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(Hansard)

Speaker: Honourable Patrick McNicholas

Wednesday

19 February 1986

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):
Order, please!

Statements by Ministers

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

DR. COLLINS:
Mr. Speaker, as members know, there have been comments recently made about the timing of tabling the Public Accounts for the year ending March 31 1985, and the Report of the Auditor General on them. The comments have emanated from individuals both inside this House and outside, and most have been ill-informed, ill-advised and unwarranted.

The two documents were hand-delivered to me on February 10, less than ten days ago, even though the Auditor General had completed his work on them last December 16, over two months ago.

Mr. Speaker, the Financial Administration Act enables the Minister of Finance to have a period of time to study the documents prior to submitting them to the House of Assembly, and I used the past nine days exactly for that purpose. First, the report of the Auditor General contains serious allegations related to the financial affairs of the Province, which required careful investigation; and, second, I had to prepare this statement so as not to be party to misleading this House of Assembly by tabling the Report without expressing my serious objections based on those investigations.

I will table the Public Accounts,

and the Auditor General's Report, at the proper time on the Order Paper.

The Auditor General's Report, in paragraph 41, states that the Province suffered a loss in regard to a provincial bond issue in 1985, and, as a result, the liability and costs are understated in the Public Accounts by some \$5.25 million. This allegation is not correct, and I wish to dispell any misunderstandings that the Auditor General's Report may cause in the minds of all those concerned for the financial welfare of this Province.

In early 1985, the Province needed to borrow approximately \$100 million, in order to complete the 1984 - 85 provincial borrowing programme. It was not considered appropriate, at that time, to assume any additional foreign exchange, risk, and, accordingly, a transaction was sought that would leave us with a repayment schedule in Canadian dollars. Ultimately, the Province decided to raise the desired funds in the Euro - U.S. dollar market and simultaneously enter into an exchange hedging agreement. This would permit the proceeds from the U.S. dollar bond issue, together with all future interest and principal payments, to be converted into Canadian dollars at the prevailing exchange rates. Thus, we were successful in obtaining the necessary funds whilst avoiding all risk to the Province from future movements in exchange rates. Indeed, the complete costs to the Province of this transaction was approximately one-quarter of one per cent lower than the equivalent costs of a transaction in the domestic Canadian market at the same time,

giving rise to significant savings in the order of \$250,000 per year.

The Auditor General alleges that, had the Province not entered into the foreign exchange contracts, there would have been a gain to the Province of approximately \$5 million, resulting from a strengthening of the U.S. dollar, relative to the Canadian dollar, between the time the transaction was entered into and the time the proceeds from the bond issue were received. I reject the Auditor General's allegation for the following reasons:

1. The Province is authorized to enter into foreign exchange contracts, pursuant to Section 37, sub-section (9) of the Financial Administration Act, as the Department of Justice has confirmed;
2. Similar transactions have been entered into by other Provinces;
3. In addition to the \$250,000 in annual interest savings, by substituting repayment in Canadian dollars for repayment in U.S. dollars, the foreign exchange contracts resulted in an exchange saving of \$511,875 on the first interest payment due in March 1986, and, if the existing exchange rate prevails until redemption in 1995, the Province will have saved a total of \$7,465,185 in interest and \$3,975,000 on principal;
4. In his report, the Auditor General, in fact, questions the wisdom of government's decision to borrow in Canadian dollars. In doing so, he exceeds the authority granted him under the Financial Administration Act.

At my request, one of the

Province's fiscal agents in the Canadian market, McLeod, Young, Weir Limited, has expressed an opinion on this transaction. They advise that, 'With the internationalization and growth of the swap market, this format of transactions is commonly used by other government and corporate borrowers. Based on our knowledge and experience with transactions of this type, it is the normal practice for other borrowers to incorporate, at the time of negotiation of a foreign currency financing, the conversion of the bond issues, as well as the interest and principal repayments, into Canadian dollars. In our opinion,, this procedure represents appropriate management of the risk associated with foreign exchange fluctuations.

"With this combination of transactions, the borrower eliminates foreign exchange risk and is able to lock-in his cost of funds in Canadian dollars. This cost may be compared with the cost of a domestic dollar issue, to determine the cost savings to the borrower," which, of course, we do.

To summarize, therefore, Mr. Speaker, let me reiterate very clearly that,

1. The Province effectively borrowed the approximately \$100 million Canadian is set out to do;
2. The full proceeds of the bond issue, except for the usual associated cost and expenses, have been received by the Province;
3. The interest costs are approximately one-quarter of a per cent lower than would have been the equivalent in the domestic Canadian market at the same time.

Therefore, Mr. Speaker, there is no loss of \$5 million, or any amount, to the people of the Province as a result of this loan.

Mr. Speaker, let me also state that similar allegations of liability understatement, made by the Auditor General elsewhere in his report on the Public Accounts for 1984 - 1985, are also without foundation, and are roundly challenged in the tabled document, or in a document which will be tabled, entitled "Departmental Observations on the Report of the Auditor General".

In summary, therefore, Mr. Speaker, the Auditor General has charged that the Public Accounts contain false information on the financial liabilities of the Province. To preserve the integrity of the Province, those charges in an official document from that particular source demanded intensive investigation. That investigation included evidence from the Comptroller General of the Province and from a Fiscal Agent - McLeod, Young, Weir, Limited - engaged by the Province who totally refute the Auditor General's charges. Finally, I and this Government completely disassociate ourselves from the unfounded charges contained in the Auditor General's report later to be tabled.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I can understand the applause of the Government House Leader. What we see here today is a new precedent established in the procedure of this House and in the fiscal management of the Province; we see the Minister of Finance (Dr. Collins) apologizing and trying to explain away the Auditor General's Report before tabling that report. It is unprecedented, it is shameful and it just underlines, Mr. Speaker, the seriousness of the matters raised in this Auditor General's Report.

MR. TOBIN:

You should resign.

MR. BARRY:

Mr. Speaker, would you please keep the gofers in the back benches quiet?

MR. SPEAKER:

Order, please!

MR. BARRY:

I realize it is over the member's head; the member for Burin - Placentia West (Mr. Tobin) does not understand what is in the Auditor General's Report when it comes out in any year. He does not understand what the Minister of Finance has just done. He is a slavish puppy dog, Mr. Speaker, to the rhetoric of the Minister of Finance. But the people of this Province have woken up to the fact that the Minister of Finance, whether it be in terms of projecting a deficit, or whether it be in terms of borrowing money and getting the best deal for this Province is incompetent, is a bungler, and he has proven it once again today!

Now, Mr. Speaker, we heard the Minister of Finance make an

allegation with respect to that individual who is there to make sure that the interests of the people of this Province are protected, the Auditor General, to make sure that the books are not cooked, to make sure that the wool is not pulled over people's eyes; we see that Minister of Finance, in a shameful, low fashion, get up and accuse the Auditor General of making false statements. Well, I tell the minister that out of his own mouth the false statements are coming, from the Minister of Finance.

SOME HON. MEMBERS:
Hear! Hear!

MR. BARRY:
I say to the Minister of Finance, Mr. Speaker, that everything that the Minister of Finance has said here today confirms the correctness of what the Auditor General has pointed out, because here is what happened: Mr. Speaker, the Minister of Finance went over and borrowed money in U.S. dollars. Between the time of the deal being struck and the dollars taken up, the U.S. dollar rose in comparison with the Canadian dollar. But before the Minister of Finance received the money, while waiting for it, he had signed off his right to have the value of the money in U.S. dollars, he had signed off, Mr. Speaker, the \$5.25 million; he had given it away at the time of making the deal, before receiving the money.

Mr. Speaker, the statement contained here by McLeod, Young, Weir Limited - by the way, it should be noted they are agents, they are paid, and they know where their bread is buttered. And perhaps the minister will be able to explain, did they advise on

this transaction before the fact? Are they protecting their own advice, Mr. Speaker, in backing up the Minister of Finance (Dr. Collins) in his attack on the Auditor General?

DR. COLLINS:
What is this, an innuendo?

MR. BARRY:
No, it is not an innuendo. I want the Minister of Finance to stand up and tell us if this corporation gave advice to the Minister of Finance in this great financial wizardry, where he gives up \$5.25 million that could come to the people of this Province.

Now, McLeod, Young, Weir say that - Mr. Speaker, just listen to what they say - 'that the borrower eliminates foreign exchange risk.' Now, Mr. Speaker, you know, that is correct, if the borrower has the bucks in his little hand at the time he does it. But, Mr. Speaker, the foreign exchange risk is not eliminated if the borrower still does not have the bucks in his little hand, which is what the Minister of Finance overlooked.

SOME HON. MEMBERS:
Oh, oh!

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

DR. COLLINS:
It is laughable!

MR. BARRY:
Yes, there is a laugh here, Mr. Speaker, because, you see, there was a foreign exchange risk. Mr. Speaker, from the time they made the deal to get the money until they had it in their hand, there was a foreign exchange risk. So, the minister took a gamble, he

gambled the wrong way and he cost this Province \$5.25 million.

SOME HON. MEMBERS:
Shame! Shame!

MR. BARRY:

Mr. Speaker, just think in terms of the schools, the schools with the roofs falling off, which could be repaired with that \$5.25 million. Think of the hospital beds, Mr. Speaker, which could be put up and opened for that \$5.25 million.

MR. TOBIN:

Go on you big sook! What about the one you promised Burin and took back?

MR. SPEAKER:

Order, please! Order, please!

The hon. member's time has elapsed.

MR. TULK:

By leave. By leave.

MR. SPEAKER:

Does the hon. member have leave?

MR. BARRY:

Mr. Speaker, if I could just conclude my remarks?

MR. SPEAKER:

Does the hon. member have leave to conclude?

SOME HON. MEMBERS:

No, Mr. Speaker.

MR. BARRY:

Well, if I could, Mr. Speaker, rise on a point of order.

MR. SPEAKER:

Order, please!

A point of order, the hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I think that should be changed to a matter of privilege. It is serious enough to be a matter of privilege. I would like to submit, Mr. Speaker, that the minister, by coming forth now with the report, has admitted that it should have been tabled last Thursday.

Mr. Speaker, it is now up to the Minister of Justice (Ms Verge) to look at the Financial Administration Act and to establish whether the Minister of Finance (Dr. Collins) is in breach of Clause 67 (2) of the Financial Administration Act, when he delays some five or six days, I think it is, from last Thursday, in tabling the report. I think the very fact that he has gone about it in this unusual fashion, attacking the Auditor General and apologizing for and explaining the remarks of the Auditor General before he has the courage to show the people of the Province what their servant, the Auditor General, has said about the Finance Minister's conduct is shameful, Mr. Speaker. The minister has brought financial management, fiscal management to a new low, not just in this Province but in the Western democratic world.

SOME HON. MEMBERS:

Hear, hear!

DR. COLLINS:

To that point of privilege, Mr. Speaker.

MR. SPEAKER:

To that point of privilege, the hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, I believe the hon. the Leader of the Opposition rose on a point of privilege, and I

wish to respond to that. But just before I do, I must say I am totally appalled that a person in this House, who is a former Minister of the Crown, got on with such rubbish and blatant inaccuracies and lack of knowledge as we just heard from the Leader of the Opposition. It is incredible!

Now, Mr. Speaker, on that point of privilege I hardly need say anything, because the same point was raised by the hon. the Leader of the Opposition last Friday. Your Honour ruled yesterday that that was not a point of privilege. The identical point is now brought up, and it is obviously out of order again.

MR. SPEAKER:

To that point of privilege, that was similar to the point of privilege the hon. the Leader of the Opposition raised, I think, on Friday last. I ruled yesterday that it is not within the province, if you like, of the Speaker to rule on a matter of law or constitution.

MR. BARRY:

Mr. Speaker, on another matter of privilege.

MR. SPEAKER:

The hon. the Leader of the Opposition, a point of privilege.

MR. BARRY:

We have seen here today, for the first of time that I can recall in this House, the Minister of Finance launch an attack upon the Auditor General.

As a matter of privilege, I would submit that the Auditor General, as an officer of this House, is deserving of protection; his reputation is crucially important

to people having confidence in the integrity of government.

It is very interesting to see that the Premier has absented himself today. This is a common technique of the Premier, Mr. Speaker, to let somebody else do the dirty work and be far away when the dirty work is being done, a common technique!

The Auditor General, Mr. Speaker, has been savagely attacked by the Minister of Finance (Dr. Collins) and we move that the matter be referred to the Committee on Elections and Privileges for investigation with respect to the propriety of the conduct of the Minister of Finance in attacking that officer of this House.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the Council to that point of privilege.

MR. MARSHALL:

It should come as no great revelation to anybody in this House that the hon. gentleman does not know the rules. You establish, first of all, a prima facie case of privilege and the Speaker would rule on it before there would be any such motion made. What the hon. gentleman is doing, Mr. Speaker, is moving a motion on a point of privilege that Your Honour said yesterday, and said a few moments ago, was not a point of privilege. So as in substance he is moving in form, and he is talking about nothing.

MR. TULK:

To that point of privilege, Mr. Speaker.

MR. SPEAKER:

The hon. member for Fogo.

MR. TULK:

What we have seen happen in this House today is unprecedented. It is the lowest kind of thing we could see happen. The Auditor General is, as the Minister of Finance knows, an officer of this House and, as a result of that, he reports to this House and his reports should be tabled in this House before members are expected to comment on his report, and before he is attacked. Otherwise, he cannot be defended and neither can members stand in this House to debate his report. The Minister of Finance has taken a roundabout way to attack the Auditor General to get the heat off the mistakes he has made. That is what the Minister of Finance is doing. It is a new technique, worthy of the member for St. John's East. It is the kind of attack we see coming out on the Atlantic Accord

I would submit to Your Honour that the Minister of Finance has breached the privileges of this House because he has denied every member in this House the Report of the Auditor General, who is an officer of this House. He has denied that report to members and has asked them to comment and debate a subject matter which is not before them. Mr. Speaker, I suggest to you that is a breach of the privileges of every member of this House, in particular members of the Opposition. We are seeing an administration on its last legs trying to breathe some life into a dead soul. The Minister of Finance is trying to breathe some life into a dead soul and he is using a dirty little tactic to attack somebody who is an officer of this House, who protects the people of this House, who protects the purse of this House, the very

purpose for which the legislature was formed, the very purpose for which Parliament exists. I would suggest, Your Honour, that you take some time to consider whether in fact the hon. gentleman has breached the privileges of this House. I suggest to you he has.

SOME HON. MEMBERS:

Hear, hear!

DR. COLLINS:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Minister of Finance.

DR. COLLINS:

I suppose if the hon. member wants to drive in a nail, he uses a shovel. I could not figure out what the point of privilege was exactly, it went all over the shop. But he was going to hit something, if he hit out far enough and wide enough.

Mr. Speaker, what happened was the integrity of this Province was brought into serious question in an official document which goes out to the international financial people of this world, and we depend on the financial people of this world to place our bonds. Now, the charge was made in an official document that the Public Accounts of this Province are false, that they do not present the true liabilities of this Province, They are false!

MR. BARRY:

It is a charge that is right.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please!

AN HON. MEMBER:

Did you get a good report?

DR. COLLINS:

Quiet! Quiet! Relax! Take a deep breath! Relax! That is a charge that could not stand on the records. This Province is not going to be besmirched by anyone. Servant of this House, non-servant of this House, member of this House, non-member of this House, this Province is not going to be besmirched with false facts as long as I have any responsibility in that matter.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please! To that point of privilege, I am satisfied there is no prime facie case of breach of privilege.

MR. BARRY:

What?

MR. TOBIN:

Name him, Mr. Speaker.

MR. SPEAKER:

For the same reason as I have already mentioned earlier today and that I mentioned yesterday in connection with this point, it is not within the jurisdiction, if you like, of the Chair to rule on a question of law.

