from Glovertown and Saunders Cove in particular by means of keeping the fire on the West side of the watersheds in the area. If we had lost control by the fire spreading East of these watersheds, we would have possibly declared the situation emergency and called for help from, possibly, the Armed Forces, possibly the Armed Forces or other sources of that nature. But we never did feel we had lost control of the direction, and that was our main aim and objective at that time.

MR. SPEAKER: (Simms) Hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, I would ask the minister, when most of the fire fighting equipment in the Province was concentrated on the fires burning, the minor fires and the two major fires, was the fire fighting capability of Labrador protected in the event because there was some talk that it was just as dry in Labrador as it was in Newfoundland? Did we have adequate fire fighting facilities, capabilities, water bombers and that kind of thing left in Labrador that would not have been taken out of the Province to get into Labrador in the event of a major fire there?

MR. SPEAKER: The hon. minister.

MR. MORGAN: Yes, Mr. Speaker, that was a decision we had to make. When we needed, we thought, extra water bombers, we had one stationed in Labrador and the question

MR. MORGAN: was whether or not to relocate that water bomber from Labrador - it was stationed there - to the fire in the Gambo-Glovertown area. However, because of the potential danger as well in the Labrador portion of the Province we kept - and, in fact, it is still there - a water bomber, and assigned to the bomber, I think, are three helicopters. So we do have a potential fire fighting force in Labrador. We did not remove that despite the fact it was tempting because of the fire possibly spreading to Glovertown-Saunders Cove for a while there last week. But it never was taken away and in fact they do not intend to take it away unless it is really an emergency.

MR. LUSH: Mr. Speaker.

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

MR. LUSH: I wish to ask a couple of supplementary questions to the same minister regarding this fire. I certainly do not want to appear to be an alarmist but it was and is a serious situation, particularly to the area of Glovertown in my district and it is certainly a serious fire that involves something like in the area, I think the minister said, of sixty square miles, which is half the area of the Terra Nova National park, so quite a serious fire and there are some concerns being raised by the public and I think they should be reassured that certainly we do have reasonable forest fire protection capabilities.

Along the same line, there were some concerns expressed in the area that maybe the fire bombers in particular were slow in getting to the area. I think two or three people mentioned that it took about three hours from the time the fire was reported until people got there. And the question to the minister is, What generally is the time in getting everybody alerted? I am sure it varies with the distance and this sort of thing, but for Glovertown I think Gander is the central point and maybe three hours was a reasonable time and maybe it was not. I wonder if the minister could comment on that, the length of time it takes from the time you get notification, the water bombers and this sort of thing, to the time they get to a fire?

MR. SPEAKER: The hon. minister.

MR. MORGAN:

Well, Mr. Speaker, the only reason there would be a delay in getting a water bomber from a stationed location, like, for example, at Gander, to the exact location of a fire would be possibly weather conditions like fog or something of that nature like we had last week in Gander. We could not get the water bombers off the airstrips. We have stationed at Gander a temporary station with accommodations for the water bomber pilots and crews and they stay there at a trailer accommodation on the airport itself, and within a matter of minutes of getting a call on a fire, the water bombers will be in the air, providing, of course, that weather conditions will allow.

MR. J. MORGAN: The time it takes to get to the fire again depends on the distance away from the location where the water bombers are stationed because these bombers are very slow moving air vehicles. They travel, I think, a maximum of seventy miles per hour, which is slow compared to most air vehicles and it may take a while but there is no way would it take three hours to get from Gander to Glovertown unless there was weather conditions preventing the plane from getting off the ground initially.

AN HON. MEMBER: Hear, hear. . .

MR. T. LUSH: Final supplementary, Mr. Speaker.

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

MR. T. LUSH: Another concern, Mr. Speaker, again raised by the residents, because I was there on three different occasions and I know that the minister was there as well, looking at the situation, another concern was the mechanical condition of the bombers. I do not know how many are employed in that area but for most of the time there seems to be two around. There always seems to be one bomber that was down mechanically, or two, which raises the question, the condition of the bombers that we are using and certainly with the kinds of fire conditions that we have in this Province it is incumbent that we have A-1 equipment, particularly in terms of the water bombers. So could the minister comment on the kind of equipment that we have?

MR. SPEAKER: Hon. Minister of Lands and Forests.

MR. J. MORGAN: Well, Mr. Speaker, at the beginning of the season the water bombers, we make sure they are all in excellent condition. This has been done through the office of my colleague the Minister of Transportation and Communications (Mr. C. Brett) who is responsible for Air Services Division. They carry out a total refurbishing and overhaul of these aircraft to a total of seven. That is done prior to the commencement of the potential forest fire season. But, however, because of the demand on the

MR. J. MORGAN: equipment itself, I mentioned demand on the pilots and crews but also there is a very heavy demand on the bombers, landing in ponds, picking up water and dropping and landing and dropping. They often make as high as seventy-five to eighty drops per day, which is a substantial demand on equipment. And we did have some problems with regards to the equipment. We lost a couple of motors, by the way. For example, in a recent fire we what the pilots call 'blew the motors' and we had to replace them. But, however, because of our efficient maintenance staff - and I will say we have a very efficient maintenance staff on the maintenance of these aircraft - working night and day were able to get the planes back in the air in a matter of hours.

MR. SPEAKER: (Simms) Hon. member for Terra Nova, one final supplementary.

MR. T. LUSH: During the time when the fire was at its greatest intensity, of course, it was practically impossible to employ firefighters because of the danger, but again there was some concern expressed that maybe the working crews, the men, the firefighters could have been on the site a little earlier. But I can appreciate the worry there where the fire was so big.

MR. T. LUSH: but I am wondering, now that the fire is lessened somewhat, whether we are at the stage where firefighters can be employed for twenty-four hours around the clock?

MR. SPEAKER (SIMMS): Hon. minister.

MR. J. MORGAN: Well, Mr. Speaker, it seems that there never was a problem in connection with getting - we will call them 'volunteers.' They are not volunteers once they come on staff in working and fighting a fire. We pay them a salary of \$35 per day and their expenses. We have never experienced any problem in getting the number of required forest firefighters. If we ever did, of course, we would have to look at the possibility of employing a number of them on a seasonal basis. Because we have never experienced that problem we have had no consideration given to keeping them on around the clock.

MR. SPEAKER: The hon. member for Bonavista North.

MR. L. STIRLING: Thank you, Mr. Speaker.

I also have a question for the Minister of Lands and Forests (Mr. Morgan). I happen to represent the district that was wiped out in the 1961 fire and many of those who are available for work are available because there is no work available on a permanent basis. From the answers the minister has given it is obvious that firefighting consists of having a number of observers around and watching the wind, saying, "Boys, I think she is looking bad but if the wind turns around it is all right and if it rains we will be okay." I wonder if the minister can answer a question dealing with Bonavista North specifically. There was a news report that in the fires that started in Trinity and Indian Bay, and now in the Gambo fire, that there was evidence of arson. Has the minister pursued that question and does he have an answer?

MR. SPEAKER: Hon. minister.

MR. J. MORGAN: Mr. Speaker, in reply to the preamble of that question, I would like to point out that the forest firefighters, many of them from the area of Bonavista North, surely would not appreciate

MR. J. MORGAN:

their watching the winds and, watching the rains over the last number of weeks instead of fighting a fire. They worked pretty hard. The question of these fire causes this year - a total of 81 fires to date that we have looked at and investigated there is a possibility of either the fire has been set deliberately or set not deliberately but through carelessness. The remaining fires, the majority of these fires were caused by

MR. MORGAN: lightning, in most cases lightning, like the large fire we had recently was caused by lightning. In some areas of the Province, one of them being the Hare Bay area, which is Bonavista North, we have reasons to believe, and I say reasons to believe, that there was some arson. Fires were being deliberately set. These matters are now being thoroughly investigated by the law enforcement agencies, the RCMP in co-operation with the officials of the Department of Forestry, and we are determined, if we can find tangible evidence that they were set deliberately, that there will be prosecutions.

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

MR. ROBERTS: Do you have a supplementary?

MR. STIRLING: Yes.

MR. NEARY: My hon. friend has a supplementary.

MR. SPEAKER: A supplementary, the hon. member for Bonavista North.

MR. STIRLING: Thank you, Mr. Speaker. Will the minister now be hiring - we are in the middle of Summer, and in view of all of the points that he has made will he now be hiring and training additional men to put on stand-by in these areas?

MR. SPEAKER: The hon. Minister of Lands and Forests.

MR. MORGAN: As I mentioned earlier, Mr. Speaker, unfortunately the hon. gentleman from Bonavista North was not listening when I answered the question put forward by his colleague from Windsor-Buchans (Mr. Flight), that we do have the most competent forest fire fighting staff anywhere in Canada.

MR. FLIGHT: But not enough! But not enough!

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, my question is for the hon. the Premier, Sir. In view of the fact that the Throne Speech expressed grave concern on the part of the government to try and get

MR. NEARY: a, "commitment from the Government of Canada to the continued operation of the railway and its significant upgrading over time," to quote the Throne Speech directly, would the hon. gentleman indicate to the House if the provincial government have taken any action to stave off the lay-off of fourteen operator positions with CN and eventually the lay off of twenty-six station managers in the Province?

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

PREMIER PECKFORD: Mr. Speaker, I am not aware of the lay-offs that the hon. member refers to but I will take the question under advisement and pursue it with all diligence over the next twenty-four hours.

MR. NEARY: A supplementary question, Mr. Speaker. I am completely amazed, Sir, and shocked that the hon. gentleman is not aware that his counterpart up in Ottawa is going to close down twenty-six stations in this Province, with a view to phasing out the railway branches to Carbonear, Bonavista and Argentia, and the hon. Premier does not know about it, Mr. Speaker. I want to ask the hon. gentleman if he has been informed by any official

Mr. Neary: in the Government of Canada or by the Minister of Transport (Hon. Donald Mazankowski) in the Government of Canada that they are indeed going to lay off the station mangers, lay off the operators and close down twenty-six stations in this Province and eventually close down the branch lines to the areas that I just mentioned?

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

PREMIER PECKFORD: I just answered that question, Mr. Speaker.

MR. NEARY: Mr. Speaker, do I understand the hon. gentleman correctly that the hon. gentleman does not know if it is the intention of Canadian National, a Crown Corporation of the Government of Canada, to close down three major branch lines in this Province when the hon. gentleman in the Throne Speech expressed a view to have a continued operation and upgrading of the railway in this Province? The hon. gentleman knows nothing about any layoffs or any close down of these branch lines? Do I understand the hon. gentleman correctly?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, I think I answered the hon. member in the initial question that he asked.

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

MR. SPEAKER: Order, please!

MR. NEARY: In the event -

MR. SPEAKER: Order, please! If I might, my understanding of the hon. Premier's reply is that he was taking the question under advisement and would report on it within the next twenty-four hours.

MR. NEARY: A supplementary then, Mr. Speaker. After the hon. gentleman gets his advice, and the hon. gentleman is convinced in his own mind that these branches are going to be closed, what steps will this government take to stave off any closure of the branch lines that I mentioned until the Advisory Committee that was appointed recently makes its recommendations of how freight can be put back and passengers can be put back on the rail line in this Province?

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

PREMIER PECKFORD: Mr. Speaker, I indicated to the hon. gentleman in response to his first question that I will take the matter that he has raised under advisement and report back to the House in twenty-four hours, and therefore what action will be taken is dependent upon confirmation or otherwise of the information as the hon. member has provided here this afternoon.

MR. SPEAKER: The hon. member for Grand Bank.

MR. THOMS: Mr. Speaker, I think everybody by now knows there are approximately 130 dead whales on the beach near Point au Gaul. I would like to ask the Minister of the Environment (Mrs. Newhook), Consumer Affairs and Environment, if I understand correctly, what steps are being taken to dispose of the approximately 130 dead whale carcasses in that area?

AN HON. MEMBER: That is federal.

MR. THOMS: No, once they are dead it becomes the responsibility of the Provincial Department of the Environment.

MR. ROBERTS: A whale of a problem.

SOME HON. MEMBERS: Oh, oh!

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

MRS. NEWHOOK: Mr. Speaker, I am advised by my department that our men are looking for a suitable stretch of remote deserted coast line to which these mammals can be towed and they can be partly -

MR. ROBERTS: Mr. Speaker, I wonder would the hon. minister speak into the microphone.

MR. SPEAKER: Order, please!

MRS. NEWHOOK: Oh, I am sorry.

Mr. Speaker, I understand from my department that our people are looking at a

MRS. H. NEWHOOK:

suitable remote deserted stretch of beach line where these mammals can be towed, partially buried and left to decompose. They cannot be towed out to sea as I understand that this could be a hazard to shipping. But we do have an alternative and Fishery Products has asked our department if we would hold off on a decision of this kind for a number of hours until they can find out whether or not it is going to be feasible for them to process this meat and to extract the oil for other purposes. And this we will be doing.

MR. L. THOMS:

A supplementary, Mr. Speaker.

MR. SPEAKER (SIMMS):

A supplementary, the hon. member for Grand Bank.

SOME HON. MEMBERS:

Hear, hear!

MR. L. THOMS:

If I may I would like to direct a supplementary question to the Minister of Fisheries (Mr. W. Carter) to find out whether or not and what steps are being taken to control the pothead herd in this Province which is causing extensive damage to fishermen's gear.

