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Speaker: Honourable Thomas Lush

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The House met at 2:00 p.m.

MR. SPEAKER (Lush):
Order, please!

On behalf of hon. members I would like to welcome to the galleries today thirty-one Grade VII students from St. Francis of Assisi School in Outer Cove with their teachers, Ms Doreen McCrate and Mr. Gerald Rumsey. Also thirty-eight Grade V students from St. Pat's Primary School with their teachers, Mrs MacDonal and Mr. Bailote. On behalf of all hon. members we would like to welcome these students to the galleries today.

SOME HON. MEMBERS:
Hear, hear!

Oral Questions

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

MR. RIDEOUT:
Thank you, Mr. Speaker.

Mr. Speaker, my question is to the Premier. In view of the fact that a crisis exists in the Newfoundland fishery, particularly as it relates to the management of the Northern cod stocks, and in view of the fact that the management of trans-boundary stocks, particularly when those stocks are outside of the 200 mile zone, is of vital significance for the rebuilding of that stock, and in view of the fact that Canada ought to be urged to take a whole range of management options relating to the management of the Northern cod, including functional extension of jurisdiction, can the Premier tell the House what advice

his administration has provided to the federal government on that matter as it relates to functional extension of jurisdiction?

MR. SPEAKER:
The hon. the Premier.

PREMIER WELLS:
Mr. Speaker, I wrote the Prime Minister, when I occupied the position of Leader of the Opposition, in January, stating my position at the time with respect to the matter and urging the Prime Minister to become personally involved to deal with the very serious problem of foreign overfishing on the Nose and Tail of the Banks. I wrote him again in February to press him again to take the matter very seriously and become personally involved, because I felt that that was the only way the matter would get an adequate level of international attention. Now recently we saw that the Prime Minister has become personally involved. He was in Europe recently, he met with the Prime Minister of Spain, he has taken other steps with the European Economic Community, and Mr. Crosbie and Mr. Siddon have met with representatives of the Economic Community to deal with the same matter. Just this morning, as a matter of fact, I wrote the Prime Minister, again, to compliment the Prime Minister and his ministers for the steps that they have taken in what I believe to be the right direction in dealing with this matter, and the means by which we can really solve this problem in the long term, and the only means by which, I think, it can be achieved. I also made certain other suggestions to him as to approaches that ought to be taken, but I would consider it a discourtesy to him to make these

statements publicly in the House before the Prime Minister received the letter. I only signed the letter to the Prime Minister this morning.

MR. RIDEOUT:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. RIDEOUT:

Mr. Speaker, can the Premier tell the House what advice his administration is providing to the Government of Canada, and what attempts his administration are trying to make to have the Government of Canada explore, in all its detail, a number of options, but in particular the option of functional extension of jurisdiction?

MR. SPEAKER:

The hon. the Premier.

PREMIER WELLS:

Mr. Speaker, the letter I signed to the Prime Minister this morning makes certain suggestions, and I suppose you could say it gives certain advice. It requests the Prime Minister to take certain action, so I will not tell the House this afternoon what we have done in that letter. It would be a discourtesy to the Prime Minister. After I am satisfied that he has had it, and had it for a reasonable time, I do not see any problem with making public the statement that we made and the position can be revealed at that time.

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the

Opposition.

MR. RIDEOUT:

Mr. Speaker, in view of the fact that the hon. the Premier has told the House that he wrote the Prime Minister in January, that he wrote the Prime Minister in February, leaving aside any letters or advice that he has given the Prime Minister today, could the Premier tell the House whether or not in previous correspondence to the Prime Minister he recommended to the Prime Minister that the Government of Canada consider the option of functional extension of jurisdiction?

MR. SPEAKER:

The hon. the Premier.

PREMIER WELLS:

I will get copies of the two letters. January and February, I believe, are the dates, although one of them may have been early March, but it seems to me that there were two letters in the early part of this year. One I know was January. I will get those letters and I will make them public or table them in the House so that exactly what was said can be made known. Since that time I have had discussions with Mr. Crosbie and others at the federal level. The Minister of Fisheries (Mr. Carter) has had discussions at the federal level with Mr. Siddon and others, and other representations have been made.