So there is no point of privilege.

MR. BARRY:

On a point of order, Mr. Speaker.

MR. SPEAKER:

On a point of order, the hon. the Leader of the Opposition.

MR. BARRY:

I know there has been a lot of yelling from the other side of the House, and I can understand the

difficulty that we have in getting the point out, Mr. Speaker. The matter of privilege did not relate to an interpretation. Your Honour ruled on that previous question, and we accept Your Honour's ruling. We might not agree with it, but we accept Your Honour's ruling.

The second matter of privilege had to do with the attack on an officer of this House. That is not a matter of law, Mr. Speaker. It is our duty and, as a matter of fact, it is the duty of everybody in this House to make sure that the institution and the officers of the House are protected.

Now, Mr. Speaker, we have the Auditor General being attacked. That is not a matter of law, it is a matter of fact. The Minister of Finance has alleged that the Auditor General, the person who is supposed to be like Caesar's wife, above reproach, is making a false statement. Again, we have to say that with the member for Burin - Placentia West (Mr. Tobin) yowling across from the backbenches, we can understand why Your Honour would consider that we were on the same point. If Your Honour could check Hansard, Mr. Speaker, what we are talking about is the attack on an officer of this House, not about the interpretation of the act. Your Honour ruled on that. We accept that. That is finished. We are talking about the attack on the Auditor General, who is an officer of this House and must be protected.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

To that point of privilege, I will check into Hansard and I will rule on this matter tomorrow.

Are there any further Statements by Ministers.

MR. MARSHALL:
Mr. Speaker.

MR. SPEAKER:
The hon. the President of the Council.

MR. MARSHALL:
I have a statement, but I guess it is time for Question Period. It will only take a minute.

MR. SPEAKER:
Yes, all right.

MR. MARSHALL:
I want to advise the House that the first session of this Assembly will prorogue on Friday of this week. The second session of this Assembly will convene on March 18, 1986 with the usual Speech from the Throne by His Honour. This particular session of the House has had three sittings; the present one was convened for the purpose of complying with the undertaking in the Atlantic Accord to introduce the Legislation and that has been achieved. Because of the unique nature of the acts, as I have indicated, the act here and before the House of Parliament, the complementary legislation, will have to go through in unison. If there is any need for more debate, as I am sure there will be, as members in this House want to get in and there is not enough time, we will resume the debate on the Atlantic Accord, second reading, in the second session.

MR. BARRY:
Mr. Speaker.

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

MR. BARRY:
This is unreal! We talk about management of the budget and management of finances of the Province and they cannot even manage the opening and closing the House. We were called back at great expense to the taxpayers, Mr. Speaker, the staff were all brought back, because there was going to be a special session of the House to put through the Atlantic Accord. We get in and we find that they have not got their act together, they cannot complete the Accord.

MR. PATTERSON:
A point of order, Mr. Speaker.

MR. SPEAKER:
Order, please!

A point of order, the hon. the member for Placentia.

MR. PATTERSON:
The hon. Leader of the Opposition seems to be concerned about expenses now, and time, when last Friday he spent the whole of Question Period talking about The Red Trench. Now, if you are interested in Newfoundland or the thousands of Newfoundlanders who are out there out of work, you would be talking about the offshore Accord.

MR. TULK:
Mr. Speaker, to that point of order.

MR. SPEAKER:
To that point of order, the Hon. the member for Fogo.

MR. TULK:
It is very obvious that what is happening here is exactly as the Leader of the Opposition said. We were called back into session at great expense to the taxpayers of

this Province. Now, we have a case where it is too hot in the kitchen for the government. They cannot stay in there, the heat is on. The Minister of Finance has just gotten the latest roasting, the member for St. John's East (Mr. Marshall), the oil baron of Newfoundland, has been getting a roasting all week from members on this side, the great show of the Atlantic Accord is not coming off like it should, so 'Billie' is going to close her down on Friday and open her again on March 18.

MR. BARRY:

There is no point of order, Mr. Speaker.

MR. SPEAKER:

I must rule there is no point of order.

MR. BARRY:

If I could just briefly finish my remarks, Mr. Speaker.

SOME HON. MEMBERS:

No leave.

MR. BARRY:

I am not asking for leave, I am entitled to respond. Mr. Speaker, would you please keep them quiet?

MR. SIMMS:

Mr. Speaker, a point of privilege.

MR. SPEAKER:

On a point of privilege, the hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, the hon. Leader of the Opposition may think he does not need leave when, in fact, he does need leave.

The Standing Orders are quite clear and Standing Order 53 (4) says, "On Wednesdays the question

period shall commence not later than 3:30 p.m.." It is clearly beyond 3:30 p.m. and our rights as members of this House are being abused because the hon. the Leader of the Opposition insists on getting up and talking nonsense and foolishness.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

To that point of privilege, Mr. Speaker.

MR. SPEAKER (McNicholas):

To that point of privilege, the hon. the member for Fogo.

MR. TULK:

Mr. Speaker, the hon. gentleman is obviously right, that Question Period starts at 3:30 p.m, but that does not preclude Private Members' Day, which is today, that does not preclude points of order or points of privilege. The Leader of the Opposition is perfectly in order to get up on a point of order.

The other thing is, when the Government House Leader (Mr. Marshall) rose to make his announcement, the time had already come for Question Period, 3:30, and he recognized it. He looked at the clock and said as much, and we gave him leave. Now surely we are going to get the same courtesy passed back to the Leader of the Opposition (Mr. Barry). Or are they afraid?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

To that point of privilege, the point is well taken. The fact of the matter is that I recognized the hon. the President of Council

(Mr. Marshall) to make a statement at just under the 3:00 hour, and I think it only reasonable that the hon. the Leader of the Opposition have a short time to answer that point.

SOME HON. MEMBERS:
Hear, hear!

MR. BARRY:
Just briefly, first of all, Mr. Speaker, the member for Placentia (Mr. Patterson) interjected. I mean, that is another \$12,000 mistake we are talking about. It is \$5.25 million plus another \$12,000. These all go to show their incompetence, Mr. Speaker.

Now, the Government House Leader (Mr. Marshall) called the House together. He and the Premier decided the House would be called together for a special session on the Atlantic Accord, to pass the Atlantic Accord. The Premier said we were even going to do other legislation last November, that in this session we were going to complete the last session.

Now, Mr. Speaker, that is an example of the incompetence of the Government House Leader, the Premier and the administration. They cannot even handle the opening and the closing of the House. We have money bills, Mr. Speaker, which are outstanding, which should be voted on, and I suspect it is a breach of the privileges of this House, if not a breach of law, not to deal with them.

MR. PATTERSON:
A point of order, Mr. Speaker.

MR. BARRY:
I am speaking! I am speaking! Mr. Speaker, just to conclude, the \$12,000 mistake is standing in his

place, Mr. Speaker, but he is out of order.

SOME HON. MEMBERS:
Sit down! He has raised a point of order.

MR. SPEAKER:
Order, please! The hon. the member for Placentia on a point of order.

MR. PATTERSON:
The hon. the Leader of the Opposition (Mr. Barry) has wasted much time of this House in this session trying to smear my hon. friend, the House Leader, with his conflict of interest. But you did not prove anything. You did not influence one person in my district. They have your number, and I challenge you now to come down and run against me in the next election.

SOME HON. MEMBERS:
Hear, hear!

MR. PATTERSON:
You had that challenge thrown out to you in the last election, but you did not take it.

MR. SPEAKER:
Order, please!

There is no point of order. I would ask the hon. member if he would clue up his comments.

MR. BARRY:
Yes, Mr. Speaker. If I wanted to go on a bedbug hunt, I would go over to the center of excellence that is being funded to the extent that they cannot get it fumigated because of the cutbacks of members opposite. When I go on a bedbug hunt and I want to wipe out that sweeping majority of 146 votes, Placentia is one of the first places I will remember, Mr.

Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

MR. BARRY:

Mr. Speaker, the silly season is upon members opposite.

MR. SPEAKER:

Order, please!

Maybe the hon. member would finish up.

MR. BARRY:

Mr. Speaker, it is the constant interjections and haranguing! I would point out to the Government House Leader that the real problem here is that he has not gotten the coverage, the great acclaim, the palm leaves have not been strewn in his path as a result of the introduction of the Atlantic Accord, and they are going to suck back to plan B, Mr. Speaker. Plan A was wiped out. They are starting to feel the heat, as members on this side of the House point out the problems with the Accord. Mr. Speaker, they can run but they cannot hide.

SOME HON. MEMBERS:

That is right!

MR. SPEAKER:

Order, please!

We are late in calling Oral Questions, so I do not know if the House would like to continue until ten past four or to finish at four o'clock?

SOME HON. MEMBERS:

No, no!

MR. SPEAKER (McNicholas):

I would like to welcome to the visitor's gallery twenty-five broadcast journalist students from Karen Hall School with their instructor, Naomi Skoll.

SOME HON. MEMBERS:

Hear, hear!

Oral Questions

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, I cannot begin to believe what I am hearing today, the abuse and the things which are going on in this House, and the bungling of the government. But I have to speak on last night. The Minister of Consumer Affairs (Mr. Russell) made a statement on television last night to the effect that he is certainly in favour of Newfoundland Hydro and not the consumer of this Province. I have a cutouts from the local paper where it says, 'No break for the consumer.' 'Oil prices are going down but gasoline prices are not going down.' 'We have an appointment to the Public Utilities Board, paying him a salary of at least \$25,000 a year.' And it says here in the local paper, 'Absolutely no intervention by the consumer rep.' I would like to ask the Minister of Consumer Affairs (Mr. Russell), is he going to now start working for the consumer of this Province, or he is going to take the stand he has been taking in past?

MR. RUSSELL:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Consumer Affairs.

MR. RUSSELL:

Mr. Speaker, this being Private Members' Day, and we became involved in other matters, the Ministerial Statement I have I will now make tomorrow, on hydro prices and electrical prices in this Province. Unlike the hon. the member for Port de Grave (Mr. Efford), Mr. Speaker, who was given certain information by Hydro people and withheld it, I will release what I have.

SOME HON. MEMBERS:

By leave. By leave!

SOME HON. MEMBERS:

Hear, hear!

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, I told this House and I told the hon. the Minister of Consumer Affairs last Friday exactly what Newfoundland Hydro had told me, after he said he did not know.

SOME HON. MEMBERS:

Hear, hear!

MR. EFFORD:

I would like to ask the Minister of Consumer Affairs if he would take this into consideration about consumers of this Province: A constituent of mine has an income from Canada Pension, because of his disability, of \$497 a month - just listen to this, \$497 a month

- of which \$296 a month is his electrical bill.

SOME HON. MEMBERS:

Shame!

MR. EFFORD:

\$296 out of \$497. He has a wife and he has two kids in school. Will the Minister of Consumer Affairs not take a stand, have some feeling for the people of this Province and do something about this immediately?

SOME HON. MEMBERS:

Hear, hear!

MR. RUSSELL:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Consumer Affairs.

MR. RUSSELL:

Mr. Speaker, I have indicated that I have some information I will release to this hon. House tomorrow in a Ministerial Statement. I am certainly concerned about the electrical rates, as I have said in this House on many occasions. They are high. This government is subsidizing electrical rates to the tune of approximately \$45 million or \$46 million per year. I think, given our fiscal circumstances at this time, we are doing all we can. Contrary to what the hon. member for Port de Grave thinks and says, Newfoundland and Labrador Hydro is not making any money off the decreased price per barrel of crude.

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de

Grave.

MR. EFFORD:

Mr. Speaker, it is unbelievable that the hon. the Minister of Consumer Affairs will stand in his place and protect Newfoundland Hydro by saying they are not saving any money when, up until last week, the price of oil, per barrel, went down \$10. Now, a further decrease in the price of oil was announced on local radio stations this morning. How can you stand in your place and say that Newfoundland Hydro is not saving any money?

MR. RUSSELL:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Consumer Affairs.

MR. RUSSELL:

Mr. Speaker, if hon. members opposite would give me leave, I am prepared to give my Ministerial Statement, give the information the hon. the member for Port de Grave is looking for.

SOME HON. MEMBERS:

By leave! By leave!

MR. BARRY:

On a point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the Leader of the Opposition.

MR. BARRY:

I just point out that there is a debate on electrical rates and the cost of electricity right after Question Period, and we hope to listen to the minister and his remarks.

MR. RUSSELL:

Mr. Speaker, to that point of

order.

MR. SPEAKER:

To that point of order, the hon. the Minister of Consumer Affairs.

MR. RUSSELL:

Obviously there is something wrong with the memory of the Leader of the Opposition, because I spoke in that debate last Wednesday.

MR. SIMMS:

Right on!

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

He did not say anything, Mr. Speaker.

MR. SPEAKER:

There is no point of order.

MR. EFFORD:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. member for Port de Grave.

MR. EFFORD:

We will have ample opportunity, after Question Period this afternoon, to hear what the minister has in his statement.

Mr. Speaker, it is quite obvious that the Minister of Consumer Affairs (Mr. Russell) is very confused or, as I said yesterday, it is definitely a fact that he does not know his job and does not know how to protect the consumers of this Province, when he would stand in this House and say that Hydro is not saving money. It is a fact that the price of oil has decreased further than \$10.00 a barrel and, I will say to him, based on the oil coming into the local generation station at Holyrood, they are saving millions

and millions of dollars. I will ask him again, will he not make a commitment right here and now to ensure that the consumers of this Province will be protected right now, while electricity rates and the consumption of oil are at the highest peak?

MR. SPEAKER:

The hon. Minister of Consumer Affairs.

MR. RUSSELL:

Mr. Speaker, I do not know how many times I have to repeat it for the dense member for Port de Grave (Mr. Efford). He is obviously dense, Mr. Speaker. He made a telephone call to somebody at Newfoundland and Labrador Hydro last week to get certain information about the effect the decreasing price per barrel of oil was having and certain information was passed on to him, the same basic information that I am going to release right now, or later in Private Members' Day, if I can get leave, or tomorrow. The hon. member for Port de Grave chose to release to this House and to the people of Newfoundland the wrong information, when he knew what the right information was.

MR. SPEAKER:

The hon. member for the Strait of Belle Isle.

MR. DECKER:

Mr. Speaker, my question is also for the Minister of Consumer Affairs and Communications, but I want to zero in on the communications aspect of his portfolio. I am sure the minister, like myself, is amazed with the recent advances we have seen in laser technology. Newfoundlanders are due, as a release from the minister's department on September 20 informs

us, for a statement on an agreement on 'The Aggregate use of a single satellite channel to provide communication services in this Province.' Could the Minister of Communications inform this House whether recently marketed laser technology, the so-called LECDT, or Laser Energized Communication Disk Technology, which clearly supercedes aggregate satellite channel communications, being both more efficient and less costly, would be a better route for this Province to follow?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. Minister of Consumer Affairs.

MR. RUSSELL:

Mr. Speaker, I suspect that question came from a former Rhodes Scholar, who now works for the Opposition.

SOME HON. MEMBERS:

Hear, hear!

MR. DECKER:

On a point of order, Mr. Speaker.

MR. SPEAKER:

The hon. member for the Strait of Belle Isle.

MR. DECKER:

Mr. Speaker, when I ask a question in this House, I do not expect to be attacked personally. Could the hon. minister answer the question and forget Rhodes Scholars.

MR. SPEAKER:

The hon. Minister of Communications.

MR. RUSSELL:

Mr. Speaker, just as the hon.

member conferred with his Rhodes Scholar, I will confer with my electronics technician and get him the answer later.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Fogo.

MR. TULK:

I wonder if, instead of the minister just conferring with his electronics technician, he could bring him in, sit him in his seat and then we may be able to get some answers.