MR. SPEAKER:

The hon. Minister of Fisheries.

MR. W. CARTER:

Mr. Speaker, the matter of controlling whales, the setting of quotas, lifting bans is certainly the responsibility of Ottawa and I would think -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. J. MORGAN:

And control the weather besides!

MR. W. CARTER:

I would certainly think that my very efficient and active counterpart in Ottawa is looking at that problem and will find some solution to it.

MR. F. ROWE:

Mr. Speaker.

MR. SPEAKER:

The hon. member for Trinity - Bay de Verde.

MR. F. ROWE: Mr. Speaker, I would like to address a question to the Minister of Fisheries (Mr. W. Carter), Sir. I wonder if the minister could explain to the House why nineteen small craft harbours projects that were approved in March or April of 1979 at a cost of approximately \$2.9 million, why some hon. members cannot get any indication as to the exact status of these projects as to whether they will go ahead or not this year in nineteen communities such as Jackson's Arm, Margaree, Musgrave Harbour, Red Bay, Red Harbour and I will not go through the whole list. Would the minister explain why we cannot get some indications as to the status of these projects?

MR. SPEAKER (SIMMS): Hon. minister.

MR. W. CARTER: Mr. Speaker, I am sure that the hon. member is as aware as I am that that is a question that should be more properly directed to the Federal Department of Fisheries or the Department of Public Works. But certainly insofar as the freeze is concerned, or the so-called freeze, I have discussed that matter with the federal minister and I am assured by him that it is a very temporary thing and once the ministers get a chance to sort things out that then the freeze should be lifted.

MR. F. ROWE: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. F. ROWE: Do I understand correctly, Mr. Speaker, that the Provincial Minister of Fisheries has indeed made representation to the Federal Minister of Fisheries regarding

MR. F. ROWE: these nineteen projects and that they will definitely go ahead?

MR. SPEAKER: (Simms) The hon. the Minister of Fisheries.

MR. W. CARTER: Sir, I have talked to the minister about the freeze generally, not about any specific projects or the nineteen he referred to. Again I can only repeat that I have talked to the minister and he has assured me that the freeze is temporary until they get a chance to sort things out and hopefully it will be lifted. That is all I can tell him at this time.

MR. F. ROWE: Mr. Speaker, a further supplementary.

MR. SPEAKER: A supplementary.

MR. F. ROWE: Would the minister undertake, Sir, to try to get a definite indication from the federal minister as to when the freeze will be lifted and to give this House some assurance that, indeed, these nineteen projects will go ahead this year?

MR. SPEAKER: The hon. minister.

MR. W. CARTER: Mr. Speaker, I have made representation to the minister and again I can only repeat that the freeze, I am told, will be lifted once the various projects have been studied by the new government and sorted out by the new ministers.

MR. HODDER: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary, the hon. the member for Port au Port.

MR. HODDER: A supplementary to the Minister of Fisheries. Just as a preamble to the supplementary and to refresh the minister's memory, one of the projects - I do not know if it was one of these nineteen projects or not - one of the projects which came from the Economic Growth component of Canada Manpower of \$1,066,000 for the Blue Beach project, which would be the cornerstone of the fishery in the district of Port au Port, I understand from the Small Craft Harbour people that this particular project looks very doubtful at the present time. I would like to ask the minister if he can give the same assurances for that particular project as he did for the other eighteen?

MR. SPEAKER: (Simms)

The hon. the Minister of Fisheries.

MR. W. CARTER:

Mr. Speaker, the hon. member should know better, that I cannot give him an assurance that the Blue Beach project will proceed as planned. It is a federal project being funded by the federal government and if they elect to put a freeze on the money that is needed to put that facility in place that is their business. I can certainly make representation to them but when it comes to insuring that the project proceeds as planned, he knows, as I am sure do all members of the House, that I have no power in that regard.

MR. HODDER:

Mr. Speaker, a supplementary.

MR. SPEAKER:

A supplementary, the hon. the member for Port au Port.

MR. HODDER:

This particular project, in which the first phase is completed but which is of no use until the second phase is completed, the minister must know that the provincial government infrastructure and the amount of money that has been already expended by, say, the Fisheries Loan Board to people who have bought longliners to use that particular harbour and which is one of the largest developments of its kind on the West Coast, which may bring prosperity to the fishery in Port au Port, has the minister spoken about this major

MR. HODDER:

project to his counterparts in Ottawa? And where is the co-operation that we heard about in the election?

SOME HON. MEMBERS:

Hear,hear!

MR. SPEAKER: (Simms)

The hon. minister.

MR. W. CARTER:

Mr. Speaker, we are very

much aware of the expenditures that will be required to provide the necessary infrastructure at Blue Beach. For example, three phase power, I am told, would cost probably \$250,000. The upgrading of that six or eight mile stretch of road to Blue Beach will have to be put in better condition and thereby costing probably another \$250,000 or \$300,000. We are very much aware of the Province's responsibilities in that regard and I can only say that once the project progresses - I might add, by the way, that we are not entirely happy as a provincial government with the design of the harbour that is being placed there. We think it is probably inadequate to accommodate longliners. We are not sure that it is big enough, and I think we have made our views known to Ottawa in that regard. But certainly when it comes to the Province's responsibilities, I have no doubt that my colleagues in Cabinet will give the appropriate department, whether it be Public Works, Highways or Fisheries, the necessary money to undertake the improvements when the time comes.

MR. SPEAKER:

The hon. member for

LaPoile.

MR. NEARY:

Mr. Speaker, my question

is for the hon. the Premier. We understand that the hon. gentleman the moment that the election was over issued instructions to have a review made of all Crown Corporations, positions of Deputy Minister, Assistant Deputy Minister and senior Civil Servants. First of all I would like to ask the hon. gentleman to confirm whether or not this is correct and if so would the hon. gentleman indicate to the House what the purpose of this review might be?

MR. SPEAKER: (Simms)

The hon. Premier.

PREMIER PECKFORD:

Mr. Speaker, there is and

will be for the next two or three months a review of all the functions, aims and objectives of agencies and Crown Corporations of the government undertaken by myself and Cabinet. There will also be a review of the aims and objectives and the mandates of all the departments in the government in consultation with the senior staff and the minister and deputy minister and so on of those departments. And after that review has been done, over a three month period or so on, government will then review all that information, review all those discussions and make decisions relating to the ongoing mandate for these various departments, the personnel of these departments, the ongoing mandate of the agencies, the Crown Corporations and the personnel of those agencies and Crown Corporations.

MR. SPEAKER:

Order, please! I am

advised that the time for Oral Questions has expired.

ORDERS OF THE DAY

MR. MARSHALL:

The Address in Reply.

MR. SPEAKER:

The Address in Reply.

The hon. Leader of the

Opposition.

SOME HON. MEMBERS:

Hear, hear!

MR. JAMIESON:

Mr. Speaker, during the

opening day ceremonies, over which, may I say in passing, I and my colleagues and I am sure all members present felt you presided admirably, on that occasion I indicated in rather detailed form the attitude that we on this side of the House would take with regard to the government's programme so therefore there is really no necessity for me this afternoon to repeat myself other than to emphasize what I said then and which continues to be of immense importance, namely, that we on this side of the House are prepared to co-operate fully with the government on any measure that is demonstrably and clearly

MR. JAMIESON:
of Newfoundland.

for the benefit of the people

In my approach to this particular debate, I confess I found myself in something of a quandary and perhaps I can begin by saying that while there is a good deal of talk in the Speech From The Throne and in the Premier's remarks which followed about new beginnings and new dawnings, the fact of the matter is of course that we are not witnessing a new beginning here today nor did we on Thursday. What we are witnessing is essentially a continuation, a continuation of a government which has been in office in Newfoundland for over seven years. There has been a change in its leadership, and I have said that I compliment the Premier and I wish him well,

MR. D. JAMIESON: But when one looks opposite it is perfectly obvious that it is, in fact, with the welcome addition, I may say, of our two new lady ministers, the same group by and large which has been directing the affairs of Newfoundland since 1972.

A second fact which I think it is important that I make this afternoon is - it is certainly not a partisan comment on my part, and if it is, it is shared by a great many objective observers - that the Throne Speech says very little that is really new. Indeed, Mr. Speaker, I think that has been the general assessment not only of those of us who might be expected to make that kind of judgement but of others in the business community, in the journalistic community and elsewhere.

Fact number three, I mentioned on the day of the opening of the House, is that I am at the moment, of course, as are my colleagues, waiting with something less than fervid anticipation to the budget debate and what is going to be said by the Minister of Finance (Dr. J. Collins) on Thursday.

So putting all these things together, it seems to me, Mr. Speaker, that I would be perfectly justified if on this particular occasion and in this debate I were to adopt the exclusive attitude of being critical of the record of this government because there is nothing other than rhetoric beyond that on which we can go. And I intend to do some of that. I may say that while I did not have access to the new budget, I went through the rather painful exercise of reading nine previous Speeches from the Throne and five budgets. I have not done so so much to score political points because, to be realistic, political points at this stage in the game a short month after an election, probably are not going to be remembered for very long anyway. But I do want, in just a few sentences, to cite part of that record, partly to remind the Government that its record has been something less than perfect,

MR. D. JAMIESON: but also and even more important to look at the record and ask ourselves why there have been these failures and why, if these failures have occurred, we do not see something new and more creative with regard to ensuring that they do not happen again. I will leave most of the statistical material for the Budget debate, but I think it is important to recall at this stage, if only in a series of one liners, some of the really unhappy news that we face in Newfoundland today. The highest level of unemployment in the whole of Canada, higher considerably than it was six or seven years ago and escalating rather than declining.

Fact number two, the highest cost of living. Only this morning the news reported that of fifteen selected cities in Canada, St. John's was the most expensive one in terms of the CPI in the last survey. If that is true of St. John's, I can assure hon. members, as they will well know, those who live outside St. John's that the situation is, in fact, even more serious in places like Corner Brook and in the remoter areas of Newfoundland.

Fact number three, an astronomical public debt in relation to the comparatively small population of Newfoundland. Now, these are not, I repeat, arguable statements. They are facts which have been recorded dismally over and over again. When one adds to that information certain other reminders which

MR. JAMIESON: I want to provide for the government, and for my colleagues now, one has to temper to some degree the optimism of the Speech from the Throne and the optimism to which I personally referred on Thursday. For example, despite extremely costly nationalization, we have not seen any new hydro developments in Labrador in the last four or five years. The Come By Chance refinery remains closed. Happily, now, there has been a revitalization, at last, of the Linerboard mill in Stephenville but only after there has been an enormously costly failure in terms of nationalization and also only after, Mr. Speaker, we have had a quite remarkably expensive bail-out of that particular operation on the basis of both the federal and the provincial governments.

Now in addition to these facts, in going through those nine previous throne speeches, buried in the Archives along with them are such promised commitments of this government to not only re-open Come By Chance but to have a second refinery, a petro-chemical industry, deep water ports, massive industrialization of Labrador, a polytechnical institute. In all of these, by the way, I am confining myself principally to the industrial development side and am omitting any comments with regard to the fishery which, if time permits, I propose to deal with at greater length later.

Now what is the conclusion that one can draw from all of this? It is, it seems to me, a bill of particulars which clearly indicates that with the exception of the fishery, which has its own particular problems, with the exception of that basic industry, the fundamental basic economic structure of Newfoundland remains virtually what it was seven or eight years ago. One cannot find in the totality a really dramatic change in the structure and consequently, therefore, one is bound to ask whether a whole new set of ideas now being put forward and all, by the way, as I said on Thursday and I repeat now, highly commendable, are going to be any more successful in the next five years than they have been in the past.

MR. JAMIESON: Now I asked at the beginning why this kind of review was necessary at all. Why do we bother to turn over the stones, as it were, or to look back over our shoulders? and I do so, I assure you, Mr. Speaker, for only one reason and that is to ask myself what the Premier and the authors of the Speech from the Throne must have asked themselves and that is why it has happened? Not just incidentally in the period of the last seven or eight years but also as the Speech from the Throne pointed out, historically in Newfoundland. And I am not sure if there is a slight irony or not in the Speech from the Throne but it does, in fact, reflect an indictment on this government also, because it does not stop abruptly at 1972 and say from that point on everything has been rosy. By the very nature of the tone which it sets it confesses that this government has been no more successful than its predecessors on the basic fundamental economic and industrial problems of Newfoundland.

When I ask myself why it has happened in the case of this government, and I read these documents, there is one thing that stands out and that is that the government, I believe, has suffered from what I fear is an all too general failing on the part of many of us in Newfoundland and that is a lack of realism. When you go through the various projects you see this thread which, in fact, in its own way the Speech from the Throne delineates, which says that we are always seeking some single major kind of way to turn things around, that as long back as the 1800s and throughout that depressing period of the '30s and so on it has been a similar story. But I suggest, Mr. Speaker, that this government, even more than most has lacked realism in its planning

MR. JAMIESON:

and two axioms come to mind which

I commend not only to the government but to all of us who are interested in development in Newfoundland. One of these is - and it is an important one - that if a fundamental idea is sound, hard work will, chances are, make it succeed. If the basic idea is wrong you can sweat blood. You can, in fact, spend tens of millions of dollars and the project will fail. Now that is written throughout the whole history of Newfoundland. It is written throughout the history of this particular government.