SOME HON. MEMBERS:

Hear, hear!

MR. RUSSELL:

Mr. Speaker, to that point of order. He would be far ahead of the member for Fogo.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

There is no point of order.

MR. GILBERT:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:

Mr. Speaker, I am glad members over there are not concerned about jobs for the Department of Forestry or jobs for Newfoundlanders. It is nice to hear backbenchers over there take that attitude.

I have a question for the Minister of Forest Resources and Lands. We have heard the minister and the Premier admit that there have been 120 jobs lost in the FESP programme, in the expiration of this programme, for Newfoundland. I wonder if the minister could tell me how many have been lost Province-wide because of the expiration of this Forest Economic Stimulation Programme?

MR. SPEAKER:

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, to put the matter in its proper context the hon. member should have also, in his preamble, indicated that the Province, itself, undertakes a considerable number of silviculture projects under its own forestry agreement. Several millions of dollars are spent, providing several thousands of jobs. The FESP Programme, which expired, or will expire officially, I guess, at the end of March, is being replaced by the Job Strategy Programme. He is well aware of that. So the number of jobs that will be lost through the FESP Programme will be picked up either through the regular forestry silviculture projects which will be undertaken, or through the Job Strategy Programme, or through the new programme we are undertaking to negotiate with the federal government to sort of substitute, in a way, for the FESP Programme.

Let me just say to the hon. member for Burgeo - Bay d'Espoir and to his leader, who I know recently made some comments on the radio station down in Harbour Breton, or down in Marystown, that what is going to happen in Bay d'Espoir this Summer will be very positive,

I feel, in terms of picking up some of the slack with respect to the people who have lost their jobs on FESP because we intend, also, to carry out further silviculture work through our forestry agreement and perhaps may even surprise the hon. member by providing a lot more jobs than even he expects.

MR. GILBERT:

Mr. Speaker, a supplementary.

MR. SPEAKER:

The hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:

Mr. Speaker, I am glad to hear the minister admit that, but to date he has not shown it. The Job Strategy Programme which has been approved for forestry for Bay d'Espoir provides ten jobs, and 120 jobs have been cut out by the expiration of the FESP agreement.

So I would like to ask what has the minister done and what contact has he had with his federal counterpart to restore a programme such as the FESP agreement? Will the minister table any representation he has made to his federal counterpart, and does he really believe, in view of the Mulroney Government policy with the cutting out of those job programmes, that he is going to get any results?

MR. SPEAKER:

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, there were three questions there. The answer to number one is: I have had a number of communications with my federal counterpart, Mr. Merithew. In fact, as recently as

about two weeks ago I met with him in Winnipeg. At this point in time we are having verbal discussions. My own staff and his staff are working out details -

MR. GILBERT:

Why do you not table it?

MR. SIMMS:

I am not going to table that in the House until we get an agreement with the federal officials, obviously. Now, he says nothing has happened yet. I mean, you would not plant trees out in the snow. He might do it, but normally you would not do that. This Summer you will see something happen in Burgeo - Bay d'Espoir. The answer to the third question is yes.

MR. GILBERT:

What is the number?

MR. FUREY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, I would like to follow up with the Minister responsible for Forestry and Crown Lands. I am glad to hear he has had a meeting with Mr. Merithew, his federal counterpart in Forestry. He has told the House a number of times now, ever since his last cup of tea in Ottawa with the minister, that he has made representation on behalf of Newfoundland, particularly Corner Brook, in relation to the establishment of a federal forest research center for that city. I wonder could the minister brief us on when that will be built in Corner Brook.

MR. SPEAKER:

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, let me just say in response to that question that not only have I made representations, but my colleagues, the Minister of Justice (Ms. Verge), the member for Humber West (Mr. Baird), the member for Bay of Islands (Mr. Blanchard), and the previous member for Bay of Islands, have also made representations on behalf of Corner Brook for that forestry research center, in order to help Mr. Tobin, the federal member, live up to the commitment he made two years before he announced it. In other words, he had two years to make sure that forestry center was located in Corner Brook, and he never, ever was able to deliver.

Mr. Speaker, we are doing everything we can on our side, as a provincial government, to ensure that takes place. However, I would point out to him clearly that that is not a matter under my jurisdiction. If he wants to ask the question, he should get his mouthpiece in Ottawa, Mr. Tobin, to ask the question of Mr. Merithew. I understand Mr. Tobin is the forestry critic, and he has not asked Mr. Merithew a question in the House in the last year and a half.

MR. FUREY:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for St. Barbe.

MR. FUREY:

I would have thought that when the minister changed from his perm, he would have changed his personality a little, too, to be a little more

pleasant. But, to clarify, let me just tell him, you should get the facts clear on this. The forestry center was slated for the city of Corner Brook, and \$16 million was announced by the previous Federal Liberal Government. In fact, in the November statement from your Tory counterpart, Mr. Wilson, in Ottawa, he took the \$3.4 million for preparation of pre-engineering studies from Corner Brook. And the record should show that it was taken away after it was given. Now, when can you tell the citizens of the West Coast, in particular the member for Humber East (Ms. Verge) and the member for Humber West (Mr. Baird), just when we can see this federal forest research center, in concert with your provincial officials whom you already moved out there two years ago, when can we see this center built for the city of Corner Brook?

MR. SPEAKER:

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, that is not a question for me to answer. I do not make that decision, that is made by the federal government in Ottawa. So, why do you not get your colleague, the member for the area, Mr. Tobin, to ask the question in Ottawa of Mr. Merithew. He has not even asked him a question in a year and a half. But, make no mistake about it, Mr. Speaker, members on this side of the House have nothing to be embarrassed about or ashamed about in terms of our representation and what we have done. We acceded to the challenge put out by Mr. Tobin in November of 1983 to move our people over there. We moved our people over there. We did our part. It was a

year and a half later, eighteen months later, that Mr. Tobin came out, two or three weeks before a federal election, and said that there was going to be this big forestry centre. What a bluff!

MR. FUREY:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, it is interesting to watch the minister take the poltroon's way out. He is now admitting to this House that he is a powerless little provincial whimp. The British Columbia minister made representation and he got a federal forestry centre; the Quebec minister made representation and he got a forestry centre; the New Brunswick provincial minister made his representation and he got a forestry centre. Now, when are you going to make representation for Newfoundland?

MR. SPEAKER (McNicholas):

The hon. Minister of Forest Resources and Lands.

MR. SIMMS:

The hon. member seems to have a habit of repeating himself. I do not know why. He must like to listen to himself. Mr. Speaker, I have made representations on lots of occasions, and I will continue to make representations. I repeat again, this government has nothing to be embarrassed about. We fulfilled our part of the deal. Why did not Mr. Tobin deliver in the year and a half after he made his challenge.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the member for Menihek.

MR. FENWICK:

Thank you, Mr. Speaker. My question, Mr. Speaker, is for the Minister of Public Works and Services. Last weekend, in my district, there was a very notable occasion when the \$3 million Arts and Culture Centre was used for the first time and we had the pleasure to watch the Rising Tide production Review '85 which, I must say, I found quite enjoyable.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

My question for the Minister of Public Works and Services (Mr. Young) is, it is my understanding that even though 700 of the residents of Labrador West had the opportunity to see this wonderful building, under his instructions a member of his department refused the CBC access, to have a look inside it. I would like to ask him what the reason for this is.

MR. SPEAKER:

The hon. the Minister of Public Works and Services.

MR. YOUNG:

Mr. Speaker, probably I should answer by saying that the delay in the building being opened, and the recruitment of people to work in the building, was probably initiated by the hon. member, himself.

MR. MATTHEWS:

That is right. He asked the Public Service Commission to delay the competition.

MR. YOUNG:

I am not going to elaborate any more than that, he will probably

ask me another question on it.

Mr. Speaker, the building has not been officially passed over yet so, in consultation with my colleague, we decided that because it was not yet open to the public, except for that one night, if we allowed CBC to go in there - they were the people who asked me - they could have taken pictures on that night, if they had wanted to.

MR. FENWICK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Menihek.

MR. FENWICK:

My supplementary question for the Minister of Public Works and Services, who is responsible for the Public Service Commission, is that I think both he and the Minister of Culture, Recreation and Youth were aware that this building was being built. I mean, they were there when we turned the sod and they were there when it was being constructed. I think there was every indication last Summer that it was going to be ready quite early. My question to both departments, actually to the Minister of Culture, Recreation and Youth (Mr. Matthews) because he is the one who has to initiate it, and to the Minister of Public Works because his department is responsible, why has there been a delay in the advertising of the positions up there so that the first advertisement that appeared there appeared on December 23 of 1985, when you knew several months earlier than that that you had to staff the building with a manager and a technician? Why has it taken that long to even put the advertisements in there? And why is it, when the final deadline was

January 23, that a month later we still have not had all the interviews occur for that particular position? Either minister may reply.

MR. SPEAKER:

The hon. the Minister of Culture, Recreation and Youth.

MR. MATTHEWS:

Mr. Speaker, it was our intent to have the new Arts and Culture Center open in Labrador West early in the new year. We had been in touch with the Public Service Commission in the Fall to set in place the competition to pick the respective people to serve there. The information I have from the Public Service Commission, Mr. Speaker, is that the hon. member, himself, asked the Public Service Commission to delay the competition and, consequently, everything has been put on hold for thirty to forty-five days. So the hon. gentleman must take responsibility for the delay in opening the Arts and Culture Center in Labrador West.

MR. FENWICK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, I notice he has not answered the previous part of the question which was, why the advertisement appeared on December 23 in the district, at a time when a large number were out on the Island part of the Province on vacation and so on. My question to him is, the only advertisement that appeared before that was in The Evening Telegram in St. John's, which was not distributed that widely in the district, why

was there the delay until December 23 before the jobs were advertised in Labrador West?

MR. SPEAKER:

The hon. the Minister of Culture, Recreation and Youth.

MR. MATTHEWS:

I think I have answered that, Mr. Speaker. We asked the Public Service Commission to proceed with the competition. The Public Service Commission, of course, is totally responsible for such a process. We asked them to have the competition completed so that we could open the new center in the early new year. We had hoped to have it open by the end of January. It was the hon. gentleman, himself, who requested that the competition be delayed so that there would be more applicants come in from the area. So the situation is that he has to take full responsibility for the delay, Mr. Speaker. The Public Service Commission is responsible for the competition. I guess they advertise in the way they see fit. We do not have any input into papers or any other forms of media they advertise in, it is totally a Public Service Commission responsibility.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

Before recognizing the hon. the member for Fogo, I would like to point out that there is only time for a quick question and answer unless, by leave, question time is extended.

SOME HON. MEMBERS:

No leave.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

I want to tell the Government House Leader this is a very serious question. I would hope that when I ask it, he will perhaps change his mind and grant us some leave to have some discussion on this issue.

SOME HON. MEMBERS:

No leave. Sit down.

MR. TULK:

But if he does not, that is all right. It is okay, Mr. Speaker, just keep them quiet.

Mr. Speaker, we have recently seen a number of actions that have been taken by the federal government to appease the American people with regards to fish. I want to ask the question of the Minister of Fisheries (Mr. Rideout) or the Minister of Intergovernmental Affairs (Mr. Ottenheimer) but they are obviously not in their seats, and the Premier is not in his seat. We are now seeing that there is pressure being put on the United States government by New England fishermen to have the unemployment insurance that is paid to fishermen in Atlantic Canada lumped in with some other thirty-one subsidies they are saying are subsidies to the fisheries and, therefore, there should be a countervail,

I want to ask the Government House Leader, Mr. Speaker, if indeed there has been any representation made to the Department of External Affairs, if they have pushed the Department of External Affairs, or if they have made any direct lobby themselves to see that unemployment insurance is not lumped in as a subsidy. Because we have seen what Mr. Siddon does in his press releases. Anything that is regarded as a subsidy, Mr.

Siddon has now told us we should drop, because if we do not there will be countervailing tariffs. We are capitulating to the American people?

MR. SPEAKER (McNicholas):

Order, please! Before recognizing the hon. the President of the Council, I would like to point out it is now four o'clock.

MR. TULK:

We will give him leave, Mr. Speaker.

MR. MARSHALL:

Mr. Speaker, I do not speak by leave of the hon. gentleman. I will answer the question. If I understand that I have the right in this House to respond, I will respond.

MR. TULK:

It is all right. We will give you leave.

MR. MARSHALL:

I am particular about who gives me leave.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

Mr. Speaker, there is a difference between substance and trash, that I learned when I was a little boy knee high to a grasshopper.

SOME HON. MEMBERS:

No leave! No leave!

MR. MARSHALL:

But, Mr. Speaker, the government is making constant representations with respect to it. It was the prime concern, the whole issue of the countervail and the effects of the allegations, that any kind of subsidization is going to affect the countervail in the United

States. It has been a matter of great concern to this government, it occupied pretty well 95 per cent of the time of the hon. the Premier at the New England Governors' and Eastern Premiers' Conference recently.

We are in constant contact with Ottawa with respect to the matter. We are seeing that the most strongest and appropriate representations that can be made by us, through the federal government and ourselves directly, in the United States against this lobby is maintained. And, in addition, we have similar discussions, direct, bilateral discussions with Ottawa with respect to same. So we are operating, Mr. Speaker, and we are going to do everything we possibly can, as we have in the past, to protect the fishery - is something wrong with the hon. gentleman? Do you have St. Vitus Dance or something?

Mr. Speaker, we are doing everything we possible can to assist the situation, as we have with respect to all issues in the fishery.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

I am now going to call the Private Members' Motion by the hon. the member for Windsor-Buchans (Mr. Flight), and the debate was adjourned by the hon. the Leader of the Opposition.

o o o

DR. COLLINS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

I do not know if you will rule this as a point of order or not but I wonder if I could have leave of the House to table the document that I referred to earlier? In view of the statement I made, I think all members of the House will want to see the document at the earliest possible moment. If it would be in order, I would be glad to do so.

MR. SPEAKER:

Does the hon. the Minister of Finance have leave?

MR. BARRY:

Mr. Speaker, we recognize that the minister has delayed tabling this document as long as he can but we, I am sure, would very, very, very much would like to see this year's copy of the Auditor General's Report, which we should have received last Thursday.

DR. COLLINS:

Mr. Speaker, I understand that I have leave to do so and, in that case, I do table the Public Accounts of the Province of Newfoundland for the year ending March 31, 1985; the Report of the Auditor General to the House of Assembly for the Financial Year Ended March 31, 1985; a document entitled Departmental Observations on the Report of the Auditor General for the Fiscal Year Ended March 31, 1985; and, in addition to that, Mr. Speaker, the Accounts of the Crown Corporation Boards and Authorities, 1985.

MR. SPEAKER (McNicholas):

I now call on the hon. Leader of the Opposition's as this is

Private Members' Day.

MR. BARRY:

Mr. Speaker, we are prepared to give leave for the Minister of Consumer Affairs and Communication (Mr. Russell) to present his statement which he wished to do during Question Period, if he so wishes, Mr. Speaker.

MR. RUSSELL:

Thank you very much, Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Consumer Affairs and Communications.

MR. RUSSELL:

I would like to make a few comments to hopefully clear up some misrepresentations that have been made recently by the hon. the Leader of the Opposition (Mr. Barry), and the member for Port de Grave (Mr. Efford), allegations that Newfoundland and Labrador Hydro are making excessive profits and windfall profits as a result of the decrease in a barrel of crude oil.

I would like to state, Mr. Speaker, that Newfoundland Hydro is not making any profit on recent oil price decreases. I hope, as I finish up this statement and continue with it, to explain to hon. members opposite, to this hon. Legislature and to the public why this is so.

In 1986 Newfoundland and Labrador Hydro expects and probably will spend about \$56 million for Bunker "C" oil at Holyrood. This is based on 1.85 million barrels at \$30 per barrel. The \$56 million estimate will vary up or down depending on both the price paid and the quantity used.

Part of the recent price decrease

has already been built into electricity rates. Last year Bunker "C" cost as high as \$37 to \$38 Canadian a barrel. Hydro lowered its estimate of the price to \$30 per barrel Canadian when estimating its cost. Therefore, rates already reflect a considerable part of the decrease in oil prices.

There is a great difference, Mr. Speaker, between the U.S. dollar and the Canadian dollar. So far in 1986, Hydro has had three shipments of Bunker "C" oil and the costs in U.S. and Canadian funds are as follows: on January 9, the price per barrel in U.S. dollars was \$22.50, the price at Holyrood in Canadian dollars was \$31.92; on January 23 the price per barrel U.S. was \$22.12, at Holyrood it was \$31.04.

AN HON. MEMBER:

January 3?

MR. RUSSELL:

January 23.

On February 11 the U.S. price was \$19.25, whereas the Canadian price was \$27.00.

As can be seen, most of the Bunker "C" Hydro has in its tanks today cost more than \$30 Canadian per barrel and it is only the last shipment that dipped below that amount.

Hydro has 880,000 barrels of oil capacity at Holyrood and each shipment is only about 250,000 barrels. Hence, it takes at least three shipments before any change in cost is effective.

Hydro does not expect to have another shipment of Bunker "C" until early April and hence the average cost will continue in the

\$30.00 range for a few more weeks.

Any variation, positive or negative, from the \$30.00 per barrel Canadian is placed in a rate stabilization fund. The fund also covers any variations from normal rainfall levels and load growth. So far in 1986, the first two shipments were above \$30.00 and hence took money out of the fund. The third shipment was below \$30.00 per barrel and will result in money being put in the fund. I think, Mr. Speaker, the next sentence is rather important. As of January 31, 1986, the fund had a negative balance of \$2.5 million because the cost of oil to Hydro during January exceeded \$30.00 per barrel Canadian.

Any balance in the rate stabilization fund will be passed on to consumers starting in July, 1987, and yearly thereafter. Hydro will pay interest on any positive balance and charge interest on any negative balance just as if the money was in a bank.

Hydro, Mr. Speaker, makes no profit on the rate stabilization plan - not a cent.

Any profit Hydro makes on the rest of its operation is capped and controlled by the Public Utilities Board. Therefore, it is not possible for Hydro's profit to increase to any significant extent without having it rebated to customers.

There is no way, Mr. Speaker, for Hydro to keep any excess profits. They must be refunded to customers.

Any profit Hydro does make is put back into the business and all customers gain by having more equity as compared with more

debt. Therefore, any Hydro profits are a direct offset to more debt and hence help keep future electricity prices down.

In summary, Mr. Speaker, Hydro makes no profits because of any decrease in oil prices. Any savings are put in the rate stabilization plan and the balance in the plan will be credited or charged to consumers starting in mid-1987, depending upon whether the balance is positive or negative at that time. The amount of profit Hydro can make on the rest of its operations is controlled by the Public Utilities Board and if the approved levels are exceeded, rebates have to be made to the customers. There is no way, therefore, for Hydro to make excess profits from oil prices or any of the rest of its operations.

I might add, Mr. Speaker, the Newfoundland and Labrador Hydro Corporation is obligated on a monthly basis to make the status of that rate stabilization fund known to the Public Utilities Board. It has to do that by law. This is, of course, one of the reasons for public hearings. Accountants, auditors, and legal people have all looked at it. It is quite in order.

Mr. Speaker, I find it very interesting that the Leader of the Opposition (Mr. Barry) who was a former Minister of Energy and responsible for Newfoundland and Labrador Hydro should know, and, I think, deep down does know how this corporation operates. I also understand that this information was given verbally to the member for Port de Grave (Mr. Efford) who has refused to bring it forward in the context which it should be to this House and to the people of

this Province.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER:
Order, please!

MR. EFFORD:
Mr. Speaker.

MR. SPEAKER (McNicholas):
The hon. member for Port de Grave.

MR. EFFORD:
Mr. Speaker, the hon. minister of hydro would not even do me the courtesy of bringing me a copy of the statement.

MR. RUSSELL:
Mr. Speaker, a point of order.

MR. SPEAKER:
A point of order, the hon. Minister of Consumer Affairs and Communications.

MR. RUSSELL:
I suppose I should have given the member a copy because he would have it twice then and maybe he would understand it the second time. He has already been given the information by Hydro people and he refused to use it.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER:
Order, please!

There is no point of order.

The hon. member for Port de Grave.

MR. EFFORD:
Mr. Speaker, I was correct in one of the statements that I made yesterday when I said to the Minister of Consumer Affairs (Mr. Russell) that he is not the

Minister of Consumer Affairs. That is one statement on which I was very accurate. For a minister to represent the consumers of this province and stand up in his place and read off a piece of paper that, I am sure, he has absolutely no concept or idea about, unless he has suddenly taken up a chartered accountant's degree -

SOME HON. MEMBERS:
Oh, oh!

MR. EFFORD:
I am sure he is not capable in any way to handle that part of it. But for him, as a representative of the people of this Province, who is getting paid a salary to represent the consumers of this Province, to stand up here and defend Hydro, in every aspect of what they are doing, saying they are right and the consumer is wrong and they should not expect any profit or any return or any decrease in their hydro electricity rates or their home heating oil is absolutely ridiculous.

SOME HON. MEMBERS:
Hear, hear!

MR. EFFORD:
I asked for his resignation yesterday and I will demand it today. He is not capable of doing the job. He has no feelings for the people of this Province. For him to stand there behind that desk and defend Newfoundland and Labrador Hydro in saying that they are not making any profits when, again this morning, and the figures I got last week were that it was \$37 a barrel last year, they were decreased this year to twenty-seven dollars a barrel -

MR. MATTHEWS:
You do not understand.

MR. EFFORD:
Will you shut your mouth over there! You have no feelings for the people of the Province, we do.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER (McNicholas):
Order, please!

MR. EFFORD:
Last week the decrease was ten dollars a barrel. We had in a publication this morning that there is a further decrease and that was quoted from the public relations officer of Newfoundland Hydro. So you are now also telling him that he is giving false statements. Are you looking for his job or are you looking for the Vice-President's job at Newfoundland Hydro? I am going to tell you -

MR. RUSSELL:
A point of order, Mr. Speaker.

MR. SPEAKER:
Order, please!

A point of order, the hon. the Minister of Consumer Affairs and Communications.

MR. RUSSELL:
I am sure that any job I accept, whatever it might be, will be done infinitely better than the one the member for Port de Grave is doing at the present time.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
There is no point of order.

MR. EFFORD:
Let me point out some facts for the Minister of Consumer Affairs that his little head may hold in

there for a second because there is very little brain twirling around there now. One tanker load of oil coming into Holyrood and it was only just a week and a half ago that it was in there because I was out in my boat and I had to sidestep it going up there. It carries 250,000 barrels of oil. Newfoundland Hydro said to me that they have a one year contract for the purchase of oil and it is contained in that contract that there are floating prices. If the price decreases on the world market, down goes the price. If the price increases, up it goes. Do you understand that?

When the price goes up, they apply for an increase and they get it. But when the price goes down, are you going to stand there in your place and tell the people of this Province that they should not expect any benefits from it, that Newfoundland Hydro is not making any money? The only time that we can come back to you is when they are asking for a rate increase and you know definitely how high the hydro rates are.

SOME HON. MEMBERS:
Hear, hear!

MR. EFFORD:
It is certainly time for the Minister of Consumer Affairs to do a favor to his government. He is only an embarrassment to the government. He is an embarrassment to the people of this Province and he should immediately resign his seat because he is doing a damn poor job of it.

SOME HON. MEMBERS:
Hear, hear!

MR. RUSSELL:
A point of order, Mr. Speaker.

MR. SPEAKER:
Order, please!

A point of order, the hon. the Minister of Consumer Affairs and Communications.

MR. RUSSELL:
Mr. Speaker, I do not mind the hon. the member for Port de Grave (Mr. Efford) getting up and criticizing ministerial statements that I make and things like that but, I think there is a time and a place, Mr. Speaker, to use certain words. He has cursed in this Legislature. He should be asked to withdraw that.

SOME HON. MEMBERS:
Hear, hear! Withdraw! Withdraw!

MR. EFFORD:
To that point of order, Mr. Speaker.

MR. SPEAKER:
To that point of order, the hon. the member for Port de Grave.

MR. EFFORD:
I did not curse on anybody. I used an adjective to the words 'poor job'. I did not make reference to any member of this House of Assembly or to anybody else. I see no point of order, Mr. Speaker.

MR. RUSSELL:
Mr. Speaker, further to the point of order.

MR. SPEAKER (McNicholas):
Order, please! Further to that point of order, the hon. the Minister of Consumer Affairs.

MR. RUSSELL:
I understand the hon. member for Port de Grave (Mr. Efford) did not refer to any hon. member in this House. But I do not think, Mr.

Speaker, that is relevant. I think any language of that nature in this House in reference to anybody or anything else should not be permitted.

MR. BARRY:

To that point of order, Mr. Speaker.

MR. SPEAKER:

To that point of order, the hon. the Leader of the Opposition.

MR. BARRY:

The minister is trying to set up a red herring to get us off the track. The member for Port de Grave used no word, Mr. Speaker, that is not contained in the Bible.

MR. TULK:

That is right. That is right.

MR. SPEAKER (McNicholas):

To that point of order, I certainly did not hear any word from the hon. member that I can take exception to. I may have missed what he said, but I certainly did not hear anything. I must rule there is no point of order.

Orders of the Day

MR. SPEAKER (McNicholas):

Order, please!

It is Private Members' Day. I will call on the hon. the Leader of the Opposition.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Mr. Speaker, all I can say is that when the member for Windsor - Buchans (Mr. Flight) drafted this resolution last year, he must have

been prophetic. He is a prophet with honour in his own land, Mr. Speaker.

MR. BAIRD:

Pathetic is a better word.

MR. BARRY:

Listen to this resolution: "WHEREAS the cost of electricity has more than doubled in the last ten years;

"AND WHEREAS this increase is exclusive of the utility company's fuel adjustment charge;

"AND WHEREAS the fuel adjustment charge is simply a convenient method of increasing electricity costs to consumers while appearing not to;

"AND WHEREAS repeated Government promises to effect measures to reduce the crushing burden on high electricity rates on consumers have not been kept;" and, again, have not been kept once more today.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

"AND WHEREAS the Peckford Administration, and not the Public Utilities Board, decides whether there will be electricity rate increases or not;

AND WHEREAS Government incompetence has brought to a standstill any worthwhile re-negotiation with Quebec of the Upper Churchill contract."

Remember before the last election there were initiatives, after the last election I went up and met with Mr. Bourassa and Mr. Peckford said, "oh, yes, we are going to be getting in touch with him before the Quebec election." Since the

Quebec election there has not been any meetings with Mr. Bourassa. Everything that the member for Windsor - Buchans (Mr. Flight) has said up to this point is totally borne out. I do not even know why we need debate this resolution.

MR. TULK:

Let us vote on it. It is automatic.

MR. BARRY:

"AND WHEREAS Government appears to have abandoned its intentions to develop the Lower Churchill;

"BE IT THEREFORE RESOLVED that this House instruct the present Administration to immediately eliminate the fuel adjustment charge", now if anybody thinks that fuel adjustment charge has been eliminated, as the Government House Leader and Minister responsible for Hydro (Mr. Marshall) tried to say last week, they still believe in the tooth fairy, Mr. Speaker.

"BE IT THEREFORE RESOLVED that this House instruct the present Administration to immediately eliminate the fuel adjustment charge and place a freeze on electricity rates in this Province until a study of the method of power generation and distribution is carried out;

"AND BE IT FURTHER RESOLVED that the Administration again approach the Province of Quebec with the aim of re-negotiating the Upper Churchill agreement so that fruitful development of other hydro resources in that area of the Province can also be pursued."

Mr. Speaker, there have been certain new developments with respect to oil prices since this resolution was drafted and

introduced into the House. Mr. Speaker, the freeze referred to in that resolution was to prevent the increases in price to the consumer, which every indication had, were going to take place. We had Newfoundland Light indicate the possibility of increase.

Mr. Speaker, do you know something? What the minister confirmed there today is that they are going to permit an increase by the backdoor if they are going to permit the rate, whether it is Canadian dollars or U.S. dollars, or Japanese yen, Deutsche marks or francs, who cares? If, Mr. Speaker, the price of oil of all these currencies goes down the equivalent of ten Canadian dollars per barrel, which the minister was prepared to admit in his figures, if they estimated thirty dollars a barrel, Mr. Speaker, and we are now seeing that as of today U.S., it is less than fifteen dollars a barrel, which is just less than twenty dollars Canadian -

MR. J. CARTER:

On a point of order, Mr. Speaker.

MR. BARRY:

- you have a ten dollar difference between the thirty dollars estimated and the twenty dollar actual price.

MR. SPEAKER:

Order, please!

A point of order, the hon. the member for St. John's North.

MR. J. CARTER:

I do not think every member necessarily agrees with me but, I think it is an established tradition in this House when deliberate misinformation is supplied to this House that any member who knows the contrary

should get up and set the record straight. In order to set the record straight, the Leader of the Opposition (Mr. Barry) said that the price of oil has gone down as low as \$14.77 U.S. per barrel. Let me read a little bit from The Evening Telegram for today, "The price for March delivery of West Texas intermediate, the best known U.S. crude, fell to \$14.77 for a 159-liter barrel on the New York mercantile exchange, down \$1.24 from the previous sessions close." March delivery is not today. This is February.

MR. BARRY:

Mr. Speaker, he is not allowed to take my time in debate. If you want to debate -

MR. J. CARTER:

I am not taking his time, Mr. Speaker.

MR. BARRY:

Sit down! Sit down!

MR. J. CARTER:

I am up on a point of order trying to correct blatant misinformation, I suggest, deliberately spread around by the Leader of the Opposition (Mr. Barry).

MR. BARRY:

This is outrageous.

MR. J. CARTER:

Mr. Speaker, that is \$14.77 U.S., which converted by 1.4 comes to \$20.68 in Canadian funds but, for March delivery. So, that was a falsehood. I hope it was not deliberate. I have to give the hon. member the benefit of the doubt that it was not an attempt to deliberately mislead the House but, he is either misleading the House or misleading himself. So, I would like to set the record straight.

MR. SPEAKER (Greening):

To that point of order, there is no point of order. The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I wish the member, in addition to sleeping while others speaking, would wake up before he stands up to speak himself.

Mr. Speaker, we have in this House had to consistently recognize the brutal realities of life. As oil prices were going up, we had to recognize, everybody on both sides and everybody in the Province recognized it. As oil prices were going up, if we were burning oil, our electricity prices were going to go up and that has been the history over the last fifteen years in this Province but, Mr. Speaker, there has been a significant change.

As of last December, particularly, between December and now, when the Saudis decided that they were going to open their taps and increase their production and flood the market with oil, we have seen the price of oil sink dramatically. Mr. Speaker,

MR. J. CARTER:

That fund looks after that.

MR. BARRY:

Yes, now there is the Tory philosophy. "Sock it to them in price, sock it to them in taxes, sock it to the consumer when the price is going to go up but, do not give them back anything when the price goes down, put it in a fund." It does not matter if you are talking about Newfoundland Hydro or if you are talking about the banks or the big corporations, it is "take it from the consumer and give it to the corporation, take it from the consumer when the

price is going up and do not give it back to them when the price is going down." That is the essence of Toryism and the member is a prime example of that almost extinct species, the Tory.

MR. J. CARTER:

Mr. Speaker, a point of order.