The second axiom - and it is one,

I believe, that highly commends itself to this particular government - is that one that is so familiar that I am never quite sure why politicians do not recognize the wisdom of it, and that is that every action brings a reaction. And when you study the history of this government over these last years, what becomes obvious is that there has been a lack of cohesion at the top. There has been a failure of co-ordination. The examples of this are legion but I will only give three or four which are relatively current which demonstrate what I am speaking about and why it is necessary for us to have both the realism and the hard-nose assessment of projects before either individual departments or ministers or members for that matter, proceed.

In terms of every action breeding a reaction,

let me, for example, first of all demonstrate that we have this day, demands from sources in the Newfoundland Government that all foreign trawlers be removed from the 200 mile limit, and not only from the 200 mile limit, but also from the totality of the Continental Shelf. That is one policy. Simultaneously, there is the promotion of a synchrolift for the city of St. John's, the very survival of which would, of course, disappear if there were not the trawlers in place that the other part of the policy is seeking to eliminate. So consequently, you cannot be doing both of these things at precisely the same time.

The second point in terms of this

inconsistency that I am speaking of, has to do with a matter which my hon. friend from LaPoile (Mr. Neary) raised with regard to the future of the railway.

MR. JAMIESON:

Now, we have as Newfoundlanders, and this House as a Legislature, endorsed that the railway should be revitalized. I must say the news we have heard today is disturbing in that regard. But in terms of contradictory policies here we see a government seeking to promote major use of rail for freight but simultaneously seeking to meet a whole series of regional demands for port development, all of which if they were to come together, would unquestionably mean a significant increase in the amount of competition for rail. You cannot, Mr. Speaker, to put it very simply, move the same ton of freight twice. And if you are going to encourage a heavy increase in the amount of direct water transport, it runs head on into the policy of encouraging and developing rail freight, in a sense the key element in that kind of transportation system.

Of course, I could cite many other examples - the enormously costly nationalization of Brinco without the follow-up being ready to know where we were going on the Labrador hydro, and then, of course, also, the stirring up of very genuine concerns which my colleagues from Labrador will know about as to what kinds of industrial development are going to go there if they go there, all of that being stirred up, people being concerned, and at the same time not enough new hydro being generated there to turn on a light bulb. So I repeat that there are these two points which I believe it is important that we and the government bear in mind.

Now I detect that in recent months, certainly in the last year and a half or so, some of these things have dawned on the government. Because in the Budget of 1978, which is the most recent one

Mr. Jamieson: to which I have any access, in any event, it is clear that the government has come to see that many of the things which it has been advocating are simply mutually exclusive with other things which it is advocating.

Now part of this Budget is a blueprint, as it is called. I have read it several times. It is, in fact, a thoughtful document and in terms of the way it sets out the facts of the matter it is not a document that one can argue with in statistical terms. I am not sure whether it is this blueprint of 1978 which is reflected in the Speech from the Throne, because each speaks of five year plans, for example, and very many of the projects and very many of the approaches are somewhat similar. But let us assume, in any event, unless we hear otherwise, that it is indeed still a valid document, that it has not gone down the drain totally within a matter of twelve or fourteen months. Now, if that is so it paints a very frightening picture for Newfoundland on the one hand. Because let me emphasize to you that in the government's own graphs what it says in essence is that unless, unless this five year programme, which I emphasize is the same presumably as the one in the Speech from the Throne, unless it works we will face a 20 per cent unemployment rate in Newfoundland by the year 1982 or 1983 depending upon whether the five years begin, as this document says, in 1977 or begins in 1978. Incidentally, the slippage is already evident. Because when you look at the blueprint, the employment figure now should be something of the order of one hundred and seventy odd thousand people. The latest statistics show it at something like one hundred and sixty odd thousand in the labour force. However, that is probably something that can be adjusted in terms of statistics.

The truth is, however, that the plan must work. Now, let us assume that it works. Let us assume that all of the things that have been said here come to pass; if that happens, the unemployment rate by the government's own admission is 10 per cent. What they are saying is, that the best we can hope to do by the year 1982 or 1983 or 1984, depending, I repeat, at which point this magical cycle starts,

Mr. Jamieson: is get it down to 10 per cent. Now that is above the national average, considerably, as the national average exists at the present time.

One other point in this regard that I think it is important to point out, and in the process of pointing it out I also want to ask what I said earlier was one of those hard questions that we will pose, so far as I can see in dealing with the per capita income, that Newfoundlanders can expect at the end of the next five years, in projecting what that income is going to be, the figure is said to be 25 per cent higher in real dollars than it was in 1977. And without becoming too convoluted with figures, I calculate that what is being said here, in essence, is that if the plan works, if the Speech from the Throne carries through in its totality, the average Newfoundlander, per capita, can look forward to an income of about \$6,300 by the year 1982 or 1983.

Now, obviously, since it is per capita, it means that there is going to be an enormous difference. And one of the things that really concerns me about this is what is going to happen to the already great disparity between those who have strong bargaining power in the economy and those who have very little capability of looking after themselves. I hope that the Minister of Finance (Dr. J. Collins) or some other appropriate minister will address themselves to this question because it is a very serious concern.

But apart altogether from that, what we are saying, unless I misread this document totally, is that given every one of those elements fitting into place, and I emphasized on Thursday how difficult that is, given that we can hope for a level of unemployment in Newfoundland of about 10 per cent at the end of the five year cycle. That is

MR. JAMIESON: the best that we can hope for. And we can hope for an income in 1977 terms of \$6300. Now, the question that I pose both in a personal kind of philosophical way but also to those who have the responsibility to govern, is, are those, in fact, the kinds of expectations that will result in the kind of satisfied public to which the latter part of the Speech From The Throne refers? If I am wrong in my statistical calculations here, I would hope that the hon. members opposite would show me. But I have, I assure you, looked at their own precise figures. Now before I get into more of the blueprint, I want to raise three or four specific matters which I believe the government ought to level with us and ought to level with the people of Newfoundland about.

The first of these is the refinery in Come By Chance. I raise it, naturally first, because it is in my own district of Bellevue. Here is a case where I can only describe it as tragic, the manner in which, following each piece of information that is dropped in, in one way or another by a minister or by someone else, I get phone calls from my constituents from as far away as Alberta saying I understand that the Come By Chance refinery is about to reopen and asking can we come home because that is what they want to do. Or people who are still living in the constituency asking how soon they think they are going to get their jobs back. Now, I understand the complexity of this matter. What I fault the government for, however, is the manner in which it has let out the information about this project in dribs and drabs. I understand that there are difficulties but first of all we were told that it was a matter of environmental conditions only. Following that, the Premier himself said that he was going to seek a better deal so that we could get back some of our \$50 million. Again highly commendable, no argument with it. Subsequent to that, however, and in the last ten days to two weeks what do we find? We find that there is a very deep federal involvement in this as well if it is going to function.

MR. JAMIESON:

The Minister of Finance in Ottawa

(Mr. Crosbie) said, I believe on Thursday or Friday, that there is going to be a need for financial funding. I do not know how much but I am informed reliably that it is substantial. They obviously and clearly want to renegotiate the wharf arrangements with the federal government. The Foreign Investment Review Agency must deal with it and I have no idea, being a layman, what the legal complications are. But I am sensible enough, I think, to judge from all of that, that that is going to take sometime to put together. I commend the government for saying that it will take the time. What I do think the people are entitled to know is all the facts now and how soon, if at all, the government really thinks it can be reopened on the present basis. Now let me just pose one or two other questions in this regard. For example, I do not believe that this House, which I presume at some stage is going to have to deal with this matter, I do not believe that we should accept anything less than absolute iron clad guarantees with regard to the financial stability of the company concerned. It may be that it is everything that has been said of it. The second point which I believe is absolutely essential, and that is that they demonstrate beyond any question that in fact an adequate supply of crude oil is going to be available. Not speculative, not the kind of thing that is going to be subject to the whims or the fortunes of some very, very precarious kind of situation, but guaranteed crude oil supplies. And thirdly, that there is going to be, as well, a very adequate assurance with regard to markets. I could go into this in considerably more detail. I do think, incidentally, that the government ought to have a second string to its bow. Not suggesting that First Arabian be abandoned, I am not arguing that nor am I arguing for any other kind of proposal that may be before the government

MR. JAMIESON; at this present time, but I am saying that since, as I understand it, the government at Ottawa is already having some second thoughts about its abandonment or promised abandonment of Petro Canada, that we should be looking at that particular option as well, and we should be doing it now so that we know whether there is some realism in it and we will not have another prolonged period of speculation if for any reason the current negotiations fail.

I want to commend two other points to the government also in keeping with what I said on Thursday about advancing what I hope are constructive suggestions. I think it is important to bear in mind that there have been ongoing negotiations with the United States for some time with regard to a security of supply arrangement between Canada and the U.S. This is linked in with the Wabanex proposal on Bell Island.

I would like to recommend to whoever the responsible minister is that he insure that the Government of Canada is pursuing this matter vigorously, and I do that particularly in the light of President Carter's statements of last night. There is no question in my mind that the best answer for Come By Chance, whoever the operator turns out to be, would be that it is an in-bond refinery with the dedicated product assured to the American market so that there are none of these speculative questions and the future is assured.

Now there is another problem in this regard, of course, and that is that in terms of the United States there should also be negotiations with regard to insuring that that access comes in such a way that enables the markets to be assured there without the tariff problems which currently exist.

And here if I may, Mr. Speaker, I want to touch on the energy situation because I think everyone here is perfectly well aware of the horrendous situation currently developing which produced President Carter's speech of last night as well as some of the dire warnings that we have heard from other industrialized countries including our own Canadian Minister of Finance in recent days.

I hope that the government of this province will not succumb to the appeal, which is admittedly there, of saying that the

MR. JAMIESON: faster we reach world oil prices the better it is going to be for our own oil and gas offshore drilling programme. I understand that there is validity in that argument but the downside of that which is immediate and which is going to pose for this government and for this Premier very serious problems in federal/provincial relations, is whether or not we are going to face a situation in Newfoundland where the consumer, perhaps as recently or as early as this Winter, is going to be faced with an enormous increase in both fuel oil and gasoline prices. Now, I hope hon. members will take my word for these figures. I can calculate them out, but in the interest of saving time, even before the last set of prices were announced by OPEC and the world producing countries - even before that - the situation for the average consumer in Newfoundland was this, that but for the present federal/provincial arrangement with regard to cushioning prices, if that were not in place, right now we would be paying something like thirty cents a gallon more for gasoline at the pump. I figure that on 1,200 gallons of fuel oil a year, which is not by any means the largest amount spent by a Newfoundland householder but considerable - but on 1,200 gallons, if it went to world price before the new OPEC increases are calculated in, the difference would be somewhere between \$770 and perhaps \$1,150 or \$1,200. Now, when you look at what has happened in the last three or four weeks and you see the threat that we in Canada may have to go to world oil prices, what this means for the next year or so in Newfoundland, and escalating presumably from there for a while, is that the consumer is going to be hit with an incredibly increased energy bill.

Now, I do not want this afternoon to take too much time with the intricacies of this whole package with regard to federal/provincial relations, but I do hope that the government now takes note, if it has not already - and I suspect it has - that

Mr. Jamieson: this sudden impact on us, whatever merits it may have with regard to spurring still further offshore oil and gas, is going to be a terrible blow to our consumers. But more than that, Mr. Speaker, it puts at jeopardy much that is in this plan. Because, of course, the ripple effect of inflation is going to be great and it will not just be the ordinary consumer who will be grappling with this large increase in gasoline and oil prices, it is going to be industry, it is going to be the very companies which the government hopes to attract and which we hope they will be able to attract. So it is quite the most serious problem, it seems to me, facing the government, and I caution them now and warn that we on this side will want to know what policy is going to be adopted by the government of this Province when they sit down with the federal government in Ottawa and decide on what the new levels of pricing are going to be.

Now there is a second point with regard to these major projects once again that I would like to raise some questions about and, of course, it has to do with the oil and gas offshore exploration. I have said before and I have no hesitation in repeating, that indeed this government has to its credit a first-class approach to this matter. I am not arguing with that. What really does puzzle me now, particularly when I read this Speech from the Throne, and I ask these questions in a most sincere fashion because I have no idea how this is going to be handled; "With the government in Ottawa it says "disposed to be co-operative, we are going to get control of the Continental Shelf in oil and gas terms." Now what does that mean?

In the first place let me go back over history and say that I have never had any doubt that the energy - the Minister of Mines and Energy (Mr. Barry) he is aware of this fact, I suspect the Premier is aware of this fact - that the Newfoundland case in my judgment as in theirs is unique. That Newfoundland for all kinds of reasons which I know some of the colleagues, the learned colleagues

Mr. Jamieson: of the members opposite have examined in detail, show that Newfoundland is not like the other provinces. But what has happened in this euphoria with regard to the new Prime Minister's assurance is that he has in fact said, "I am going to do it for everybody."

Now the implications of that are extremely interesting in terms of how Newfoundland proceeds with its case. For example, for many years the hon. minister argued the uniqueness of Newfoundland's case I believe. For many years we stayed out of the discussions with the Maritime Provinces. But as I understand it now what is proposed and it is going to be intriguing to see how it is handled legally and the like, is that the Government of Canada, in effect, is going to acknowledge that wherever there is a Continental Shelf in Canada it belongs to the province adjacent to it. That seems to be the position because it was uttered in Nova Scotia, it was uttered in Prince Edward Island. But, however, without getting embroiled in a legalistic issue in which I am sure that I would be bested by most of the lawyers in the House, what does it do to judgments in places like British Columbia? What does it do to provinces which have never made any assertion of sovereignty, but which may now say, what the heck? - Manitoba, for example, and others.

Now how are we going to be held up in the Newfoundland case by an enormously complicated and involved process in which these other provinces would be involved? I emphasize once again, I am not arguing the basic principle of Newfoundland's uniqueness, what I do say here is, that it seems to me there is at least the danger that our uniqueness may be lost in the euphoria of what was essentially a political commitment that was made by the present Prime Minister of Canada.

I could go much deeper into that issue, but perhaps I could leave it by simply saying this, that I do not believe that this government here in this House or any Newfoundlander should fall into the

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Mr. Jamieson: trap, which is what is happening, fall into the trap of saying, that the Prime Minister of Canada is going to give Newfoundland the Continental Shelf.

MR. D. JAMIESON: I do not think the Prime Minister of Canada has the right to do that, I do not think the Parliament of Canada has the right to do that. Indeed, I realize that it is a choice of words but an important choice of words. We should not even use the word 'concede our ownership'. What we want to know on this side of the House and what we hope the government will lay out before us, is precisely how this is going to be done. Is it going to be a mere act of parliament? And if it is not, then what else is it going to be? Is it going to be to have some kind of an appeal to have the constitution changed to confirm our ownership? One thing we must be sure of, Mr. Speaker, and that is and this is most important, that it is a non-recallable condition, that it is not something that can be handed out today and withdrawn tomorrow.

A third issue with regard to these key points that I have been talking about relates to the whole question of Labrador Hydro. And I am not sure, by the way, how the Premier has allocated the various responsibilities among his ministers but if, indeed, all of these to which I have been referring fall within the orbit of the hon. member for Mount Scio, the hon. Minister of Mines and Energy (Mr. L. Barry), he is going to have a very full plate. But what I would like the government to do, and I believe the people of Newfoundland would like the government to do, is to lay out the various options that exists in relation to Labrador Hydro power. Now once again in this Speech From The Throne we see that what is being asked for and what is being sought is the use of Labrador Hydro power for industrialization within Labrador. That is the basic theme and it is one that in terms of the rhetoric of a Speech From The Throne is obviously highly appealing. But what concerns me, or what I would like to know about is, as I understand it, and I think the minister will agree with me the key problem is financing. I do not know whether the head of Hydro is correct or not, but I assume he is when he puts the figure roughly at

MR. D. JAMIESON: something of the order of \$2.3 billion. Now if my first assumption is correct then the question that has to be asked is, can we raise those kinds of funds even with the most generous Federal Government that one could possibly imagine without, as I understand it, having large industrial users in place? As I understand the economics of this situation you cannot go to the bond markets, you cannot even go to government's and say that you want these enormous amounts of money without them asking who is going to be utilizing the power.

So consequently it seems to me that there is an intricate, delicate matter of timing here on which the government owes some explanation to the people of Newfoundland. If, for instance, the Lower Churchill Development Corporation within the next six months or so comes forward and says here is the financial picture, here is how it can be done, do we put the project on the shelf at that point because we do not have customers for the power? Is that one of the options that the government is considering when it talks about using Labrador and the sites in Labrador for developmental purposes? Is that a sine qua non for development, that there be industry there or at very second best, presumably, industry in Newfoundland?

Another question on which I would like some answers and we would like some answers and I can assure you the people that I have spoken to would like some answers, both on the Island of Newfoundland and Labrador, is really what kind of industrialization? Now we have all, I think, come to know over these last two or three decades that industrialization per se is not always a good thing. In other words, you can indeed make the case that there are as many problems related to massive industrialization as, in fact, there are to the opposite which is no industrialization at all. And consequently, what is really necessary is to ask the people of Newfoundland through this House, as I am asking it now, what are the choices? Will we go ahead in Labrador with the Hydro development if there are not industrial users established? Is there some kind of a middle ground where, for example, you can export the power at a very high market rate with adequate recall provisions? Is it a mixture

MR. JAMIESON: of these things? That is the sort of thing which I think is totally lacking in either the Speech from the Throne or any explanation, even within the blueprint of a year or so ago.

Now, I want to revert to the blueprint for just a moment, because I described it as a worrystome document and I think I ought to repeat that it is, by its own admission, concerned that if the various initiatives do not come through then we are going to be faced with a very, very big increase in unemployment. The trend line is there showing to 1982 something like 20 per cent. When you look at, however, what is going to happen in terms of the 40,000 jobs to which the Throne Speech refers - and incidentally, once again I am assuming that they are the same 40,000, that both of these are the same, that we have not magically developed 80,000 between Budget 1978 and Speech from the Throne 1979. What is, Mr. Speaker, the 40,000 jobs we are looking at? - the 40,000 jobs that will still leave us with 10 per cent unemployment even if everything succeeds.

Now, basically the unfortunate thing about it is this, that there is no prospect, according to the blueprint, over the next five years of a substantial increase in the number of mining jobs in Newfoundland or in Labrador. Indeed, as my good friend from Windsor - Buchans (Mr. Flight) will have reason to know, there is the prospect of a decline.

So the reason I called this document sober and logical was that it does not try to paint in that sense, unrealistic figures, but there is no increase seen by the government itself in the amount of employment in mining in the next five years.

Also, in forestry it projects some, I believe it is 1,600 jobs - I will be forgiven if I am off by 100 or 200 here or there - but some 1,600 jobs, and it calculates that 1,000 of those will be coming out of the revitalized Linerboard mill. So what that essentially means is that other than through that particular project, the forestry sector is not going to be a massive stimulator of the Newfoundland economy.

MR. JAMIESON:

We can look at most of the other headings and it is shown clearly that in the industrial development field, although there is such emphasis placed here on natural resources, there are only two that within the next five years are going to mean anything really very significant to Newfoundland. Now, I concede, by the way, that after the five year period is over the authors move into perhaps a more optimistic kind of curve, but since the Throne Speech is based on five years, I have stayed with that particular figure.

So what does one see? - that the two things which are going to be the economic generators, so far as I can determine here, over the next five years are going to be Labrador hydro on the one hand and the fishing industry on the other. Those are the only two, because wisely - I am not sure they were always as wise - but at least now it is seen that except for some employment, which is welcome, oil and gas is more than five years down the road before the money starts to flow, if, God willing and we all fervently pray that it does, but the two big generators on which this government is counting are Labrador hydro power and the fishery.

I have already touched on the various options that I see in front of the government, in front of the people of Newfoundland, and I sincerely hope that ministers will take the time to outline just exactly how they see these things going. You know, this is not the first government to talk about heavy industry and heavy industrialization and the utilization of hydro or whatever the case might be for that purpose. And it is not the first time either that the big hopes faded. I could spend a lot of time saying that one of my concerns flowing from my experience is that except for oil and gas no other cartel has ever managed to be totally successful or even, one could almost say, remotely successful. I say that because sure, there is iron ore in Labrador, but there is iron ore at many other places in the world; sure, there is uranium, on which we once thought, by the way, in Canada that we had a very much preferred position - we now know that Spain and Australia among other countries are moving in that direction too. So consequently, there is always the necessity when one is

MR. JAMIESON: talking about natural resources and Newfoundland, to bear in mind that with the exception of oil and gas I know of no other particular commodity in which our economic power is so great that we can dictate the end result of economic development in the way that we would wish. That is not to be negative, I suggest, it is to be thoroughly realistic. And I emphasize that also now, by the way, because if we are going to be talking about it, and I am glad we are talking about it, year-round ports in Labrador, then we must surely know what the economic benefits of that are going to be, what the fall-out is going to be, and whether the end result of that is, in fact, what, apart from everything else, the people of the Labrador really want.

Well, Mr. Speaker, I have asked a number of what I hope are sensible and reasonable questions this afternoon. I have asked them out of two geneses, one, to remind this government that it has had a very, very poor record to date in industrial development. That is not to say there have not been successes. I am not being blanket or anything of that nature, but that what is being said here is, and it is ironic, I almost am tempted to take the time but I did do the work and I want to demonstrate that, I have nine excerpts from the last nine speeches from the throne, and it was in the first one that the first reference was made to highways in Labrador. It was in the first one that the commitment was made to reduce the level of unemployment. In short, what I am saying is, and if members are interested they are welcome to read it, that there is a despairing comparison between this document and these other nine. So, therefore, there are, I believe, good grounds for asking the government to level with the people.

Now, I want to turn if I may to the whole question of constitutional reform, not in any high blown sense,

MR. JAMIESON: not getting into the nuts and bolts, as it were, of various esoteric subjects which some of my legal friends may enjoy but which leave the rest of us at the post.

What I want to issue is, once again, a word of caution. I can appreciate to a very great extent with the emotional side of me some of the language that is in this Speech from the Throne. I can say, because the Premier himself referred to himself as a new Newfoundlander, I can also say to him that I think, with some pride, that I was among those who helped to establish and to preserve a good deal of that Newfoundland heritage that we have been talking about back in the days when it was much more difficult to do, I may say, than it is now; and so I take a back seat to no one in terms of my anxiety to see Newfoundland stand on its own feet, Newfoundland preserve its heritage and its culture. All of those things I subscribe to. Every one of my colleagues I am sure, here, subscribe to them as well. But what worries me -

SOME HON. MEMBERS: Hear, hear!

MR. JAMIESON: - what concerns me is the excessive use, it seems to me, the excessive use of terms like 'paternalistic' in terms of federal-provincial relations, or that some way or other we ought to change and add more power to the province.

Now, in my case I hope that there will be another opportunity, as was said by the House Leader or the Premier opposite for a debate, presumably on the constitutional question at some stage, because I will want to go into it in very great detail. But in the time remaining to me today, and I do not propose, by the way, to look for extra time, let me just say this, that it is not, you know, 'paternalistic' in terms of fiscal transfer payments if one is speaking only of transfer payments from the Government of Ottawa to the Government of Newfoundland. I reject the idea that that is 'paternalism'. I believe that that is basic to the whole concept of Canada, that it is a formula for sharing which was wisely devised. It may have its loopholes. It may have places where it can be changed, but I do not look at it as any kind of a handout. It

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MR. JAMIESON: seems to me that we brought into
Confederation an enormous number of assets. We have made a great
contribution to Confederation

MR. D. JAMIESON: and, therefore, the confederacy. if that is not an outmoded word these days, surely owes it to all parts of the country to ensure that its people are treated with a reasonable degree of evenness. And I would hope that it is not this Government's intention or thought that we would move toward a situation in which we would consider federal transfer payments as being in some way or other obnoxious, abhorrent or in any way anything other than a logical way of having an evening out of distribution of Canadian wealth. Now, I understand, of course, that if we, as I said I believe on Thursday, were suddenly to have these resources converted into a surplus situation for us then it would be fine. But even then, I would argue that if there was a have-not province that there should be some form of equalization maintained. So, in those terms, while this is terribly dull stuff, I must put it on the record, I must make it clear to this Government that there is a real danger here if we do not go about this the right way. I do not, for instance, either, regard it as either paternalistic or in any sense a handout that the old people of Newfoundland, that the families of Newfoundland get the same kind of social benefits such as pensions and family allowances as other Canadians. It seems to me to suggest that that is handouts is also ridiculous and I am not sure altogether that that is what the Government was striking at.

Where, I suppose, the argument comes in, is when, as the Speech from the Throne says, we are talking about unemployment insurance as an alternative to work and where we are talking about what I described here as make work schemes. Well, you know, it is an easy matter if the Government of Canada wants to get rid of make work schemes in the manner that is outlined here then, of course, they can double or triple the amount of money that they make available for the kinds of projects referred

MR. D. JAMIESON: to by my colleague from Trinity North (Mr. C. Brett). In other words, it is strictly a matter of how those funds are actually handed out or distributed. But the basic point is that the only really serious problem that I see where this paternalism, as it has been described, may be effective, is what it is doing on the unemployment front; that if that unemployment part of the equation could be removed then I see nothing fundamentally wrong with some of the so-called paternalistic measures, indeed, quite the contrary.

I believe that much of the heritage and cultural development that we have seen in Newfoundland in the last twenty years or so and to which the Throne Speech refers, has come about because, in fact, we have been assisted in one way or another through various national agencies and through the ability of our young people to travel to other parts of Canada to have other Canadians come to see us. But these are now getting to be matters that perhaps are not really important to talk about as of this moment.

I want to, however, before my time expires mention something about fisheries. Because, as I said, and the two ministers are now present on whose shoulders rest ninety percent of the economic development strategy of this Government for the next five years or so. It must be an awesome sense of responsibility to realize that, as I believe they have agreed, if we can not get the Lower Churchill and Labrador hydro going rapidly, if our hopes and our aspirations for fisheries do not develop in the way we want to see them develop in the next five years, then the rest of that blueprint is out the window. It really is quite an insignificant and unimportant document but for those two elements.