MR. SPEAKER:

Order, please!

A point of order, the hon. the member for St. John's North.

MR. J. CARTER:

Mr. Speaker, that fund that has been established is a fund that does not yield any profit to Newfoundland Hydro and the former Minister of Mines and Energy, regrettably, knows full well the function of that fund. It is wrong, in fact, it is immoral for him to suggest to this House anything differently.

MR. SPEAKER (Greening):

To that point of order, it is a difference of opinion between two hon. members.

The hon. the Leader of the Opposition.

MR. BARRY:

Anyhow, Mr. Speaker, that is all I am going to say about energy prices, other members have dealt with that point to some extent.

I would like to, Mr. Speaker, refer to the need for new initiatives with respect to the development of hydro power in the Labrador portion of our Province.

Mr. Speaker, we have seen neglect and inaction for too long on the part of the Premier of this Province and the present administration. We are now seeing

in Manitoba, Mr. Speaker, a Premier going to the people on the basis of a new contract negotiated for the export of surplus electricity to the United States. We see British Columbia, Mr. Speaker, with active negotiations underway for the sale of electricity through the development of a new hydro project in British Columbia. We see Mr. Bourassa in Quebec appointing a blue ribbon panel with three former Cabinet ministers from the United States Government on that panel.

MR. J. CARTER:

What are you trying to say? Get to the point.

MR. BARRY:

They are, Mr. Speaker, assisting Mr. Bourassa to firm up contracts so that Mr. Bourassa can start another phase of James Bay.

MR. J. CARTER:

So?

MR. BARRY:

Where are these clods opposite while this is going on and while the world moves ahead?

AN HON. MEMBER:

In China.

MR. BARRY:

What is going on with members opposite? Where are the meetings with Mr. Bourassa? Why are we not down in New York? Why are we not participating in trying to firm up, Mr. Speaker, some contracts so that we can see that any surplus power we have from these projects can be sold until we need it but, in the meantime, we can get a hydro development so that we would not have to be fighting about the impact of oil on electricity.

MR. TOBIN:

His time is up, Mr. Speaker.

MR. BARRY:

It is not up. It is not up. The policy, Mr. Speaker, of the Liberal Party is that we should proceed with development and that the Premier of this Province should be -

SOME HON. MEMBERS:

Oh, oh!

MR. BARRY:

Mr. Speaker, would you please keep those turkeys quiet? This is a serious matter. My time is not up and I want quiet to speak.

MR. SPEAKER (Greening):

Order, please! The hon. the Leader of the Opposition has nine minutes left. Could we please have silence while the hon. the Leader of the Opposition is speaking?

MR. BARRY:

Mr. Speaker, the Premier is to be criticized for not have pursued negotiation with the former Premier of Quebec and for not having met with the current Premier of Quebec to discuss further Labrador power development and the Upper Churchill contract, especially since the Bourassa election in Quebec. The offer made by the former Premier, Mr. Renee Levesque, was much more significant than members opposite would ever admit.

MR. J. CARTER:

That is not true.

MR. BARRY:

They said it was only worth \$10 million to \$12 million when, if you consider that he was offering 400 megawatts of power, and if you accept the Tory calculation -

MR. TOBIN:

What is your calculation? Do you know what you said? You said -

MR. SPEAKER (Greening):

Order, please!

MR. BARRY:

- that we are losing \$800 million to \$1 billion, Mr. Speaker, -

AN HON. MEMBER:

Name him!

MR. BARRY:

- on the Upper Churchill, and if you consider that 400 megawatts is approximately one-tenth of what Quebec receives from the Upper Churchill, a little less than one-tenth, then on that calculation, Mr. Speaker, which nobody is disputing by the way, nobody is disputing it. We are prepared to accept that the value of electricity was \$800 million, well, one-tenth of that is worth in the area of \$80 million. That, Mr. Speaker, was what Quebec was prepared to give up under Levesque. That is what they were prepared to give up, which members opposite pooh-poohed and dismissed.

We do not feel that that offer should have been accepted because we know there was more on the table and we know that it was not worth that much to the Province. It would cost that much to Quebec but that is different from what it would be worth to us because unless we can get it to the Island where the customers are, we cannot utilize it and it is of less value. But, Mr. Speaker, with proper negotiation it would have been possible to get up to 800 megawatts, enough to justify a transmission line inter-tie between Labrador and the island that would have seen us lose our

dependency upon oil for electricity. We are talking about recall now from the Upper Churchill. It would see us being able, Mr. Speaker, in this city and other parts of the Island to tie into the Upper Churchill project.

Mr. Speaker, as I say, our position with respect to the Quebec offer therefore is that it was a significant concession.

MR. J. CARTER:

You are prepared to give it all away.

MR. BARRY:

It was a significant concession by Quebec but was not acceptable. However, it should certainly have formed the basis for continuing negotiations and this is where the Premier and the members opposite fall down once more. The serious offer made by Quebec gave every indication there was more on the table and we could contemplate having at least 800 megawatts to bring back to the Island over an inter-tie between Labrador and the Island. The only way a settlement of the Upper Churchill contract is going to come about is if there is something in it for Quebec and anybody who does not face up to that is a fool. There must be something in it for Quebec. There has to be some form of a package deal.

MR. W. CARTER:

Have you said that to the Premier?

MR. BARRY:

Yes, I have always said that. For the Premier to say that he will not discuss development of the Lower Churchill or development of the rivers that flow between Labrador and Quebec until the Upper Churchill is settled is the

equivalent of the little boy saying he is going to hold his breath until he turns blue.

Mr. Bourassa will say, "If you do not want to talk to me, so what?" However, Mr. Bourassa, in this great book he has written, has indicated he is very interested in doing a deal with Newfoundland for the development of further rivers that flow between Newfoundland and Quebec. He has not committed himself to reopening the Upper Churchill contract. Levesque has already done that and, with the proper approach to negotiation, we should be able to get an improvement in the Upper Churchill deal, more recall power than has been offered, more revenue and also we should be able to, as Bourassa has offered, take advantage of the lion's share of profits from any new hydro development in Labrador. Mr. Speaker, that is our position.

MR. J. CARTER:

Cave in and give it all away.

MR. BARRY:

We want to see greater revenue from the Upper Churchill contract and, at the same time, we should be prepared to sit down and discuss this in the context of other developments. In so doing, we are in a position to offer Quebec something, namely, co-operation in developing the joint rivers. Quebec cannot develop these rivers without our co-operation.

One brief point and I am almost finished here, Mr. Speaker. With respect to the Lower Churchill, we do not want to have to share the profits from that. It is not the same, Mr. Speaker, as the joint rivers. That does not have to be a joint venture development.

Quebec should be satisfied to accept a wheeling charge. We need Quebec's co-operation however, as the Premier has stated, we admit, in order to permit the export of surplus power, but, we would not need Quebec's co-operation if the Prime Minister of Canada, Mr. Mulroney, lived up to his pre-election commitment to intervene and see that we get the right to wheel our electricity across the transmission lines of Quebec to wherever our markets for surplus power might be.

We could go ahead and develop the Lower Churchill on our own. We could do our own deal directly with the Americans if we had that right, to pay a fixed cost, fixed by the National Energy Board if necessary, if we could not agree. Pay them a cost. Put a little bit of money in it for them for their trouble and their co-operation but, for us to get the profit on the export of surplus electricity and for us to be able to develop that as our project here in this Province. There is no need for joint development there. That is why I stress the difference between the Lower Churchill, the two sites, Gull Island and Muskrat Falls on the Lower Churchill, and these joint rivers.

We do favour joint development of the joint rivers because co-operation will see a much more efficient use of the hydraulic resource that is there and is right now wasted, flowing to the sea. It is time that we showed some statesmanship and sat down and negotiated this type of progressive deal that would see co-operation between two neighboring provinces.

MR. J. CARTER:

You are trying to give it all away.

MR. BARRY:

It is happening in other parts of the country. For heavens sake! Why can this administration not do this sort of thing?

AN HON. MEMBER:

The time is up.

MR. BARRY:

Why are they so negative, Mr. Speaker?

Mr. Speaker, we have to point out that the President of Newfoundland Hydro has stated that by 1987, which is a bit later than the Premier indicated, he indicated some time this year but, the last statement I saw was that by 1987 Newfoundland is going to have to start looking at building more thermal stations to burn oil if we do not have a Labrador inter-tie by that time.

MR. SPEAKER:

The hon. member's time is up.

MR. BARRY:

I am sure, Mr. Speaker, just to conclude my remarks, I could have a moment.

MR. J. CARTER:

No. No leave.

SOME HON. MEMBERS:

Oh, oh!

MR. TOBIN:

No leave. Sit down.

MR. BARRY:

Let the record show, Mr. Speaker, that members opposite are more interested in partisan politics than they are in getting information on issues that affect the public welfare of this Province.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:
Order, please!

The hon. the member's time is up.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER (Greening):
Order, please!

Could we have silence in the Chamber?

MR. WARREN:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Torngat Mountains.

SOME HON. MEMBERS:
Hear, hear!

MR. WARREN:
Mr. Speaker, I would like to take the opportunity to spend a few minutes to speak against this resolution.

Mr. Speaker, I would like to go through the resolution. I think there are parts of this resolution that all members of this hon. House agree with.

"WHEREAS the cost of electricity has more than doubled in the last ten years." I believe every Newfoundlander and every Labradorian believes this to be correct. It has doubled in the last ten years. However, the next five WHEREASES are differant.

"AND WHEREAS this increase is exclusive of the utility company's fuel adjustment charge." The adjustment charge is already gone. It is no longer there. It is already finished.

"AND WHEREAS repeated government promises to effect measures to reduce the crushing burden of high electricity rates on consumers have not been kept;

"AND WHEREAS the Peckford Administration, and not the Public Utility Board -

MR. FUREY:
Mr. Speaker.

MR. SPEAKER:
Order, please! The hon. the member for St. Barbe.

MR. FUREY:
Since the hon. member is giving such an enlightening dissertation, could we call a quorum please?

Quorum

MR. SPEAKER (Greening):
Call in the members.

We have a quorum.

The hon. the member for Torngat Mountains.

MR. WARREN:
Mr. Speaker, maybe I will forget all the preamble. Seeing the hon. member for Windsor - Buchans (Mr. Flight) would like to hear some of my comments, I would like to go back to last Wednesday when the hon. member made the following quotes.

The hon. member said, "The nationalization of the Upper Churchill cost \$200 million and we have been paying interest on it ever since. What has it accomplished? In 1971, BRINCO was nationalized by this government and what has it gained in this Province? What has it gained in

this province? Fourteen years later we are paying interest. How did nationalization of the Upper Churchill benefit this Province? How did it benefit the Coast of Labrador? How did it benefit any part of this Province?" That was what the hon. the member for Windsor - Buchans said.

MR. TULK:

On a point of order, Mr. Speaker.

MR. SPEAKER (Hickey):

The hon. the member for Fogo, on a point of order.

MR. TULK:

The member for Windsor-Buchans (Mr. Flight) may very well have said that and I can tell the hon. gentleman that just before his conversion a couple of years ago, he made the same statements.

MR. SPEAKER:

Order, please! The hon. the member for Torngat Mountains.

MR. WARREN:

On November 24, 1980, Mr. Stephen Neary asked the Minister of Energy at the time, the hon. the Leader of the Opposition (Mr. Barry) today, this question: "Is it not necessary to nationalize the Churchill Falls Corporation?" What was the answer? Let us read the answer.

MR. FLIGHT:

A point of order, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Windsor-Buchans on a point of order.

MR. WARREN:

Mr. Speaker, the member quoted me correctly, every word I said. Having quoted me, I would now ask him to explain to this House how

the nationalization of BRINCO in 1971 benefitted this Province or benefitted his district? How the \$200 million it cost us, and the interest we have been paying ever since, how indeed it benefitted his district? It would be the best twenty minutes he ever spent in this House if he would take that twenty minutes and explain to the House how it did. That is the most beneficial way he could use his time.

MR. TOBIN:

To that point of order, Mr. Speaker.

MR. SPEAKER (Hickey):

The hon. the member for Burin-Placentia West to that point of order.

MR. TOBIN:

Mr. Speaker, to that point of order, it is indeed a spurious point of order. On the same statement that was made by my colleague, you had the same thing coming from two members opposite. The fact of the matter is my colleague from Torngat Mountains is exposing the Leader of the Opposition for what he is.

MR. SPEAKER:

I declare there is no point of order.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please!

There is no point of order, just a difference of opinion between two hon. members.

The hon. the member for Torngat Mountains.

MR. WARREN:

Let us listen to the comments that the Leader of the Opposition said in 1980, the member who was sitting on this side.

"Mr. Speaker, nationalization, as the hon. member calls it, of CFLCo I presume he refers to the purchase by the Government of Newfoundland of shares that are owned by BRICNO. This was an historical milestone, Mr. Speaker, for the Province of Newfoundland." That was the hon. the Leader of the Opposition who said that. The same guy is a real hypocrite today, Mr. Speaker.

"By doing that we have removed what the previous administration had permitted to be a barrier between this Province and the Province of Quebec in attempting to negotiate a better deal with the Upper Churchill." Now, Mr. Speaker, I will tell the hon. member, you cannot have your cake and eat it too.

SOME HON. MEMBERS:

Hear, hear!

MR. WARREN:

Again, Mr. Speaker, the hon. the Leader of the Opposition said a few minutes ago, and last week the hon. member for Windsor-Buchans (Mr. Flight) said it, and I quote again because I think it is very easy to find a little bit of a difference of opinion with what the two hon. gentlemen are thinking.

I must say, Mr. Speaker, 1979 there was discontent in the ranks when Mr. Don Jamieson was over there, and when Mr. Steve Neary took over, there was discontent in the ranks, and when Mr. Len Stirling was over, there there was discontent in the ranks, and now they have the Leader of the

Opposition over there and there is still discontent in the ranks. They are still discontent. To show you where they are not getting along, to show you that one does not know what the other is doing, we will just show you what is not happening. Last week the hon. member for Windsor-Buchans (Mr. Flight) said, "Why is it, Mr. Speaker, that the Minister of Energy cannot take Mr. Bourassa or his Mines and Energy Minister up on that and start negotiating?"

That was a good question. I think it was a good question. Why should he not do it? Okay, here it is. On June 4, 1981, a question was asked by Mr. Len Stirling, and he asked the question to the hon. Minister of Mines and Energy, "Why do you not negotiate the Upper Churchill -

MR. FLIGHT:

Who is the minister?

MR. WARREN:

The hon. Leo Barry at the time. And the question from Len Stirling at the time was, "Why does not the hon. minister negotiate the Upper Churchill contract with Quebec." Let us see what the man said. Everybody listen! I hope that their Common Room speaker is turned up because they should listen to this.

"Mr. Speaker, I for one, as a Canadian, am not prepared to accept a statement by the Quebec minister or any other Quebec politician who has -"

MR. TOBIN:

Who said that?

MR. WARREN:

Oh, Mr. Barry said this, the Minister of Mines and Energy in

1981. I have to go back over it again, "And, Mr. Speaker, I for one, as a Canadian, am not prepared to accept a statement by a Quebec minister or any other Quebec politician. At the present time, their presence is blocking our ability to market power, the Opposition is blocking our ability to market power. I am not prepared to accept their stated position." He said to the Leader of the Opposition at the time: "The Leader of the Opposition may be that naive to accept any position given by him by the Quebec politicians but, we submit it should be determined by an independent energy board." Now, that was the Minister of Mines and Energy at the time. What is he doing today? He was up there five minutes ago asking if we would negotiate a contract with the Upper Churchill. Now, Mr. Speaker, with that in mind -

MR. FUREY:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for St. Barbe.