Now, whatever the issue on constitutionality may be with regard to oil and gas, I confess still to be puzzled as to just what it is that the Government of Newfoundland

MR. D. JAMIESON: wants by way of additional control or consultation or whatever the case might be. And, of course, that problem, on my part, has been compounded in recent weeks by the number of changes and language alterations there have been since our former colleague in the House of Commons at Ottawa, Mr. McGrath, has become Minister of Fisheries. We have gone from jurisdictional transfer to consultation to a mixture of both, it is a very, very confused situation.

Now, lest there be any doubts on the matter, Mr. Speaker, I want to make one position of this party very clear. And that is, that insofar as these matters are concerned it is the fishermen who come first, that is, the fishermen themselves and the plant workers and the various people who are involved in the fishing industry. And I believe that this Government must take very much to heart any admonitions or any advice that it gets from that particular sector.

MR. JAMIESON:

I say that because I am not sure, I repeat, what consultation means. But I would believe, once again with any learned in the law gentlemen who are present here, that consultation has within it some kind of implication that there will ultimately be agreement. Now I am not at all certain, I am not at all certain that Newfoundland's best interests are served and I commend this to the hon. Minister of Fisheries, that it is best served by, in a sense, five ministers from Eastern Canada trying to divy up the pie. I suggest that regardless of how much good intent there may be in that, when it comes to quotas and the like what you are going to find is a situation in which you will have five unhappy ministers and you will probably also have five unhappy fishing constituencies in the provinces concerned. So, therefore, as a cautionary note let me say that this government should move very slowly before it decides that it is going to get into any kind of a consultative arrangement that has legal, binding parts in it. And in the long run, I suspect that prudence may very well dictate that some central, federal authority is best suited to the job of allocation, after, of course, hearing the various representation. But the degree to which you move into locking yourself into saying we are going to agree on this is very, very serious. Now, for my own part and that of this party, and my colleague from Trinity North (Mr. Brett) will undoubtedly be making a long speech on this subject at the appropriate time, on various aspects of fisheries, for my own part I believe by and large that the matter should not be settled between the lawyers and the constitutionalists, that that is the worst kind of an arrangement that could possibly be dreamed up. And that what has to be done is that whatever process is introduced and initiated, whether it be by the provincial government or the federal government, that the fish plant operators, the fishermen, the various people who speak for them all must be part of that process and, in fact, should be, in my judgement, the predominate part of the process. There is one other I would

MR. JAMIESON: think almost essential element and that is, of course, that the federal government for its part acknowledge which the provinces will never do, the other Atlantic provinces, that there are historic fisheries in Newfoundland, there are historic fishing patterns in Newfoundland and that must be fundamental to any approach that we take into these kinds of negotiations. And that I believe is so essential that I would recommend most strongly to the hon. the Minister of Fisheries (Mr. W. Carter) and to government members opposite that they take great care with any kind of offer that is made by Ottawa that does not insure that that historic principle is sustained and maintained. I do not think we will have any quarrels or any arguments, by the way, between the two parties on basic fishery strategy. But there is one other thing I want to say about it. because it is again referred to in the Speech From The Throne, and I want to emphasize it because here, if you will recall what I said about realism, it is important that members understand what they are up against and it is this: This document speaks of fisheries development with downstream and upstream benefits and I am assuming from that. because there is enough wording there to make it clear, that the downstream benefits mean that we are going to get further processing value added, that we are not going to export the fish in its rawest form or in its simplest form. Indeed, when we go back to the blueprint and look at the fisheries job, it is clear that it is in the secondary part of the industry that it is anticipated the larger number of jobs is going to come. Now let me deal then with downstream first of all and tell you what some of the problems are just in case you do not know. I thought for years, like I suspect seventy-five per cent of Newfoundlanders still think, that the main reason why we do not have more reprocessing of fish products in Newfoundland is tariffs. I was for the longest time under that simplistic kind of assumption that if there were no tariffs on processed

MR. JAMIESON: goods going into the United States in particular, that that would be it, that we would bread all the codfish, that we would tin it, that we would process it, we would do it all within Newfoundland. I believe the Minister of Fisheries, (Mr. Carter) now knows, as I know, that in fact the way the fishery has evolved makes it extremely doubtful that even with tariff reductions - and I believe those are going to come - it makes it extremely doubtful that there will be any dramatic move into value added or extra processing for this reason, that we are, in terms of the big three or four,

Mr. Jamieson: locked into arrangements whereby already Nickerson, National Sea, Fishery Products, and various other companies either have reprocessing and upgrading facilities of enormous cost already in the United States or they have contracts with other reprocessors in the United States.

 The second point is that as we move into the European market - and I believe we will by the way, I have very few qualms about what is going to happen there. I think the market looks very good - but as we move in there we must have the most rigid regulations. Why? Because there is throughout all of Western Europe, the whole of the European community, there is such a surplus, as the hon. minister probably knows, of processing facilities right now that the last thing they want is processed fish from Newfoundland. What they are looking to us for is raw material, Mr. Speaker. What they are seeking is something that will give employment in the those facilities which have been tremendously expanded, and which are suffering now as a result of the down-turn in the fish stocks. So what does this mean? It means that if the government is serious about the downstream benefits, as they are called, then it must bite the bullet, it must decide that it is going to pass the necessary legislation that will prohibit, in fact, these materials from going out of Newfoundland unless they have reached a certain stage of development.

 I will tell you frankly I have no idea how successful that kind of activity would be. It may be that it is quite impossible, given the structure of the industry, and we can only hope to do it on any expansion when things start to move into new species, into new kinds of development. But I repeat once again that it is a dangerous assumption that we are going to in some way or other, by either incentives or anything less than the rule of law, change dramatically the nature of the fish products going out of Newfoundland at the present time. Oh, we will have some. We will have a certain amount. And I think already some has taken place, but 6,000 jobs worth, let us say,

Mr. Jamieson: is a lot more than will happen by that particular process. It is going to take something else. I ask the government to let us know what that something else is. Incidentally, no one is arguing with them. I would be quite prepared to be supportive of logical legislation in that regard.

Now, let me turn to upstream, because here once again it is important I think to be realistic. Only this morning one of the principal people in the fishing industry in Newfoundland talked about the cost of replenishing the fishing fleet. Last week the Federal Minister of Fisheries (Hon. James McGrath) for whom, I emphasize after many years in Ottawa, I have the highest regard, that he was not contemplating any bail-out of the East Coast industry in terms of federal assistance. He talked about a mortgage plan, and that may have some merit. But the interesting, the most important point to remember in this context of this Speech from the Throne and the jobs we are expecting, is that if we are going to build trawlers in Newfoundland we are going to have to put substantial amounts of public monies into it or the alternative is to tell the fishing industry that they are going to have to pay much more for their ships, have them built in Newfoundland, otherwise they will not get their quotas. I say that because as the hon. House will know and probably the Minister of Fisheries (Mr. Carter) may have already looked through this, that there is scarcely a yard in the world today that is not more competitive than our yards in Canada in terms of building trawlers. And not just a few dollars different. I am talking about Japan where, because of their structure they can build trawlers for. I will not say an insignificant portion, but for a very, very much less amount of money.

So what does that mean? It means, I repeat, either you say to the fisheries producers, You are going to get those boats built in Newfoundland or you are not going to get the licenses and you are going to pay the extra cost. Or you say to the federal government, You must increase your subsidy programme or your mortgage programme or something of that sort. Otherwise, I emphasize, that the upstream benefits do not exist. They literally do not exist. We cannot in any way compete. And

MR. JAMIESON:

by the way, let us not either forget that since we are dealing with multinational companies here in the fishery, that it is reasonable to expect that the yards in St. John, New Brunswick and those in Halifax as well as those in Newfoundland and elsewhere are all going to be competing for the same kind of business. So consequently, in both of those cases mine is not a message of pessimism, mine is a message on the fishery of tremendous challenge and an urging that all of these things be laid out on the table so that people will know what it is we are talking about.

The biggest difficulty in Newfoundland today, the most terrible problem is the way we escalate expectations as with the Blue Beach business and so on and then find that in some way or other, for some reason over which we have no control sometimes, the whole thing collapses and we do not go where we think we are going to go. And that is what is deadening to the spirit. That is the kind of thing that the Premier wants to avoid and I agree with him, we should avoid. But you do not avoid it by saying in speculative terms like this, that in fact you have a situation where you can expect so called upstream and downstream benefits without recognizing those very real impediments to which I have referred.

In just the few minutes that I hope the House will

MR. JAMIESON: permit me, I want to say a very brief word about how I comprehend the government's dilemma on financial matters. And I will not go into this in detail because of the Budget Speech which is to come, but once again, the blueprint tells the story. The blueprint puts the quandry to us in Newfoundland in very real terms, which does not have to be said argumentatively at all. I talked about half the government's direct revenue coming from fiscal transfer payments. Of the remaining 50 per cent of all of the money which the government took in, at least as late as 1978, they had no choice given the structure of the system but to take it out of the hides of the Newfoundland people. That was the situation. Now whoever is responsible for it, whether it is historic as the Speech from the Throne says or whether it is short-sightedness or whether it is lack of creativity on that side of the House, these are matters which are incidental to the point I am making at the present time. The truth of the matter is that, of course, what has happened is that we have become on the one hand dependent for this very large amount of money from Ottawa, 47 per cent, 49 per cent, 50 per cent, people will argue about it. Then we have the retail sales tax which is insidious; we have personal income taxes, and when you get down there is such a small part of the pie you can scarcely find it, I believe, 2.2 per cent or 2.3 per cent corporation tax. Now it will be a real test of this government's ingenuity to find out whether indeed, its dedicated declaration here about getting more out of the extractive industries can indeed be brought to bear.

We all know what the situation is. If you look at it once again, for the next five years, I repeat, are we going to be able to take very much more out of the fish companies? Are we going to be able to take very much more out of the mining companies? Those are the two big generators in the resource field, because even in the case of hydro in Labrador, that five year phase is going to be, by the declaration of the blueprint, a construction phase, so consequently, there is not going to be much there. So what are the government going to do to increase that what might be described as economic rental? That is an intriguing question and I know that it must be one over which the government is labouring very hard at the present time. But I could not agree more that in fact, there is a

MR. JAMIESON scandalous, a totally scandalous imbalance in the way in which the Newfoundland Government generates its revenue. I said a moment ago, by the way, that it has been taking it out of the hides of the Newfoundland people. I could also say, incidentally, only half facetiously, that it is also taking it out of their livers and their kidneys, because when a Budget has to say that it is going to instruct the Newfoundland Liquor Commission or whatever its official name is, to go out and raise more revenue when it is seen as being a significant contributor to the revenues of this Province, then there is something seriously out of whack. And if I can become also philosophical for a moment - and God knows, I am no prude - I think that second part of this document, which is almost lyrical - and I commend the author of it - that that has a bearing on that other matter that I just referred to, that if we are in the process now of saying that all we have left to squeeze again is, in a sense, the Liquor Commission and that is going to be the basic point, where it is growing - that seems to be the only one - then it is a sorry day for us in this Province and we ought to be pretty well ashamed of ourselves that it has such a large part to play. I do not

MR. JAMIESON: say that, believe me, in any evangelical sense, I do not say it and even in any critical sense of the government, it is said in a way of understanding what the problem is. By the way, without anticipating the budget debate, the remarkable, remarkable part of this document here is, of course, that even maintaining present tax rates is going to mean a very significant increase in the cost of living for the average Newfoundlander. Because if predictions that we have seen are correct and I have no reason to doubt them and certainly no major economist in the world has seen any reason to doubt them, we are not going to see any rapid decline. If anything, we are going to see a continuing increase in the amount of inflation and that, I suppose, ultimately is my main criticism, my main concern about this document. This government has shown itself to be future oriented, and as a friend of mine used to say and I guess it is appropriate in the circumstances and it is meant quite jokingly that 'so and so had his mind so fixed on heaven that he was no earthly good'. And this is a case where I hope the government does not have not its mind so fixed on the future, so desirous of saying that 'five years from now, boys, things are going to be a heck of a lot better', that I hope it does not have itself so committed to that kind of strategy that it will not come Thursday, take it still further out of the hides of the Newfoundland people, that it will not show itself as being unconcerned about the highest unemployment -

SOME HON. MEMBERS: Hear, hear!

MR. JAMIESON: - that it will not allow the present scheme of things to continue with regard to the high cost of living and, above everything else, that it will show itself as being sympathetic, tremendously sympathetic on the question of energy pricing in this province.

You know, when one thinks about one final thing on which the Speech from the Throne dwells, and which that other nine did as well, about rural Newfoundland, one has to understand that it is no longer in large part the rural Newfoundland we used to know. Rural Newfoundland now is, of course, something quite different in the sense that there is an enormous amount of mobility in the work force and

MR. JAMIESON: the like. Most of us who come from out-of-town constituencies know that. I do not suppose there is scarcely a living soul who actually works in the village, for instance, in which I live; and so, therefore, what is going to happen if we start getting into world prices at current high rates, by the way, of sales tax which the provincial government is applying and which are the highest in Canada? Now these are the things which are going to face the people. These are the things that they are going to be worrying about in the weeks and the months ahead and I do not think, with all due respect, that as much as we can be enthused about what is contained in here as a blueprint, to repeat the words of the Budget or a concept of the future, I do not believe it is going to be enough. I am concerned genuinely that we will find that beginning with the here and the now there will be a malaise of concern that will grow unless those people who are so desperately in trouble now, and there are many of them, do not get some kind of reassurance that matters are not going to get worse. That, I think, is the challenge that faces the government. I have, I must say and must repeat, no quarrel and a good deal of enthusiasm for the general tenor of what is envisaged here, because I do believe that there is within Newfoundlanders that kind of hope for the future; but to keep it alive you must deal with not only where they are going to find themselves in five years time but a lot of people you must deal with where they are going to find themselves in five weeks or five months time. And that, I hope, is some of the material that will be laid before us so that we can see movement on hydro, so that we can see movement on these other matters to which I have referred, that we can have some conception that the government knows where it is going across this broad front of issues and that it is not just a system of ad hockery.

You know one thing I have learned is that however slow you think things are going to move in government, you are never really too pessimistic about it. Federal-provincial conferences, hopes for negotiations with Ottawa, no matter how pally the arrangement, no matter how good it is, are going to take time, so let us not expect

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MR. JAMIESON: that we can all twiddle our thumbs while
the hon. members opposite go up in perhaps, I hope not but perhaps, a vain
and futile effort to change the

MR. JAMIESON: the whole course of Confederation. Mr. Speaker, I have covered a good deal during this eighty-five minutes but clearly there is much more to be said. My colleagues also will be commenting upon some of these matters. I trust that what I have said is taken in the spirit in which it is meant, that is constructive and I would like to know the answers as I am sure my colleagues will. No doubt we will have the chance to debate them more fully as time goes on.

Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER: (Simms)

Hon Minister of Mines and

Energy.

MR. BARRY:

Mr. Speaker, it has been almost four years since I have had the honour of speaking in this hon. House. Before making my few remarks today I would like to congratulate yourself on your appointment. I am sure that you will live up to the distinguished predecessors who have gone before you. I would also like to thank the voters of Mount Scio district for making it possible for me to address the House and to play a role in the future course of our Province. I would like to welcome all the members of this hon. House, as a matter of fact, to the district of Mount Scio and ask you to keep in mind that you are now presently residing in the district and if there is anything I can do as the member for that district I will try and fulfill my mandate. I would like to thank the Premier for the tremendous responsibility that he has, as the Leader of the Opposition has mentioned, given to me in terms of resource development, the Departments of Mines and Energy and in terms of development, generally, in the Department of Industrial Development.

I must say that I was intrigued by the hon. the Leader of the Opposition. It is a new strategy that the Leader of the Opposition took upon himself today, Mr. Speaker, a strategy I have not seen before and I have to commend him. We saw an Address In Reply to the Budget Speech of 1978 instead

MR. BARRY: of to the Throne Speech of 1979. I have to say with respect that the blueprint that the Leader of the Opposition kept referring to is not really in all fairness, the matter that we are debating here today. We are debating, Mr. Speaker, what I consider to be an excellent Throne Speech. The Throne Speech of a new government. And here I have to draw issue again with the Leader of the Opposition where he again, I think, very cleverly, a very interesting strategy, stressed several times that this was not a new government. Well, Mr. Speaker, I have to ask when you have a new Premier, a new leader of the party on this side of the House, when you have - how many new members? - close to half? - Is that fair? - of the members of this side of the House being new members when you have a Cabinet which again, I believe, has almost half, fifty per cent new members since the present Premier came into office, now I have to ask if that is not a new government then what is?

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Mr. Speaker, not only do we have a new government, we have new policies which are set out in the Throne Speech and we have a new approach, I believe, to the very presentation of a Throne Speech in that instead of the past series of shopping lists - and anybody who wants to go back and see and not just in the last nine years, I suppose if we go back to Confederation we will see that the trend has been the same thing, to list

MR. BARRY: Mr. Speaker, all too often reliances has had to be on a very few influential businesses who ended up having, after the election, too great a degree of influence as far as members of this House were concerned. And again I speak of members on both sides of the House -

MR. NEARY: (Inaudible) Public Works.

MR. BARRY: - and the member for LaPoile (Mr. Neary), I am sure, has not been one to turn down the occasional donation that may have passed his tracks in the course of an election campaign.

MR. NEARY: (inaudible)

MR. BARRY: Mr. Speaker, the member for LaPoile sought election, went out, sought donations, and I must say that in the course of seeking his donations I have understood that certain approaches were made to those in Southern climes. I am not sure if that is correct, or not, but such has been said. I will say no more.

But the hon. member for LaPoile -
I think we should start off on a new track because, Mr. Speaker, the new Premier of this Province, the new Leader of this Party and this Government owes nothing to nobody except to the electorate of this Province.

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: We are not here as the mouthpieces for large donators to political campaigns; we are here to do a job for the people of this Province.

SOME HON. MEMBERS: Hear, hear!

MR. BARRY:

Time will see us fulfill that mandate, Mr. Speaker. We are committed to bringing in policies, we are committed to taking action that will benefit all of the people of this Province and not just a few people who have in the past, because of the poor methods of financing elections, been able to obtain an undue degree of influence in this House. This government will bring in a new election act. Now that, Mr. Speaker, I would submit, with all due respect to the Leader of the Opposition (Mr. Jamieson), is not an insignificant item. The Leader of the Opposition suggested that apart from suggested developments with respect to hydro and the fisheries that all other items are insignificant. I would submit that the people of this Province consider that to be a highly significant development in the political history of this Province.

In addition, in the area of political reform the Throne Speech says that this government is committed to a reform of the rules of this hon. House and with the co-operation of the hon. members opposite, of the Leader of the Opposition, the Opposition House Leader (Mr. Roberts) and of the members opposite we will see this reform proceed quite shortly.

AN HON. MEMBER: Tomorrow.

MR. BARRY: On the morrow? Did I hear on the morrow? On the morrow, Mr. Speaker, we will see a new day dawn for this House of Assembly where we will have an effective House of Assembly, a House of Assembly that will proceed with, I think, what has, at least until I stood up today, been a reasonable tone of debate.

MR. NEARY: Why tomorrow?

MR. BARRY: And until the member for LaPoile (Mr. Neary) started I think. The hon. member has to go on record again as being the first member to interrupt another member while he was speaking.

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: I just wanted to underline that for history. I have to say that I enjoy the hon. member's interruptions.

MR. NEARY: Oh, thank you.

MR. BARRY: I missed him for four years. I missed him. But we are still sitting across from each other, Mr. Speaker, so I am sure we will have the occasional give and take during this session.

Apart from the area of political reform, just to move on to the economic front, the Throne Speech sets out a five year plan. Now, Mr. Speaker, the Throne Speech is not the place for setting out in detail every item of this five year plan. This will be done. The hon. Minister of Finance (Dr. Collins) will be taking significant steps in this direction I am sure on this Thursday when we see his budget. We will be in the course of this session, Mr. Speaker, bringing down and putting further flesh on the outlines of this five year plan that has been set out in the Speech From The Throne. But we have again a clear, unequivocal commitment by the Premier, by this government, that we are dedicated to the creation of at least 40,000 new jobs in the next five years, not an insignificant item, Mr. Speaker, not an insignificant item.

Now, how is this to be done?. Well, the hon. Leader of the Opposition (Mr. Jamieson) has mentioned two of the ways but only two and there is a third. He has mentioned that hydro and fisheries development are very important levers for the creation of these new jobs. That is absolutely correct as I will mention in a moment. But also, I believe he has not given due deference to the potential that the offshore gas and oil industry has in the exploration stage because there are \$250 million, Mr. Speaker, being spent this year in exploring for oil and gas off this coast. This is a very important season but I submit that even if - and let us hope it is not - but even if this season were a total washout, we can reasonably expect to see exploration continue for four or five, maybe ten years. There is a tremendously large area off our coast. While that exploration is continuing, because of the oil and gas regulations we have in place, there will be considerable millions of dollars being spent in this Province for the creation of jobs, for the development

MR. L. BARRY: of new technology for the promotion of research and development right here in this Province. Now, if you just look at the number of Newfoundlanders who are employed on the ships and the rigs that are drilling off our coast and will be drilling, we will have in excess of 500 people employed in the offshore oil and gas industry this year and I think it is pushing close to 700 in total. Those are people who are directly involved in the industry. Apart from that we have indirect spinoff and you can see it around you now. You only have to go down around the waterfront, you only have to speak to the ship's chandlers, the people who are supplying food, the people who are supplying other materials to these ships and to these oil rigs. This exploration activity, whether or not there is a commercial discovery, will have a significant impact upon employment in this Province. So we have hydro, the fisheries, and offshore oil and gas exploration as being the three primary areas - there are other areas - but the three primary areas where we can expect to see significant employment opportunities for our people in the next five years.

Now let us look a moment at each of these. With respect to hydro, it is not just a matter of getting a hydro site developed so that we can have the construction jobs during the four or five years it takes to build the project. We are proceeding on the basis that we want to see hydro developments that will supply power to this Province, not for export, but to this Province for the creation of further industry. It is like harnessing millions of horses to get out and do work for us as we all know. We use the term 'horsepower'. What does it mean? The power of a horse. How many millions of horsepower will we have working for us? Machines should work, men should think. Well, like most other cliches that is only partly correct. I think it is good and healthy, and I think Mao Tse-tung, if I might take some risks with any McCarthyites that are floating around - Mao Tse-tung was not completely wrong when he said it was good for everybody whether it be the office worker, the government minister, and Mr. Speaker, yourself, I would have to include as well, there is

MR. L. BARRY: nothing wrong with getting out and getting to work with your hands and getting into the real clean dirt of the industrial workplace. It is good for the soul to get out and get your hands back to the soil. But generally we have to recognize that this potential for job creation that is inherent in the supply of electricity is crucially important for us to keep front and foremost in our minds, that we will not be building hydro sites just for the construction jobs, we will be building them because electricity is the very lifeblood of this Province. Just from the very fact that we will have electricity available, there will be industry flow to this Province as a result. But the hon. Leader of the Opposition suggests, before we get a Labrador hydro development we are going to have to be able to commit this power to new industry to locate in the Province.

MR. JAMIESON: I am quoting you.

MR. L. BARRY: The Leader of the Opposition says he is quoting me. It must have been a bad day that I had, Mr. Speaker, or else it was only part of the quote because I have to say -

MR. JAMIESON: I honestly do not want to misquote. I am thinking back to earlier conversations we had in which it was conceded, and I think the hon. member was the man who said it, that one had to have a major industrial user in order to have all of these things happen. That was the context in which I was using it.

MR. L. BARRY: Mr. Speaker, it would surely make it a lot easier, but again we have to recognize that if we have a major industrial user, that is a commitment or a dedication of a certain amount of electricity to that industry which is then not available to domestic users or to other small industry that might want to come in. So it cuts both ways. But at the present time, Mr. Speaker, from the information that I have received, if the Province were to go with the Muskrat Falls site as the first development instead of the Gull Island site - Muskrat Falls has a

MR. BARRY: potential of 600 megawatts and Gull Island has a potential of 1700 megawatts. So Muskrat is approximately one third the size, a little more than one third the size of Gull Island - that by the time that power came on stream it could be taken up completely by the needs of the existing domestic and industrial users in this Province. And the only question is whether the financial community would be prepared to accept the fact that that market exists. It is the people of the Province. But ultimately, it is the people of the Province who are going to bear the underlying guarantee or the financial viability of the project. But the approach that has been taken - and this was while I was out of government, but there were indications that this was the way it would be proceeded with, and it was while the Leader of the Opposition was in the government in Ottawa, there was a move towards an arrangement whereby the financial credibility of the project would be enhanced through the participation of the federal government. Now, Mr. Speaker, I do not have the facts and figures finally in before me yet and it will be, as I understand, sometime around the end of the year or early in the new year before we have seen the final recommendations of the officials who are presently intensely involved in studying how the Lower Churchill Development Corporation, the LCDC should proceed, but it is my impression that really all we need is the commitment of the federal government that they are behind us, behind this project. And again, not in a sense of criticism, but I have to point out an area where I felt some disappointment on the part of the previous government in Ottawa, when we went for commitment by the federal government after several years we received backing to the extent, they said, "Yes, we believe that it is economically and technologically viable." "However, it was said, 'we are only prepared to back it financially to the extent of \$300 million.' That was just too small a commitment in order to permit the project to fly. So what we have to look for, and again, Mr. Speaker, I ask hon. members to bear with me in that I

MR. BARRY: am speaking as a new minister in a department before the final figures are in before me, but I will be surprised, I will have to say I will be surprised, if anything more is needed than a sufficient commitment by the federal government to stand behind the project.

MR. ROBERTS: What was the (inaudible)?

MR. BARRY: Now, I am not prepared to say that that is necessarily a 100 per cent guarantee. And for the life of me I have to ask if we are going to the financial markets for our own borrowings every year and if they have been prepared to loan the people of this Province \$2 billion in total one way or another up to now, why would they not be prepared, the financial markets of the world, be prepared to invest in a project which will bring onstream a resource which the Leader of the Opposition himself would have to admit from his remarks is a much needed resource not just in Newfoundland but in the world, electricity, what would be the risk involved in their committing themselves to a project where this energy is brought on stream at a competitive mill rate and where it would all be taken up, it would all be sold, there would be a market for it within this Province.