MR. FUREY:

In fairness, I hope if you were talking about a former Cabinet Minister over there, I hope that you will also talk about two members who were over there currently, the member for Waterford - Kenmount (Mr. Ottenheimer) and the current Deputy Speaker, who also voted unanimously for the Upper Churchill contract.

MR. SPEAKER (Hickey):

I declare there is no point of order. The member for Torngat Mountains.

MR. WARREN:

Thank you, Mr. Speaker.

Mr. Speaker, looking through the resolution and I see that that resolution does not make any sense at all and I see that the resolution was very, very partially put together, as is typical for the Opposition.

I would like to make the following amendment, Mr. Speaker, seconded by the hon. the member for Grand Falls (Mr. Simms). The amendment would read as follows, Mr. Speaker: "That all the words following 'years'," which is the first line, "be deleted so that the resolution, as amended, will read:

"WHEREAS the cost of electricity has more than doubled in the last ten years;

"AND WHEREAS the present cost of electricity is of concern to all Newfoundlanders and Labradorians;

"AND WHEREAS the most effective approach to reducing the cost of electricity is renegotiating an improvement on the Upper Churchill contract;

"BE IT THEREFORE RESOLVED that this Administration continue its discussion with the Province of Quebec with the aim of renegotiating the Upper Churchill Agreement so that the fruitful development of other Hydro resources in that area of the Province can also be pursued."

MR. TULK:

On a point order, Mr. Speaker.

MR. SPEAKER (Hickey):

On a point of order, the hon. the member for Fogo.

MR. TULK:

Whether the resolution is in order, of course, Your Honour will decide. I, for one, to be quite frank with you before we make argument either way and, I am sure Your Honour would also like to have a copy of it. I think one of the things that was cut out of this resolution, perhaps I heard the hon. member wrong, was: "BE IT THEREFORE RESOLVED that this House instruct the present Administration to immediately eliminate the fuel adjustment charge and place a freeze on electricity rates in this Province until a study of the method of power generation and distribution is carried out."

Mr. Speaker, I know you would want to take a look at this and perhaps take a short recess to determine whether indeed this amendment negates completely against the original amendment, whether it destroys the substance of it or not. If it does then, of course, Your Honour will rule it out of order, if it does not, then you will rule it in order. Perhaps, Your Honour would like to take a couple of minutes.

MR. SIMMS:

To that point of order, Mr. Speaker.

MR. SPEAKER:

To that point of order, the hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

To the same point of order, just to assist Your Honour in considering the point raised by my hon. friend for Fogo, Your Honour might wish to at least consider this argument which we made in determining whether or not we would put forth this type of an amendment.

First of all, the intent of the resolution, as we read it initially, is to give Newfoundlanders and Labradorians a better deal on electricity rates. That is clearly the intent of the resolution. I think members opposite would even agree with that. One of the methods proposed to reach that goal, as contained in the resolution, was that described by the member for Fogo (Mr. Tulk), which would be the freeze and the elimination of the fuel adjustment charge. But that is only a method to attain the ultimate goal and the ultimate objective of the resolution, which is to get a better deal on energy cost for Newfoundlanders and Labradorians.

This amendment, Mr. Speaker, was carefully thought out precisely for that reason, in order to make it more acceptable for members on both sides of the House to support, we, indeed, included in our amendment, in the final analysis, that very point, that the administration continue its discussion with the Province in order to renegotiate the Upper Churchill agreement so that fruitful development of other hydro resources in the area of the Province can also be pursued, thereby giving a better deal to Newfoundlanders and Labradorians. That is the submission I make to Your Honour.

MR. TULK:

To that point of order, Mr. Speaker.

MR. SPEAKER (Greening):

The hon. the member for Fogo, to that point of order.

MR. TULK:

Mr. Speaker, I would ask Your Honour to consider this: In this

resolution, as it was originally proposed by the member for Windsor - Buchans (Mr. Flight), he points out three or four ways that we can carry out the objectives that the member for Grand Falls (Mr. Simms) is talking about. We know full well that the member for Grand Falls, like his government and like his Minister of Consumer Affairs (Mr. Russell), does not want to take any immediate action in regards to hydro electricity rates in this Province. I would suggest to Your Honour that that is the real purpose of the amended motion.

I would say to Your Honour one of the methods that is contained in the resolution, one of the things that is pointed out by the member for Windsor - Buchans (Mr. FLIGHT) that the government can do now through Newfoundland Hydro, immediately, is to freeze electricity rates until the study of electricity rates and distribution and so on is carried out. I would ask Your Honour to consider this: When you eliminate that, you leave them only one way, and you take something away from the motion that was put by the member for Windsor - Buchans. You take away a part of the resolution itself, and you would just keep part of it. So I would ask Your Honour to consider that when he is carrying on with his deliberations.

MR. SPEAKER (Hickey):
Order, please! I will take a few minutes and consider this matter and I will give a ruling very shortly. I would ask the hon. the member for Torngat Mountains therefore to continue in his speech. I assume he is speaking to the main motion or the resolution? Is that not permissible? Can we not go on?

MR. SIMMS:

I suggest that it would be difficult for him to speak because he is not aware whether he can speak to the amendment or to the resolution.

MR. SPEAKER:

Until a decision is made on this?

MR. SIMMS:

That would be right.

MR. SPEAKER:

Then I would suggest that we recess for five minutes and I will give a ruling.

Recess

MR. SPEAKER (Hickey):

Order, please!

I have considered the amendment proposed by the hon. member for Torngat Mountains (Mr. Warren) having regard to Standing Order 36 and Section 425 of Beauchesne, which reads as follows:

"The object of an amendment may be either to modify a question in such a way so as to increase its acceptability or to present to the House a different proposition as an alternative to the original which must, however, be relevant to the subject of the questions."

My ruling is that the amendment is acceptable. Although it deletes certain wordings from the resolution, it does not detract from the main thrust of the resolution.

The hon. the member for Torngat Mountains.

MR. WARREN:

Thank you, Mr. Speaker.

MR. TULK:
A point of order, Mr. Speaker.

MR. SPEAKER:
A point of order, the hon. the member for Fogo.

MR. TULK:
We, of course, accept Your Honour's ruling, as we always do. I would ask Your Honour to rule on another point of order. The House was recessed and the clock has been running. Has the hon. member's time expired?

MR. SIMMS:
To that point of order, Mr. Speaker.

MR. SPEAKER:
To that point of order, the hon. the Minister of Forest Resources and Lands.

MR. SIMMS:
When the House is in recess it is well understood that the House is simply in a state of suspension.

MR. TULK:
No, no.

MR. SIMMS:
There are no time allotments lost to a speaker or to anything else, that is a clear rule.

MR. TULK:
Let the Speaker rule.

MR. SIMMS:
I am offering this to the Speaker for consideration, it is a clear precedent in this House. I suggest the hon. member for Fogo is well aware of that.

MR. SPEAKER:
Order, please!

Unless hon. members can offer me some precedent or some Standing

Order to go by. To my own knowledge, I am aware that when the House is adjourned for five minutes or whatever the case might be, it does not take away time and the clock, so to speak, stops in relation to the time pertaining to an hon. member who had the floor when the House was adjourned.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER:
Order, please!

The hon. the member for Torngat Mountains.

MR. WARREN:
"And I, for one, Mr. Speaker, as a Canadian, am not prepared to accept a statement by a Quebec minister or any other Quebec politician. I am prepared to accept a stated position. I will not deal with anybody in Quebec." That was the Leader of the Opposition (Mr. Barry), Mr. Speaker, who said that. He was the Minister of Mines and Energy on June 4, 1981 and today he is the Leader of the Opposition. He got up today, Mr. Speaker, and he said: "Let us negotiate with Quebec."

MR. TULK:
A point of order, Mr. Speaker.

MR. SPEAKER:
Order, please!

The hon. the member for Fogo.

MR. TULK:
I think the hon. member said 1981. There are strange twists in this world. At that time the hon. member for, as you said, "Torngat Mountains" -

MR. FLIGHT:

Turncoat Mountains.

MR. TULK:

- was over on this side of the House arguing against the then Minister of Energy (Mr. Barry) and now he is over on that side arguing against the Leader of the Opposition, who happens to be one of the same person. So there are two conversions.

MR. SPEAKER:

Order, please!

The hon. member has provided us with some very interesting information, but there is no point of order.

The hon. the member for Torngat Mountains.

MR. WARREN:

Thank you, Mr. Speaker. Also, Mr. Speaker, back in 1981, you must remember that the people of Newfoundland and Labrador are still paying for -

MR. BARRY:

Crosbie's (inaudible).

MR. WARREN:

- two holes on both sides of the Strait of Belle Isle that the Leader of the Opposition, who was minister of at the time, commissioned! We are still paying for those two holes, \$200 million!

MR. DECKER:

Mr. Speaker.

MR. SPEAKER:

Order, please!

The hon. the member for the Strait of Belle Isle.

MR. DECKER:

Mr. Speaker, I wonder would the hon. member clarify something for

my education? Are there two holes on each side of the Strait of Belle Isle or are there a total of two holes?

MR. YOUNG:

There is a big hole in your head!

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

There is no point of order. The hon. the member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, I thank my hon. colleague for the Strait of Belle Isle for bringing that to my attention but, I am sure if the Leader of the Opposition (Mr. Barry) had his way, there would be more than two, there would be more than four, there would be more than six holes and the people of the Province would be still paying for it.

Mr. Speaker, let us go back to this present amendment to the resolution. I cannot see how any politician in the Province of Newfoundland and Labrador can vote against this amendment. In fact, Mr. Speaker, I would say they would be ashamed to stand up and vote against such a positive amendment to the resolution.

During the past several days we have heard several comments, Mr. Speaker, concerning the high cost of electricity and the rate increase that has been asked for by Newfoundland and Labrador Hydro. I think, Mr. Speaker, that the hon. the Minister of Consumer Affairs and Communications (Mr. Russell), in his ministerial statement today, has explained

quite clearly, quite easily and quite simply to the hon. the member for Port de Grave (Mr. Efford). He has outlined the reason behind the fact that there is no decrease at the present time. I think, if the hon. the member for Port de Grave would just be patient enough and would just tell the people of his district what he has been told by Hydro officials, then I think the people of Newfoundland and Labrador would clearly understand what is going on.

Mr. Speaker, if there is anybody in this Province who is really finding the pinch of the high cost of electricity rates, it is the people in Coastal Labrador. Those are the people who are paying a higher price than anyone else.

MR. FLIGHT:

Why do you not do something about it?

MR. WARREN:

Mr. Speaker, I think that my amendment that I just brought in is saying that we have to keep on negotiating with Quebec until we can get a suitable settlement and try to get back all the money that the administration opposite had given away some twenty-five or thirty years ago. This is what happened, Mr. Speaker, and we are still paying for it.

I would like also to say, Mr. Speaker, the Leader of the Opposition in 1979, the hon. Don Jamieson, said at that time, Mr. Speaker, and it is quoted here in Hansard, that he preferred that the Upper Churchill would go to the courts.

MR. FUREY:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for St. Barbe.

MR. FUREY:

I want to ask the hon. member, in his amendment he says, "BE IT RESOLVED THAT the administration continue its discussions." That implies that you have started discussions with the Province of Quebec. I would just ask the member if he would clarify for me if in fact that is true, that the Premier has contacted the new administration of Quebec under Premier Bourassa because this amendment clearly implies that. How can you continue that which you have not started?

I wonder would you clarify this because my information from the Minister of Energy in Quebec is that there has been no approach by this current administration with the new administration yet. Just a point of clarification please.

MR. SPEAKER:

Order, please!

There is no point of order.

The hon. the member for Torngat Mountains.

MR. WARREN:

Thank you, Mr. Speaker.

I should advise the hon. gentleman if he is so stupid and so ignorant of the facts that since the former Minister of Mines and Energy, the present Leader of the Opposition (Mr. Barry), has left that portfolio because he got sulky, since then there have been continued negotiations with officials in Quebec concerning the Upper Churchill Falls deal. So what do you want? What do the hon. gentlemen want, Mr. Speaker?

MR. FUREY:

Mr. Speaker, a further point of order.

MR. SPEAKER:

Order, please!

The hon. the member for St. Barbe.

MR. FUREY:

I understand then from the hon. member for Torngat Mountains, and the record should show this, that the official position of this government, as articulated by the member for Torngat Mountains, is that discussions have been initiated and will continue with the current administration in Quebec. That is what I understand him to be saying in this amendment, that your Premier has started negotiations and they are continuing right now. That is the official position of your government.

MR. SPEAKER:

Order, please!

There is no point of order. The hon. the member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, I know what hon. members are trying to do, they are trying to use up my time so that I can have about two minutes to clue up. I will clue up, Mr. Speaker. Mr. Speaker, I will quote the Minister of Mines and Energy (Mr. Barry) on June 16, 1981. I will read those comments, I will let all the members listen to them, because I believe we can use them today. Here is what he said: 'Mr. Speaker, in three elections the people of this Province voted for a government which will solve our problems by getting our own supplies of oil, by getting electricity based on Hydro, and if

hon. members opposite want to go into another election on the same old philosophy, they are going to get wiped out again.' Sure enough, Mr. Speaker, let them take us on and try to use the kind of philosophy they are using and we can wipe them out.

SOME HON. MEMBERS:

Hear, hear!

MR. WARREN:

Mr. Speaker, I will quote what the hon. the Leader of the Opposition (Mr. Barry) said on June 16 1979, and I will leave the House with these. 'We intend to be responsible on this side of the House' -

MR. TULK:

Mr. Speaker, on a point of order.

MR. SPEAKER:

Order, please! The hon. member for Fogo, on a point of order.

MR. TULK:

Mr. Speaker, the member for Torngat Mountains (Mr. Warren) has put forward an amendment to the resolution put forward by the member for Windsor - Buchans (Mr. Flight) which says, 'that this administration continue its discussions with the Province of Quebec.' Now, I would ask the hon. member to either confirm or deny what the member for St. Barbe (Mr. Furey) is saying, that there are no discussions ongoing. I would like him to confirm or deny for the House, because he has made a point to the House, that they are not continuing, that there are no discussions, and they cannot continue because there are none. So I would like for him to get his logic straight, to say, yes, there are -

MR. SIMMS:

Perhaps they are.

MR. TULK:

Now the leadership candidate for Grand Falls (Mr. Tulk) should be quiet while I try to make this point to the hon. gentleman.

MR. SPEAKER:

Order, please!

MR. TULK:

If they are continuing, if there are negotiations, at what level are they being carried on? Or is the amendment completely out of order?

MR. SPEAKER:

Order, please! Order, please! Would the hon. member take his seat, please.

The hon. the member has the privilege and the right to respond to a question or a comment, if he wishes or if he does not. I would say to the hon. member that his time is coming close to the end now, and would he conclude his remarks.

MR. WARREN:

Mr. Speaker, I will respond in a very positive manner that this government is very, very concerned about the deal that was signed by the Liberal Administration with the Province of Quebec some twenty-five or thirty years ago. Subsequently, the Premier of this Province -

MR. TULK:

You are certain about one thing, the ten thousand bucks you are getting.

MR. WARREN:

and the government, in general, had discussions with Quebec in the past, will continue to have discussions in the future and will

continue to get a better deal for Newfoundlanders and Labradorians.

SOME HON. MEMBERS:

Hear, hear!

MR. DECKER:

On a point of order, Mr. Speaker.

MR. SPEAKER:

Order, please! The hon. the member for the Strait of Belle Isle, on a point of order.

MR. DECKER:

Mr. Speaker, the hon. gentleman is making an excellent speech and I compliment him on it, but I am losing the drift of his argument.. I must know whether or not talks have been started with Quebec. The whole basis of this amendment is contingent on whether or not talks have begun. Now, we cannot debate this amendment, Mr. Speaker, unless we know whether talks have begun. That is all we are asking.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please! Order, please! I am not going to entertain any more argument on points of order on that matter. It is up to the hon. gentleman for Torngat Mountains if he wishes to respond, or indeed, any other speaker on this side, to questions and points made by the Opposition. That is the way the rules are in the House, and we all know that. I will recognize the next speaker.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

I am not going to question Your Honour's ruling. Of course, he has a right to make a ruling on whether he is going to accept any other points of order or not. But it is highly unusual. Are we led to believe now that members on this side of the House cannot stand up on points of order on something that is very important in this debate that is going on? I mean, we need this clarified.

MR. SPEAKER:

The hon. member, obviously I think he is toying with me now.

MR. TULK:

The Minister of Energy is in here, perhaps he will clarify it.

MR. SPEAKER:

Surely he does not interpret my ruling to mean that a member cannot rise on a point of order. A member can rise on a point of order whenever that member sees fit.

MR. TULK:

Yes.

MR. SPEAKER:

What I said was that the Chair cannot entertain any argument on a point of order on the matter which has been raised three or four times, and on the matter which the member for Torngat Mountains has refused, obviously, to get involved in.

MR. TULK:

You got that right. You got the Torngat part right.

MR. WARREN:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, to that point of order, I believe I have answered the hon. gentlemen quite clearly. Maybe they do not understand. If they were of a mind to read the amendment to the resolution, it is that we will continue to negotiate with the Province of Quebec, which is opposite to what their Leader said. Their leader said publicly that he would not. Mr. Speaker, I assure hon. members that we, on this side, will not do as their Leader did in the past, not talk to anybody in Quebec.

MR. SPEAKER:

Order, please!

I recognize the next hon. member. The hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker,

MR. MARSHALL:

Mr. Speaker, a point of order.

MR. SPEAKER:

Order, please!

A point of order, the hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, the clarification is obviously obvious, that this government has, as did the Moores Administration, continuously continued, and will forever, to try to rectify the abysmal mistake that the hon. gentlemen there opposite made when they gave it away.

MR. TULK:

To that point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

To that point of order, the hon. the member for Fogo.

MR. TULK:

Mr. Speaker, he can try being as slippery as he pretends to be, he can try to weasel out from under but, the truth of the matter is, there is a government in Quebec which is headed by a fellow by the name of Bourassa and he is running the government. Now, the question is for the member for Torngat Mountains and for the government, do they have discussions ongoing with them? If so, they can continue them. But I doubt they do and we would like to hear at what level they are so we can continue this debate.

MR. SPEAKER:

Order, please!

The hon. the President of the Council.

MR. MARSHALL:

I told the hon. gentlemen, Mr. Speaker, that we have continued and we will continue to try to unravel the mistake, as we continue every year to pay about \$100 million to \$150 million of interest on the debt that they accumulated up to 1971.

MR. SPEAKER:

There is no point of order. Obviously, there are grave differences between hon. members on each side of the House. The hon. the member for Port de Grave.

MR. EFFORD:

Thank you, Mr. Speaker. "Whereas the cost of electricity has more than doubled in the last ten years" Mr. Speaker, this is the kind of motion that affects every individual in this Province regardless of their income. Some people like to sit down and make

fun of it and make fun of individual members when they stand in their place and debate a motion that affects the consumers of this Province. All they can do, for twenty or thirty minutes, is ridicule an Opposition member, the Leader of the Opposition, or some other member. When people in this Province are starving, freezing, cannot afford to heat their homes properly, the best government members can do is stand there and spend twenty minutes, thirty minutes, hour upon hour just trying to impress themselves and have a few jokes thrown around. Some fellows close their eyes and do not say anything. I think it is absolutely disgraceful!

MR. WARREN:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order, the hon. the member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, I attempted to give a fairly good speech and I was interrupted continuously by hon. members. When a member can come into this hon. House, as the Leader of the Opposition did earlier, asking if we are negotiating with Quebec when that member, himself, said in this hon. House that he would not negotiate with Quebec, I call that hypocritical, Mr. Speaker, and therefore I will condemn him.

MR. SPEAKER:

Order, please!

There is no point of order. The hon. member for Port de Grave.

MR. EFFORD:

Mr. Speaker, what we are talking

about here today is something that is ongoing. What happened ten years ago, what happened twenty years ago, the people are paying the price now. What we have to do now is try to find a solution, an answer to the problem, and we are not going to do it by standing here in this House throwing political jokes around and criticizing a government that was here fifteen, twenty or twenty-five years ago. That is not the answer. The answer is we have to use what little brains we have, or what little brains we are supposed to have as politicians, put them to the right use and try to solve the problem so that the people, the consumers of this Province can see some break, daylight ahead of them so they can survive.

Some people will probably cover their heads when we go out in front of them, but we are the representatives of the people of the Province, we are paid to do a job and not paid to come in here and throw slurs and insults at each other. We heard of people here today, an example I gave earlier, a family of four, who were living on a disability pension of \$497 per month. They have one thirteen year old boy in elementary school, a seventeen year old in grade XI. Their electricity bill is \$296 a month, which leaves them approximately \$203 to buy food, clothes, put the children through school and get what other few necessities they can have. Now, if we can sit down here as members of the Government of Newfoundland and crack jokes at something as serious as that, then I think it is time for everybody to stand up and resign, walk out the door. And it has been ongoing ever since this session opened. Every time a debate comes up,

there is nobody concerned. When somebody tries to make a point, the ridicule starts. We are not trying to solve the problem.

MR. SIMMS:

When you cannot take the heat, travel.

MR. EFFORD:

I can take the heat for the people out there.

Mr. Speaker, could I have some silence?

MR. SPEAKER:

Order, please!

MR. EFFORD:

Mr. Speaker, I was elected to represent some 8,000 people in my district, and to come in here and try to help solve some of the problems, try to put some points across, and this, Mr. Speaker, is not the way to do it. I mean, this is 1986 and we expect a family of four to survive on \$203 a month, and this is only an example I am using. There are families like that in every district. Again, it brings smiles to the faces of members opposite. Imagine a mother who sits down at the kitchen table and says that her little girl has gone to school today and has been going to school for the last number of weeks with no lunch whatsoever! Talk to some of the teachers in the schools and they will tell you how many kids are sitting at their desks during lunch period with absolutely nothing to eat. And we can hold our heads high, we can make fun at the Leader of the Opposition (Mr. Barry), we can make fun of former governments, former Premiers, whoever was supposed to be doing negotiating, while this is going on. Well, I can tell you something, gentlemen, it is not

something to be very proud of.

While we are sitting here getting our fat salaries, those people are hungry. And for the Minister of Consumer Affairs (Mr. Russell) to stand in this House today and tell me - just listen, this is one part - 'There is no way for Hydro to keep any excess profits, they must refund them to the consumers.' Then he goes on to say that Hydro does not make any profits. In one part he is saying they do not keep excess profits, and in the next part he says they do not make any profits. Well, if they do not make any profits, how can they keep excess profits? He contradicted himself. This is the reason he did not do me the courtesy of letting me have the statement earlier so I could study it.

Earlier on, in the same statement, he tells us 'the cost of a barrel of oil was \$37 to \$38 Canadian a barrel and Hydro lowered its estimate of the price to \$30 a barrel', which they did. This was when they were doing up their estimates a year ago, because the provincial government is subsidizing oil at \$20 million a year. So they estimated it at \$30 a barrel, even though they were paying \$38 a barrel, because the government is subsidizing it. Now, when the price of a barrel of oil goes down to \$27 a barrel, you take off the subsidy of \$6 a barrel, the amount the provincial government is subsidizing it, and that brings the cost of a barrel of oil down to \$21 a barrel. He did not point that out in his statement. So the consumer is still paying the price. The consumer is not getting a break. Hydro is making excess profits no matter how you go about it.

The next part of the motion: "Whereas the fuel adjustment charge is simply a convenient method." We should eliminate it. The member for Torngat Mountains (Mr. Warren) stood up and said the fuel adjustment charge is eliminated. That is not so. The fuel adjustment charge is still charged to every consumer in this Province. They blindfolded the devil in the dark. The only thing they did was take the fuel adjustment charge off the front of the bill and roll it into the basic rate. And the Government of this Province allowed Newfoundland Light and Power to charge nine-tenths of one cent per kilowatt hour for ever kilowatt hour you burn for the twelve months of the year and not just when you burn excessive fuel. The consumer, the people of this Province, are being totally misled by the government, they are being totally misled by the Minister of Consumer Affairs (Mr. Russell). Only this morning I heard on radio that the fuel adjustment charge is no longer there. It is there, and the people are paying more than they ever did.

MR. TULK:
Shameful!

MR. WARREN:
A point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):
Order, please! A point of order, the hon. the member for Torngat Mountains.

MR. WARREN:
Mr. Speaker, I will not say the member for Port de Grave is deliberately misleading the House, I will not say that, Mr. Speaker, but he is going very, very close to it. Mr. Speaker, the Minister of Energy (Mr. Dinn) has said in

this House that the fuel adjustment charge has been cancelled, and for the hon. member for Port de Grave to get up here and say it is still there, he is either deliberately misleading the House or he does not know the facts.

MR. SPEAKER:

To that point of order, it is obviously a difference of opinion. There is no point of order.

The hon. the member for Port de Grave.

MR. EFFORD:

I do not believe what I am hearing. I mean, it is simple. Somebody on the other side is going to have to explain to that gentleman how to read A, B, and C. It is very simple. I will stand anywhere, publicly or privately, and say that the fuel adjustment charge is being charged to the consumer, to every person, including you and including me, every single person in this Province. The only thing is, it is hidden in the basic rate. Now, I will explain it once more.

Newfoundland Light and Power, and I will not say it again, instead of putting the fuel adjustment on each month was allowed to increase the rates nine-tenths of one cent to take care of the extra fuel burned, which means you pay for it every day for twelve months, 365 days a year. The only thing is, you do not see it.

So, Mr. Speaker, while we can try to tell the people the fuel adjustment charge is no longer there, it is there and they are paying it. So we have to keep fighting this government, we have to keep fighting the Minister of

Consumer Affairs (Mr. Russell), we have to keep fighting the Minister responsible for Hydro until they start taking into consideration the feelings of the people of this Province, the concerns of the people of this Province, as they were elected to do and they are getting paid to do, and realize that now is the time, that no longer can we sit down and see the way people are suffering, no longer can we sit down and see the way the people of this Province must do without food, must do without clothes, and must do without the necessities of life just to satisfy the profits -

MR. WARREN:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, the hon. member is making a good speech.

MR. FLIGHT:

You are awful cruel.

MR. WARREN:

Yes, Mr. Speaker, maybe I am, like hon. members opposite. However, Mr. Speaker, I think the hon. member should direct his remarks to the amendment. I believe what he is saying now. I think he had in his mind to address the amendment in a most positive manner and support that amendment. Mr. Speaker, I believe exactly what the hon. member is saying at this time about some people in the Province with kids going to school with no food for their lunch and things like that. I could probably agree with the hon. member. But if he made up his a mind to support this amendment, where we are going to

go after a better contract on the Upper Churchill, then I believe the hon. member would see the people of Newfoundland and Labrador being much more capable of supplying lunches and clothing for their families.

MR. SPEAKER:

Order, please!

To that point of order, there is no point of order.

The hon. the member for Port de Grave.

MR. TULK:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Fogo.

MR. TULK:

Let me say this to the hon. gentleman, that the member for Port de Grave is making an excellent speech. Unlike the side of the House that he sits on, the member for Port de Grave is concerned about people having to pay through the nose for this government's neglect. Mr. Speaker, since the debate is wide-ranging, the hon. member is relevant. What that member has done by his amendment is tear the living guts out of a good resolution put forward by the member for Windsor - Buchans (Mr. Flight).

MR. SIMMS:

To that point of order, Mr. Speaker.

MR. SPEAKER:

To that point of order, the hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

I would consider the comments made by the member for Fogo as being a bit derogatory towards the Chair. He has indicated that the amendment has torn the guts out of the original resolution put forth by the member for Windsor - Buchans. Mr. Speaker, that amendment has been ruled perfectly in order on the reasons we put forth, which were, that they are not negating the original resolution. That amendment did not negate the resolution, therefore, it does not tear the guts out of the resolution, as the hon. member for Fogo says.

Today, for some reason, the hon. the member for Fogo seems to want to get up on the floor every five minutes. He must be wanting to get his name in Hansard or something, Mr. Speaker. It is not a point of order.

MR. SPEAKER:

Order, please!

There is no point of order.

The hon. the member for Port de Grave.

MR. EFFORD:

The next point I want to speak about, Mr. Speaker, is where the Peckford administration, not the Public Utilities Board, decides any increase in electricity rates. This has certainly been proven in the last while. Whenever they applied for an increase in electricity rates, it has been given to them. We have members on the Public Utilities Board, and one member who was appointed some weeks or months ago by the Minister of Consumer Affairs is drawing down an enormous salary to do a job, to represent the consumers of this Province. While he is collecting his salary, and

we all assume he is, because it was certainly offered to him, and I do not understand why anyone would not collect their salary, shameful though it may be, but while he is collecting that salary of \$25,000 - by the way, that is minimum salary - we have not heard one single word uttered by the member of the Public Utilities Board who represents the consumers of this Province, to defend or to go against any increase given to Newfoundland Light and Power. If you are receiving a salary for doing something, at least once in a while you could get on the public airwaves and say, 'Yes, we are trying.' All we have gotten from this person so far is silence, and the increases are granted with no opposition whatsoever.

We have another position now where, effective the first of May, we will have another increase. While the increases go on, the salaries are being paid, the oil prices are decreasing and decreasing at an enormous rate. Why this is allowed to go on is beyond me. Why does Public Utilities Board have no voice? Why were they appointed? The present government make all the decisions and they pay out the fat salaries, still we have to go back to every individual in this Province, to the people who are suffering, who have come to the point where they know no way they can survive this enormous cost of living. It continues, it is going to increase, and the unfortunate thing about it, although I do not see how they can stand it, is that it is possible they are going to be subjected to another four or five years of this.

MR. SPEAKER (McNicholas):
Order, please!

It is now twenty minutes to six and the hon. the member for Windsor - Buchans (Mr. Flight) has the right to close the debate..

MR. EFFORD:

I will just clue up, Mr. Speaker.

SOME HON. MEMBERS:

No leave! No leave!

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

In conclusion, Mr. Speaker, the member for Torngat Mountains -

MR. FLIGHT:

This is terrible, 'Len'. Come on!

MR. SIMMS:

On a point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

On a point of order, the hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

No, it is not terrible, Mr. Speaker. Every member in this hon. House has the same time on Private Members' Day, twenty minutes, it is clearly outlined in the Standing Orders. I draw to Your Honour's attention, Standing Order 53 (3), which says, in part, "The member introducing the private member's motion has the right to close the debate and if at 5:40 p.m. on the second day of debate on the motion the debate has not been concluded the Speaker shall recognize that member who shall then close the debate." It is clear, Mr. Speaker, cut and dried. The hon. the member for Windsor - Buchans (Mr. Flight) is supposed to be recognized now to close the debate.

MR. FLIGHT:

To that point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

I understand what the Standing Order is says, but I submit to Your Honour that I am prepared to defer, to give up five minutes of my time. The House rules are silent on that, Mr. Speaker.

MR. SIMMS:

Would the hon. member be prepared to give leave to somebody over here for ten or fifteen minutes?

MR. FLIGHT:

No, no!

MR. SIMMS:

Of course not, and that is why the rule is there!

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

To that point of order, the Speaker clearly stated that the member for Port de Grave (Mr. Efford) should conclude. I heard him recognized at least three times. I saw the member for Grand Falls (Mr. Simms) - we know he was a former Speaker of this House - stand in his place, use a point of order -

AN HON. MEMBER:

He is there on the wall.