MR. ROBERTS: It would be sold at home?

MR. BARRY: It would be sold to the people of this Province.

AN HON. MEMBER: That is the dilemma that the hon. gentleman is going to have to face.

MR. BARRY: This is not a dilemma. This is a great potential. I prefer to look at it. The hon. member - look this glass -

MR. BARRY:

the hon. member looks at it and says, "It is half empty", and I look at it and I say, "It is half full". Now maybe this is the difference in philosophy that members on this side of the House and members on the other side are taking with respect to the development of hydro potential in Labrador. What I am -

MR. ROBERTS:

Is the minister telling us about the \$107 millions he stood in this House and talked about in 1975 that is gone - this minister.

MR. BARRY:

The seven hundred and what million?

MR. ROBERTS:

I said the \$110 in 1975 the hon. gentleman threw away.

MR. BARRY:

Mr. Speaker, I have never thrown away a dollar in my life, not a penny, not a nickel -

MR. ROBERTS:

No, but you threw away a \$110 million.

MR. BARRY:

Not a nickel, Mr. Speaker.

MR. ROBERTS:

We shall see.

MR. BARRY:

Not a nickel.

MR. ROBERTS:

\$110.

PREMIER PECKFORD:

We have just seen.

MR. ROBERTS:

I am sorry?

PREMIER PECKFORD:

We have just seen. It is not 'We shall see' I said 'We have just seen'.

MR. ROBERTS:

Just seen what, who, where, when?

MR. BARRY:

Mr. Speaker, again the Government House Leader and myself will have ample opportunity come the estimates and come the Budget Speech to get into this in more detail, but I have other points that I would like to deal with before my time runs out on the Throne Speech.

With respect to the development of the hydro-electric potential of Labrador, I have to say that the information I have is that by the time Muskrat Falls development would come on

MR. BARRY: stream that it could be taken up - the full potential could be taken up for use on the Province partly by the shutting down of the thermal plants that are presently burning very expensive petroleum products and partly by the new growth in demand that we would expect between now and the time that the project would be completed. This, Mr. Speaker, would be the first phase in getting this tie between the Labrador part and the Island part of the Province, this would be the first phase in seeing that this great hydro potential of Labrador is utilized because we need this tie both for the benefit of the Island and for the benefit of the people of Labrador, because it cannot be, I suggest, Mr. Speaker, a viable proposition at the present time. Maybe as the population of Labrador increases we will see this size of a project being more viable, but with the present sparse population in Labrador, and I think the people there recognize that they just cannot support themselves for use totally in Labrador a project of this size. So the inter-tie is crucially important and this would be the first phase, getting a Muskrat Falls development possibly, possibly the Gull Island site, but we will have to see when the final figures come in.

MR. ROBERTS: Has the minister any (inaudible)?

MR. BARRY: No, I would not even hazard a guess.

I have fallen into that little sticky wicket before, Mr. Speaker.

AN HON. MEMBER: (Inaudible) recall of power from the Upper Churchill?

MR. BARRY: Recall of power from the Upper Churchill would be very attractive if it can be recalled at a three mill rate. That in itself would probably justify, if the court case is successful, that in itself will probably justify the inter-tie between Labrador and the Island part of the Province, because that is the cheapest possible energy that is available to the Island apart from certain heavily subsidized industries that now exist on the Island.

MR. ROBERTS: Would the minister permit a question?

MR. BARRY: Sure.

MR. ROBERTS: Mr. Speaker, a question to the minister for which I thank him.

Could the minister tell us, growing out of his remark about the recall justifying the inter-tie across the Straits, the quantity of power that will be necessary to justify the tie-in across the Straits in economic terms? Because, I must say, that is an entirely new thought he gave us that the amount of power that could be recalled which in theory could be limitless or could be 50 to 155.

MR. BARRY: 52 to 55 megawatts.

MR. ROBERTS: What is the minimum amount of power that would justify the tie-in being built across the Straits?

MR. BARRY: Again I am relying on a faulty memory because I have not looked at these figures recently -

AN HON. MEMBER: You had better get some.

MR. BARRY: Well I can say that

MR. BARRY:

it would probably be no more than the 600 megawatts of Muskrat Falls. Again, before the final figures are in that seems to be indicated. And I seem to recall that they were looking in terms of - I have the impression in the back of my mind that there was a 400 megawatt line that was being contemplated as the first step in the Gull Island project.

MR. ROBERTS: Including the 200 megawatts in the Labrador portion and 200 on the Island?

MR. BARRY: No, I think there had to be 400 come across the Strait of Belle Isle but again I am citing from figures that I have not looked at in four years when we get down to that point.

Looking at the fishery for a moment, Mr. Speaker, again we see this government committing itself to the use of a natural resource not just for the sale of that resource, hydro, not just for the sale, the export of the electricity but the use of a natural resource for the creation of jobs within the Province whether it be from further processing, recognizing as the Leader of the Opposition (Mr. Jamieson) has said, that there are difficulties in terms of getting around the fact that every country wants to have further processing, wants to be able to add the value within its own borders. But there is potential for an extension as I am sure the Minister of Fisheries (Mr. W. Carter) will be telling us, for further processing. And, also, there is potential for the development of ship building jobs. And here I have to confess, I did not understand the point that the Leader of the Opposition was making with respect to his saying that the St. John's synchrolift would not be justified if the Russians were shut-out from the Grand Banks. Well, if the Russians were not fishing off the Grand Falls surely heavens it would mean that there would be more Canadians fishing and would that not mean that there would be trawlers needed and would that not mean that there would still be work for the St. John's synchrolift? We are going to exclude the Russians and we are not going to take up the extra catch? I would like to hear further on that as the session

MR. BARRY:

goes on, Mr. Speaker. I would like further information.

We are committed, Mr. Speaker, to see that in the fishery the potential for the marine industry area of this Province is realized to its fullest potential. Also, with respect to offshore oil and gas we have a partner for the fishery. We have the fishery which is the backbone of our economy and nobody on this side of the House, I am sure, would say otherwise. But in terms of developing marine industry, we can utilize what will be happening in the fishery. We can also, Mr. Speaker, we have the added advantage of being able to utilize what is presently happening and what will be happening, hopefully for a very long time, in the offshore oil and gas industry. And these marine skills that we have and that our people have learned through the fishery, through the skills that have been handed down from father to son, these marine skills are very much in demand by the oil companies and we are very fortunate that we have this history of people working on the sea.

There was an interesting quote in the report that was brought down for the Canadian Bar Committee on the Constitution, Mr. Speaker. It referred to the potential of the oceans both the fishery and offshore oil and gas and they used this sentence, that the people on the East Coast of Canada do not look upon the sea as a barrier, rather they look upon it as a source of opportunity. Now that is a very, I think, perceptive statement because all too often I believe, the people in Central Canada have tended to view this great nation of ours as a land mass with potential

MR. BARRY:

hedged in by the hazards of the salt water and that as soon as you step beyond the landwash you are away from anything that is good and you are getting into a hazardous and undesirable area. Well, there are very few Newfoundlanders who would ascribe to that philosophy. I believe Newfoundlanders can accept this notion of the sea, the mother sea, being the source of great benefit for this Province as it has been for hundreds of years and hopefully we are now seeing where we will have further types of opportunities with respect to offshore oil and gas.

I have, Mr. Speaker, to interrupt my remarks on the resource sector to bring very happy news, I am sure, to this hon. House which is to mention that the hon. member for Naskaupi is Mr. Joe Goudie as a result of the judicial recount.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: In fact, the recount increased his majority.

MR. BARRY: From twenty-seven to thirty-three votes. I am sure, as we have seen in this expression of congratulations, I would just for the record like to add my own congratulations to the hon. member.

The Leader of the Opposition (Mr. Jamieson) also made another reference to the offshore oil and gas potential that I would like further elucidation on as this session proceeds because, Mr. Speaker, I have yet, with respect to the Leader of the Opposition, to hear him come out and say that he stands four square behind the notion that this Province should control the oil and gas potential of the Continental Shelf off its shores. I beg the hon. Leader of the Opposition's pardon if I have missed his statement but I honestly in the course of the campaign - and I scrutinized his comments very carefully because, as you know, this is of rather particular interest to me - for the life of me I did not see it reported where the Leader of the Opposition came out and said that "despite my silence" - am I being fair? - "my silence on the matter while a member of the Cabinet in the previous federal government, despite my silence on the matter I now believe that this Province should control

MR. BARRY: the resources of its Continental Shelf!

MR. JAMIESON: Mr. Speaker.

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

MR. JAMIESON: I do not wish to make it a point of privilege because I do not think the hon. member is putting it in that way. First of all on the matter of silence, I do not think that is the case either. I think there are many members opposite, certainly there are former members opposite who will know that we discussed the matter at great length and the record will show that I have always had questions in my mind about the method through which Newfoundland ownership was going to be confirmed and I have always had a preference for the Supreme Court route. But it was not a matter of silence. I do not know where the references are now but I will be very glad to look them up and I am sure that I can satisfy the hon. member on the point that I have had some of the best advice legally, something that he highly respects, which said that the Newfoundland case was unique and I have so stated. But I will be interested also to hear how he now proposes to make sure that that unique situation is confirmed for all time.

MR. BARRY: Mr. Speaker, again with respect to that comment, it is one thing to say that the Province has a good case and go to court and my blessing, but it is another thing to get up and say, "law, whatever it might be, as a matter of policy I believe that the law should be changed." And I do not agree that it is such, but if the law should be at the present time that it is under federal control, then I would submit that the Leader of the Opposition's (Mr. Jamieson) position should have been that as a Newfoundlander he wanted to see that law changed. And it is on that point that I have to say that I have not heard the Leader of the Opposition's comments.

But how would this be done? The Leader of the Opposition is correct, that without a court case, a judicial decision confirming ownership in the Province, that this would not

MR. BARRY:

be constitutionally, clearly established that we had ownership, jurisdiction, control, ownership. But, Mr. Speaker, despite the absence of a judicial decision, if we have a government, a federal government, whether it be Liberal or P.C. or others in Ottawa coming out and saying, "We, as a matter of policy, commit our party and our government to the transfer of any title the federal government might have to the provincial government," if we commit ourselves to administrative arrangements to enable the Province to have the substantial control

MR. BARRY: of that resource, if both parties were prepared to come out as is the PC party federally - they have come out - if the Liberal party were prepared to come out and say, "We commit ourselves irrevocably to this policy", then I would submit, Mr. Speaker, that for all intents and purpose that would be the same as a constitutional amendment, because I am sure that forever after, forever after that commitment were made by a Federal government, that it would mean a rupture in Confederation for a subsequent government, for a subsequent government to attempt to change that policy and to take away that commitment which had been made to a province in Canada, because we are now into an area, law or no law, we are now talking about the feeling that a people have for their land. We are talking about land under water - no difference, no difference, Mr. Speaker. We are talking about the feeling that a people have for their land and any attempt to take away or to interfere with those rights, the Leader of the Opposition knows as does every member in this House, that it is worth more than any clever lawyer would be prepared to risk to get up and to tell a people, "Well, I am recommending that my government change its policy and take away those rights which for four or five years or ten years or twenty years or fifty years we have observed". And I would suggest that for all practical purposes that this commitment that we have from the PC government, which I expect to see translated into legally binding agreements subject to the constitutional uncertainty which I am prepared to submit until there is, if not a judicial decision, an amendment to the constitution of Canada, subject to that a legally binding agreement will be, for all practical purposes, as much as we should be concerned about. And we will be on record then in the event of a general revision of the constitution, we will be in a position to have that included in the new amended constitution. This is an ongoing constitutional process, as I understand.

MR. NEARY: What time span?

MR. BARRY: What time span?

MR. BARRY: Whether it be five years, four years, fifty years, if in the interim as I expect we will, if in the interim - excuse me, Mr. Speaker, but I have been wounded in action here - if in the interim -

MR. ROBERTS: Self-inflicted.

MR. BARRY: Self-inflicted attempting to avoid my duty but it will soon be over I see, Mr. Speaker, so I will not have to resort to these tactics.

If in the interim we will have a situation where the federal government takes the position that we are entitled to administer the resource, then I say what does it matter if it be ten years or twenty years or fifty years that we are waiting because we will be enjoying the benefits in the interim.

MR. NEARY: It is not even logical what you are saying.

MR. BARRY: Mr. Speaker, there are other very important - not insignificant matters as the Leader of the Opposition suggested when he said that really the only significant points in the Throne Speech were the hydro development and fisheries development. Is the matter of greater commitment to women's rights an insignificant matter? I am sure the Leader of the Opposition did not mean to say -

MR. JAMIESON: Mr. Speaker, on a point of order. With the greatest of respect, I think the Hansard will show that I concentrated totally this afternoon and emphasized that I was on the matters relating to economic development and the like.

MR. JAMIESON: To suggest that because I did not make reference to other questions that are in the Speech from the Throne that I am not concerned with them is, I suggest and I am quite sure, unintentional, but the hon. member should not leave that impression.

MR. BARRY: I did not mean to misconstrue the remarks of the Leader of the Opposition. I missed his qualification that he was addressing himself only to the economic development matters in the 1978 Budget as opposed to the content of the Throne Speech.

Mr. Speaker, there is one further point. If I am running out of time, with the liberty of the House may I have just a minute to clue up? The matter of energy pricing. I do not want to give the appearance of avoiding that very difficult problem. If there is one thing that from all reports I have seen of President Carter's speech he did not deal with, and if there is any one thing that he must deal with, it is this matter of energy pricing. I submit, Mr. Speaker, that until the United States is committed and the people of the United States are committed to the notion of decontrolling the price of energy which, as we in this Province, this Government, this PC Government has said, must be done in a phased manner to avoid undue hardship - and there is going to be hardship, there are no two ways about it - but, Mr. Speaker, with respect, to suggest that there can be a freeze for even three years on the price of energy when you see the Middle Eastern countries increasing by sixty per cent at their last meeting, when you see that happening we would be asked to live in a fool's paradise if we expected the people of this Province to go along with our statement that we will avoid any increase in the price of energy.

Back in 1974-75 when this Province was saying to Ottawa, "We agree that there have to be increases because the price is going up in the Middle East, we have no control over it; but phase it in," we had one province, I will not mention where it was, that said, "We are going to freeze energy prices." Now the fact that there was an election creeping up, was in the air in that province might have had something to do with it. But what happened in that province?

MR. BARRY: Ultimately, the piper had to be paid. And what did you see? You saw a fifty per cent increase in electrical rates. A fifty per cent increase in electrical rates in one year! Now, Mr. Speaker, that is not the way to deal with that very difficult problem. The way to deal with it is to responsibly admit that as long as the Middle East increases the price of petroleum and as long as we are dependent upon imported petroleum, then the price of electricity generated by burning that petroleum must increase. And what we can do ultimately, Mr. Speaker, if the price does not go up to world prices then we are saying we are going to subsidize electricity rates by taking the money from hospitals, from education, from the construction of highways, from the development of our fisheries, from the development of our hydro potential, but the money has to come from somewhere. The money has to come from somewhere. I submit, Mr. Speaker, any other approach is not a responsible one. We intend to be responsible on this side of the House. We intend to tell the people of this Province the way it is. This is my commitment as Minister of Mines and Energy. This is my commitment as Minister of Industrial Development. We will tell it how it is but we will maintain a sense of compassion and we will maintain a sense of responsibility for alleviating as much as possible any hardship that might result. In the area of energy pricing the best we can do, the best the Canadian federal government can do, the best that President Jimmy Carter can do is to see that any increases are phased in over a reasonable period of time.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER: (Mr. Simms)

The hon. member for

Terra Nova.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

Mr. Speaker, let me first

of all congratulate you, Sir, on being elected to the Chair and also the Deputy Speaker and also of course all hon. members on their election and re-election, whatever the case might be. For the benefit of new members just let me tell you the lesson that I learned very quickly when I was first elected in 1975 and I was probably twelfth or fifteenth down the line and I attempted to carry on the same way that most hon. members did, by saying how proud I was to be elected to the House of Assembly and enunciating any special circumstances that may have accompanied my election as other members did, for example, people saying that they were the first native person from their district or the first local person from their district to be elected. I made the mistake of saying that I thought I was the first Lush every elected to the House of Assembly.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

Hon. Mr. Smallwood wrote me

a note to assure me that I was not the first lush elected to the House of Assembly and not likely ever to be. Anyway, Mr. Speaker, the hon. member who just spoke, the member for Mount Scio (Mr. Barry) mentioned the fact that he was rather intrigued by the approach made by the hon. Leader of the Opposition in speaking to the Address in Reply today in so much as that he seemed to spend a great deal of his debate on the Budget of 1978, and the hon. member suggested that this should not be the case because this was a new government. Well, Mr. Speaker, I do not know whether this means that all of the things that were done previously, by previous governments, by this administration is now done and over with. I would like to think that there is some coherency, that there is some cohesiveness between what the other governments did and what this government

MR. LUSH: is about to do, that there is certainly some continuity. I can certainly understand and appreciate the hon. member's concern in not wanting to be associate with the performance of the past government. I can certainly understand that, but we have learned over here, Mr. Speaker, a long time ago that it is not easy to forget the performance of a past administration.

SOME HON. MEMBERS: Hear, hear!

MR. LUSH: We have been living with that for a long time. He talks about how new the government is and how many members there are, and I think over here we only have three who managed to survive, but day after day we were reminded of certain things that went on. So it is not easy to more or less sweep those things under the rug. Nevertheless we certainly will try to ascertain and try to listen for what new things this government will do and try to ascertain what factors there are that makes this such an historic period in our development, to try and ascertain what makes this a renaissance period. We will certainly try to get those factors in mind and we will help the renaissance along, there is no question about that, and the revolution if there is about to be one. But if there is a renaissance and a revolution it came on us pretty quickly. Whatever the intentions of the government in bringing about this renaissance, this revolution, we will certainly go along with it. But anyway the point of the matter is that I am not sure that I am so impressed about this new government bit as the hon. member was. I feel as if I just left yesterday and everything looks much the same to me. I think we have four new Cabinet Ministers maybe and ten or eleven new members in total on the other side. And having listened to the hon. members certainly confirms to me that nothing new has happened at all. I have been listening to this same kind of thing for the past four years and certainly in reading the Speech from the Throne, which, I might add, there is

MR. LUSH:

nothing in this at all with which any hon. member on this side of the House disagrees about the future plans for the development of this Province. Nobody disagrees with that. Again it is similar to all the other speeches from the throne that I have been reading since 1972, similar in its futuristic utterances and similar in the plans for the future. So I see nothing new in the document whatsoever. But all of us on this side of the House certainly hope that the plans that the government have enunciated, that they will come about.

Again we are all accustomed to the five year plan and I have often wondered why we have adopted the five year plan. If it were three or four years we could understand it, because -

MR. ROBERTS: NO, Lenin was the first to adopt it. The
The N.E.P (inaudible)

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: It is like digging in the dirt. Hon. gentlemen opposite are quite familiar with that.

MR. LUSH: Five year plans, if they were three years you could understand it because an election comes about every three or four years. But five year plans mean we go to the people, and still have not done anything, enunciating another five plan and another five year plan. So, Mr. Speaker, I would like to see another length of time involved other than the five year plan that the government is so inclined to enunciate.

I wanted to say too that I noticed that, again suggesting that not much has changed, I noticed that I still get the prime speaking time all the time in the House. But, Mr. Speaker, I do have to talk about the 1978 budget too because I want it reaffirmed to the House by the next speaker whether or not the great blueprint for development is indeed scrapped. I mean, is this a new day in our development? Is there no continuity at all between this blueprint for development and what is announced in this Throne Speech? Does this mean that whatever was done to develop and carry out this blueprint for development is now scuttled, is now put aside? Because if it is then many of the questions that I was going to raise,

MR. LUSH:

of course, are now answered because one of the questions in my mind respecting the blueprint for development was the then announced policy of a job creation of 38,000. The Premier in announcing his programme recently announced 40,000 jobs. So I was rather delighted by that because I wondered whether this was 40,000 jobs on top of the 38,000 that were announced in this programme giving us 78,000 jobs. So that would be certainly an effort, that would be a noble effort and one of which we would be all proud if now we are going to develop these 38,000 jobs that were announced in the blueprint for development and on top of that another 40,000 which is going to give Newfoundlanders 78,000 jobs over - well, not the next five years because this programme here is already a year and a half into its development, so we are probably talking about, if the record is right there too because this programme was all structured with a time frame in it telling how many jobs were going to be created this year, how many the next year. So that is a question -

MR. NEARY: It goes up 2,000 every election.

MR. LUSH: Yes. That is the question that should be answered because if that programme is now scuttled, the development of that, the 38,000 are out through the window and all we are going to get are 40,000 over the next five years. Let me tell you that that is not going to affect the unemployment rate in this Province very much. We now have 33,000 people unemployed. Over the five year period we are going to create 8,000 jobs a year. That is about the rate at which the labour force grows, 8,000. It has done so over the past couple of years although the statisticians tell us that the growth in the labour force is more close to 6,000. But in Newfoundland over the past three or four years it has grown by 8,000. So let us take, for example, 7,000 as the growth in the labour force, that in five years time there will be 35,000 new people enter into the labour market and we are creating 40,000 jobs. So that means, of course, we still got these 33,000 unemployed and we are only going to affect the labour market by about 2,000, which is not going to

MR. LUSH:

affect the unemployment rate very significantly at all, and that raises the question "What is the objective of this government in terms of the rate of unemployment?" What are we looking for? Are we looking for a 10%? Are we looking for a 20%? What is the rate of unemployment to which we are aiming in this Province and I would suggest to hon. members that with this 40,000 job creation program, that the unemployment rate in this Province because of the growth in the labour force will effectively remain the same, effectively remain the same; but it is good. It is certainly better than doing nothing. It is certainly better than doing nothing. Because we pointed out these real facts about the unemployment rate is not to suggest that we are not grateful for the number of jobs that will be created, if indeed they will be created, but it is a matter of pointing out the stark reality of how little effect that 40,000 jobs will have in terms of the real problem of unemployment in the Province. So, it is something that has to be - this matter of the blueprint and now the new plan - it is something that has to be answered, whether or not the 38,000 jobs enunciated here, whether that is now all terminated and whether all the plans that were put into place to develop these 38,000 jobs, whether that is all over with and we are starting from scratch with 40,000 or whether the 40,000 is just merely a 2,000 expansion of the previous figure. That is the important thing, whether the 40,000 now, whether the Premier when he started looking over the blueprint for development and said, "We grossly underestimated the fact that we could create 38,000 jobs". When he looked at all the figures he said, "Golly, we can stick another 2,000 on top of that and we can create 40,000 jobs", and so we cannot allow that to go unnoticed. We cannot let that go by and not hold the government accountable and to explain what is the discrepancy now between the 38,000 enunciated in the blueprint for development and this latest announcement by the Premier of 40,000 jobs and whether, as I have said before, that this is just

MR. LUSH: an expansion of that one, or whether that one is still in effect. We still have the 38,000 ongoing and on top of that we are going to have 40,000 more. I wish that is the way it is because that will be better news. That will be better news if we are looking at 78,000 jobs instead of 40,000. That will be well received. That will be well received by hon. members, I am sure, on both sides of the House and maybe new members did not know that, but we cannot let that blueprint for development go by.

The hon. Leader of the Opposition in speaking gave a marvellous speech, talking about the financial structure in the Province, talking about the financial arrangements, the provincial-federal fiscal arrangements in this Province, both in terms of raising the money, particularly in terms of raising the money and in expenditures. Now the Premier-or the Speech from the Throne talks about this as being an historic moment as if this was a sudden rebirth.

Carrying on from the hon. Leader of the Opposition's remarks in this debate, I would like to talk about expenditures because I believe this is a place where indeed

MR. LUSH:

this session, and indeed this speech and the budget speech, can become historic documents with respect to the way we spend money in this Province and that is what I would like to direct my few remarks to on that basis of expenditure. And in one document that this government gave, its first one, it talked about that at great length, the way it was going to spend monies in the Province. And hon. members will recall that the key principle to expenditures and money in this Province was going to be spending on an equitable basis, on a regional equitable basis.

Mr. Speaker, I notice that the hour is just about up and I will reserve these remarks until tomorrow and would like to adjourn the debate.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Mr. Speaker, I move that the House at its rising do adjourn until tomorrow, Tuesday, and this House do now adjourn.

MR. ROBERTS: Mr. Speaker, before we adjourn can I ask the Government House Leader, do we intend to carry on with the Throne Speech tomorrow? The Opposition House Leader says yes, but we will hear what the hon. gentleman opposite says.

MR. MARSHALL: Wishful thinking, Mr. Speaker. We will be continuing tomorrow, Mr. Speaker, with the Address in Reply.

MR. SPEAKER (MR. SIMMS): Before putting the motion, again I have a request from the media to cover the proceedings on Thursday, the Budget Speech. Is there unanimous consent for that request?

MR. ROBERTS: Mr. Speaker, I am certainly not going to object at all, but is there any way they can do it without the hot lights? I do not know if any other hon. member was bothered by them but I find those hot lights are terrible and they must be awfully hard on members on the other side who have to look at them. Anything they can do about that?

MR. SPEAKER: I will certainly take that under advisement and investigate that particular part. The thing that concerned me the most, of course, was the commentary from the gallery and that has been cleared up.

MR. ROBERTS: Your Honour has stepped on that obviously and that is good.

MR. JAMIESON: Mr. Speaker, may I just say a word here because I heard, as probably members opposite did, from the distinguished guests who were here - I do not know how crowded the Chamber is going to be or whether the normal layout is as it was under those circumstances, and here once again I do not know if there is anything we can do-but may I reinforce what has been said by the House Leader because I know that some of the people who were here - I understand, incidentally, from some of them that they were quite literally at the point of exhaustion. I do think that they ought to be asked to see if there is not something that can be done in that regard.

MR. ROBERTS: It was an ordeal.

MR. JAMIESON: I have in mind some of the more distinguished visitors who were in the center of the hall.

MR. SPEAKER (Mr. Simms): I will take that under advisement.

Motion, the House at its rising do stand adjourned until Tuesday at three of the clock in the afternoon.