MR. TULK:

He should be hung in a different place, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

- stand, under the excuse of a point of order, and question Your Honour's ruling. Now, he has either to be quiet or Your Honour has to name him.

MR. SPEAKER:

To that point of order. At twenty minutes to six, I recognized the hon. the member for Windsor - Buchans, who got up and yielded to the hon. the member for Port de Grave (Mr. Efford). I thought it only reasonable that the hon. the member for Port de Grave would have a few minutes or a few seconds, just enough time to clue up. That seemed reasonable to me.

The hon. the member for Port de Grave.

MR. EFFORD:

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (McNicholas):

Order, please!

MR. EFFORD:

In conclusion, it is quite obvious, Mr. Speaker, that the short-term solution to this problem is having the decreases made effective, but the long-term is that negotiations -

MR. BAIRD:

On a point of order, Mr. Speaker.

MR. SPEAKER:

On a point of order, the hon. the member for Humber West.

MR. BAIRD:

It is my understanding that under the Standing Orders, Mr. Speaker,

you do not yield. Once you have your opportunity to speak, if you do not take it -

MR. FLIGHT:

The Speaker made a ruling. He is questioning the Speaker.

MR. BAIRD:

I am on a point of order. I am asking for clarification, Mr. Speaker. I did not think you could yield to somebody else, you either had your time or you lost your time.

MR. SPEAKER:

To that point of order, I think the time that I suggested the hon. member would have has now elapsed, so I call on the hon. the member for Windsor - Buchans.

SOME HON. MEMBERS:

Hear, hear!

MR. FLIGHT:

Thank you, Mr. Speaker.

It has been a very interesting debate, Mr. Speaker, because it stakes out very clearly the difference in policy between the Liberals in Newfoundland or anywhere else and the Tories in Newfoundland. It sets out perfectly the difference. Mr. Speaker, it is an undeniable fact that in 1971, this Province spent \$200 million - and we have been paying the interest ever since - to nationalize BRINCO so that Newfoundland could develop the Lower Churchill. Now, that is an undeniable fact, Mr. Speaker, it is in the annals of everything written in this Province. In order for Newfoundland to be able to develop the Lower Churchill, we have paid \$200 million to BRINCO and have been paying the interest ever since. Now that, Mr. Speaker, is an undeniable fact.

Another undeniable fact -

MR. SIMMS:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order, the hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

I wonder what the member for Windsor - Buchans would have to say about this quote from Hansard, June 16, 1981 from Mr. Barry.

MR. FLIGHT:

Now there is a prime example, Mr. Speaker, there is an ignoramus from Grand Falls!

MR. SPEAKER (McNicholas):

Order, please!

MR. SIMMS:

From the former Leader of the Opposition, pertinent to the comments he just made, Mr. Speaker, -

MR. SPEAKER:

Order, please!

MR. SIMMS:

Mr. Barry says, "The way the Liberals drove the Province into the ground for twenty-three years, we are still trying to get over it!"

MR. SPEAKER:

Order, please! The hon. minister is out of order.

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

Mr. Speaker, there is fact that in 1975, according to Newfoundland Hydro, the Lower Churchill could

have been developed for less than \$1 billion. In 1982 dollars, it costs \$5 billion. The cost of developing the Lower Churchill went from 1975 to 1982, from \$1 billion to \$5 billion. It is now possible and the Premier knows it and everyone sitting in the Cabinet should know it. There is now some question as to whether the Lower Churchill can ever be developed in its own right, financially, there is some question. Whose fault is that? Is that the Liberals fault? Was it the Liberals who did not develop the Lower Churchill?

Let me make another point to the member for Torngat Mountains (Mr. Warren), when he pointed out that in 1975, the now Leader of the Opposition (Mr. Barry), the then Minister of Mines and Energy blew two blasts on either side of the Strait of Belle Isle to start an inter-tie, let me tell him that maybe he was acting in good faith, maybe he intended to develop the Lower Churchill. He was the minister who talked about getting the Lower Churchill on stream by 1981. I was arguing with that minister long before the member for Torngat Mountains came on the political scene about a river diversion in Newfoundland and he was saying, "We are going to bring the Lower Churchill in as a stop-gap measure." Did the member ever consider that in 1975, the then Minister of Mines and Energy (Mr. Barry), the now Leader of the Opposition intended to develop the Lower Churchill and would have done so in 1975 but, as we all know, he lost an election?

MR. BAIRD:

He was the only Cabinet Minister defeated.

MR. FLIGHT:

He was no longer capable or in a position to do what he may have intended to do. When that member came back in 1979, Mr. Speaker, he found the other Minister of Mines and Energy with everything he had done gutted. Nothing was left of the policies he had set.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (McNicholas):

Order, please!

MR. FLIGHT:

Two things would have happened in this Province if a Liberal Administration had been in place in 1975, the Lower Churchill would have been developed.

SOME HON. MEMBERS:

Hear, hear!

MR. FLIGHT:

Now, Mr. Speaker, whether or not the hon. member for Torngat Mountains (Mr. Warren) likes it or lumps, his amendment tells the House of Assembly and the people of Newfoundland that there are ongoing negotiations with Quebec. That is what his amendment says, Mr. Speaker. There are ongoing negotiations with Mr. Bourassa.

Mr. Speaker, this party is not interested in playing politics with this issue. We are interested in seeing that the people of Newfoundland get some relief from the staggering cost of electricity in this Province. We are interested, Mr. Speaker, in getting the Lower Churchill developed. It is worth one hundred Hibernias. It will be raining, Mr. Speaker, in Labrador long after the oil has gone off the Grand Banks. The Lower Churchill is worth a hundred Hibernias and we want to develop

it and it would have been developed. There is the reason the Lower Churchill has not been developed sitting right there in the Premier's seat.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. FLIGHT:

He will forever be responsible for the delay. That is why nothing has been developed. So we are not going to play politics, Mr. Speaker. I am prepared to ask my caucus to vote for the amended resolution.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

MR. FLIGHT:

We will vote for the amended resolution. Mr. Speaker, while we are on the subject, let me tell you what this Premier has done to Newfoundland with regard to the development of the hydro electric potential in Labrador.

He played politics with it in the Trudeau years, Mr. Speaker. He demanded the Prime Minister come in and unilaterally give us a transmission line and a right of way down through Quebec. He demanded of Trudeau, "Why can you not treat us the way you treated Alberta?" He talked about wheeling rights. I have not heard him demanding of Mulroney a designated corridor down through Quebec. Has the Premier demanded of the Prime Minister of Canada that we be given the same right to transport our electricity from the Lower Churchill through Quebec to

the Eastern Seaboard? Has he demanded of the present Prime Minister to the same extent as he demanded in the past? Not hardly! Can the Premier table in this House of Assembly a line of correspondence that he has had with Mr. Mulroney with regard to Mr. Mulroney supporting Newfoundland's rights to wheel that power out of Quebec?

Mr. Speaker, we have seen this Province suffer under the worse kind of politics with regard to the development of our resources. The legacy of that Premier to this Province, Mr. Speaker, will be the inability of this Province to ever bring onstream on our own the Lower Churchill. If he is not prepared -

PREMIER PECKFORD:

We want the Upper Churchill -

SOME HON. MEMBERS:

Oh, oh!

MR. FLIGHT:

Mr. Speaker, listen to the hypocrisy. Mr. Speaker, he talks about cheap electricity. The Premier, better than anyone else in this Province, knows that Churchill Falls power today, delivered to the Island of Newfoundland, will be more expensive than what is being developed in Holyrood, including the -

PREMIER PECKFORD:

No.

MR. FLIGHT:

Yes.

PREMIER PECKFORD:

A point of order, Mr. Speaker.

MR. FLIGHT:

Yes, Sir, it is more expensive

power.

MR. SPEAKER (McNicholas):

A point of order, the hon. the Premier.

PREMIER PECKFORD:

If the Lower Churchill was developed today and brought to the Island it would be more expensive than the power we are now paying for out of Holyrood -

MR. FLIGHT:

And so would the Upper Churchill power.

PREMIER PECKFORD:

- but it is not true to say that Upper Churchill power delivered down here would be more expensive. It would be cheaper. It is the Lower Churchill that is more expensive and the Upper Churchill which is less.

MR. TULK:

Nonsense. Sit down and do not be so foolish.

PREMIER PECKFORD:

The Upper Churchill is 3.5 mils at bus, the Lower Churchill would be around 25 mils to 30 mils at bus, and then the transportation costs.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please! There is no point of order.

The hon. the member for Windsor-Buchans.

MR. FLIGHT:

Mr. Speaker, the Premier seems, based on what he just said, to be giving up on the Lower Churchill. Is the Premier giving up on the Lower Churchill?

PREMIER PECKFORD:

No, Upper first, Lower second.

MR. FLIGHT:

Six thousand jobs, eight years, six thousand men working for eight years for power forever.

PREMIER PECKFORD:

And more expensive electricity for the consumer.

MR. FLIGHT:

Is the Premier giving up on that?

PREMIER PECKFORD:

And higher electrical rates, about a ten to twenty percent increase -

MR. FLIGHT:

Is he giving up on that in favour of Hibernia and in favour of the offshore?

Mr. Speaker, the Premier can check with his officials at Hydro and he will find that the Upper Churchill power delivered across the Gulf is more expensive than the Holyrood generation per kilowatt.

PREMIER PECKFORD:

That is where you are wrong. The Lower Churchill is more expensive and the Upper Churchill is cheaper. That is why we want Upper Churchill access first, then the Lower Churchill later.

MR. WARREN:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please! A point of order, the hon. the member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, There are only just a few more minutes and the hon. member can -

MR. FLIGHT:

Mr. Speaker, I want to ask the Premier some questions.

MR. SPEAKER:
Order, please!

The hon. the member for Torngat Mountains.

MR. WARREN:
Mr. Speaker, the hon. member said he was going to ask his colleagues to vote for this amendment. I am just wondering if the Leader of the Opposition (Mr. Barry) will be back within the next three or four minutes because I think he should be back also to vote for it.

MR. SPEAKER:
Order, please!

There is no point of order.

MR. TULK:
That is not a point of order, Mr. Speaker. That is nonsense.

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

MR. FLIGHT:
Mr. Speaker, the Premier has been blinded this past seven or eight years to anything else of any value in this Province except the offshore. He has been blinded, Mr. Speaker. The Lower Churchill and Labrador power was put on the back burner. It may be too late. He walked away from negotiations with Levesque. We do not know what fruits those negotiations would have borne. There are probably no negotiations going on with Bourassa.

PREMIER PECKFORD:
A point of order, Mr. Speaker.

MR. SPEAKER:
Order, please!

A point of order, the hon. the Premier.

PREMIER PECKFORD:
The hon. member cannot say something which is inaccurate. The hon. member just said that I am not or this government is not negotiating with Quebec. That is an untrue statement. I am telling the hon. member now the truth, the whole truth and nothing but the truth. Why should the hon. member then get up in his place and continue to fabricate what is not a fact? The fact is we are now in the process of negotiating with Quebec, as we were with Mr. Levesque and Mr. Johnson until they were defeated.

MR. SPEAKER (McNicholas):
To that point of order, I must rule there is no point of order. There is a difference of opinion between two hon. gentlemen.

The hon. the member for Windsor - Buchans.

MR. FLIGHT:
Mr. Speaker, I will apologize when I see laid on the Table of this House - and I demand that it be laid on the Table - correspondence between either agency of the government of this Province or the Premier himself or the Minister of Energy (Mr. Marshall) to Mr. Bourassa or any agency of the Quebec government. Then I will apologize and not before it.

SOME HON. MEMBERS:
Hear, hear!

MR. FLIGHT:
So I call on the Premier and I call on the Minister of Mines and Energy to table any correspondence that has passed between the two Premiers or Quebec Hydro and Newfoundland Hydro.

SOME HON. MEMBERS:

Oh, oh!

MR. FLIGHT:

Could I have silence, Mr. Speaker?

MR. SPEAKER:

Order, please!

MR. FLIGHT:

So, Mr. Speaker, let the word go forth that we are interested in one thing in this Province: number one, the development of the hydro potential of Newfoundland and Labrador in the better interests of Newfoundland. Number two, we are interested in getting our fair share of the Upper Churchill contract, but we recognize, as he should, as the Leader of the Opposition has said, it will only be done by negotiation and that Premier has been refusing to negotiate. He walked away from negotiations. A half a loaf is better than none, Mr. Speaker. That is two.

The other thing we are interested in, Mr. Speaker, is the people of this Province being rescued from the staggering, crushing load of electrical rates in this Province.

So, Mr. Speaker, based on that, not at all being interested in the politics of this argument - it is two minutes to six - in what we hope is an act of good faith by the member for Torngat Mountains (Mr. Warren) and what we hope is an act of good faith by this government in presenting this resolution, a resolution that tears the guts out of my original resolution, that was tabled in the first place in the better interest of the people of this Province, believing that that government, under the leadership of that Premier, under the leadership of

the Minister of Energy (Mr. Marshall) and believing that the member for Torngat Mountains (Mr. Warren) was acting in good faith and not playing politics but acting in the better interest of Newfoundland, Mr. Speaker, we will put political considerations aside and vote for the amendment.

SOME HON. MEMBERS:

Hear, hear!

MR. FLIGHT:

We will wait and see what this amendment brings to the people of Newfoundland.

Mr. Speaker, I move the motion.

MR. SPEAKER (McNicholas):

Order, please! All those in favour of the amendment 'aye'.

SOME HON. MEMBERS:

'Aye'.

MR. SPEAKER:

Those against 'nay'.

AN HON. MEMBER:

Nay.

On motion, amendment to the motion, carried.

MR. TULK:

Division, Mr. Speaker.

MR. YOUNG:

You do not need a division when it is unanimous. Do not be so foolish.

MR. MATTHEWS:

Someone over there said nay.

MR. SPEAKER (McNicholas):

I am sorry. Do you want a standing vote? Did I misunderstand? Order, please! Does the hon. the House Leader for the Opposition want a standing

vote?

MR. TULK:

Sure, Mr. Speaker. I am standing.

MR. SPEAKER:

Call in the members.

Division

MR. SPEAKER:

All those in favour of the amendment please rise: The hon. the Premier, the hon. the Minister of Justice (Ms Verge), the hon. the Minister of Forest Resources and Lands (Mr. Simms), the hon. the Minister of Health (Dr. Twomey), the hon. the President of the Council (Mr. Marshall), the hon. the Minister of Finance (Dr. Collins), the hon. the Minister of Public Works and Services (Mr. Young), the hon. the Minister of Culture, Recreation and Youth (Mr. Matthews), the hon. the Minister of Education (Mr. Hearn), the hon. the Minister of Municipal Affairs (Mr. Doyle), the hon. the Minister of Rural, Agricultural and Northern Development (Mr. R. Aylward), Mr. Baird, Mr. Greening, Mr. Hickey, Mr. J. Carter, Mr. Tobin, Mr. Warren, Mr. Mitchell, Mr. Woodford, Mr. Hiscock, Mr. Flight, Mr. Tulk, Mr. Callan, The hon. Mr. Simmons, Mr. Lush, Mr. K. Aylward, Mr. Furey, Mr. Kelland, Mr. Decker.

MR. SPEAKER:

All those against the amendment please rise: Mr. Fenwick.

MR. SPEAKER:

I declare the amendment carried.

All those in favour of the motion as amended, 'aye'.

SOME HON. MEMBERS:

Aye.

MR. SPEAKER:

All those against, 'nay'.

MR. FENWICK:

Nay.

On motion, the motion as amended, carried.

MR. SPEAKER:

The House stands adjourned until 3:00 p.m. tomorrow.