Functional extension of jurisdiction: There is some possibility that the Government of Canada can maintain a position at international law that where those are straddling stocks the adjoining state could have some ability to cause its jurisdiction to be extended to manage the stocks outside the 200 mile

limit. There is some possibility that that could be done, but it would have to be managed by the adjoining state in accordance with the Law of the Sea and provide for access to other states, not the exclusive access of Canada, would be the effect of such management. That is one course that could be followed, and it is a course that is likely to have success or meet with success if you obtain an adequate level of international approval for that course in the first instance. If Canada decides to do that, or take an extension of jurisdiction unilaterally, you would have to ask yourself, 'Are you going to make matters better or worse? Is Canada prepared to take the step and do that, and send out a navy to make sure that Spain and Portugal, in particular, or any other country that decides to fish in that area, will not fish?' Are we prepared to do that? Are we prepared to start a war to do it? Because international law, as it exists at this moment, would not acknowledge Canada's extension of jurisdiction beyond the 200 mile limit, and most major nations in the world would oppose it. So we have not recommended to the Government of Canada at this stage unilateral extension of Canada's jurisdiction.

Matters may get so desperate that Canada may have to try that at some stage. If nothing can be achieved by any other means, maybe in desperation we may have to take that course. But if and when we do, Canada better be prepared to follow up with it after she takes that course. It is no good proclaiming exclusive jurisdiction if they are not prepared to enforce it. So it is a step that you would take only if, as and when you are prepared to do what is necessary to enforce it.

MS VERGE:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Humber East.

MS VERGE:
Thank you, Mr. Speaker.

I have a question for the Minister of Finance (Dr. Kitchen), who is not in his seat now.

MR. DOYLE:
He is right by the door.

MS VERGE:
But perhaps hearing my question he will return to his seat. Last week in his Budget Speech the Minister of Finance said, and I quote, 'This Administration is committed to the concept of equal pay for work of equal value and to the implementation of pay equity for women in the public sector.' I would like to ask the minister now what that commitment means. Is it a commitment to the concept of equal pay for work of equal value for the private sector as well as the public sector? What is the minister's administration going to do to achieve pay equity in the private sector? And will the government legislate the principle of pay equity?

SOME HON. MEMBERS:
Oh, oh!

MR. RIDEOUT:
There has got to be a caucus meeting here now, Sir.

DR. KITCHEN:
Mr. Speaker.

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

DR. KITCHEN:

Mr. Speaker, we will do what is proper in this respect, but I believe that the question should more properly be addressed to the President of Treasury Board (Mr. Baker).

MS VERGE:

Mr. Speaker,

MR. SPEAKER:

The hon. the member for Humber East.

MS VERGE:

I thought it was appropriate to ask the Minister of Finance a question about a statement in his own Budget Speech.

SOME HON. MEMBERS:

Hear, hear!

MS VERGE:

Mr. Speaker, I will ask the same question to the President of Treasury Board, who is also the Minister responsible for the Status of Women. It is a question about the government's commitment to pay equity for women, whether that extends to the private sector as well as the public sector, and whether the government is going to legislate the principle.

I will also continue by asking the Minister responsible for the Status of Women is he familiar with the Treasury Board report about the position of women in the Newfoundland and Labrador Public Service? If he is, would he summarize the main points? And will the minister table in this House the report done by the Personnel Policy Division of Treasury Board on the position of women in the provincial Public Service?

MR. BAKER:

Mr. Speaker,

MR. SPEAKER:

The President of Treasury Board, the Minister responsible for the Status of Women.

MR. BAKER:

Thank you, Mr. Speaker.

There are a number of questions there. First of all, the commitment to equal pay for work of equal value, that commitment is there. The pay equity provisions have been enshrined in some contracts and not in others. We are presently dealing with the pay equity issue in the remainder of contracts -- I am talking now about the different type of pay equity rather than the Status of Women thing -- so we are presently dealing with that.

The second question had to do with the extension to the private sector. The statement in the Budget Speech does not imply any kind of legislative action at this time in terms of the private sector. It is something that I have discussed with various groups involved with women's issues in the Province. There is a women's lobby coming up soon, and I am sure that that will probably be an issue. Part of the problem has been that after being in this position for a very short time, before any action is taken I really feel as if I have to consult with all of the interested groups and to make sure that I have an understanding of exactly what it is that they want, and I will then make decisions on that basis. But the answer to it is, no, there is no legislation at this time that is going to enforce anything on the private sector until it has been properly discussed and looked at.

In terms of the report the member

asked about, that is not on the tip of my tongue at the moment. I shall certainly look into it and get back to the member.

MS VERGE:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Humber East.

MS VERGE:

I think this is shades of what my friend behind calls the regressive Liberal Party. But I hope when the Minister responsible for the Status of Women gets fully briefed and consults with interested groups, which should not take too long, that he will quickly conclude that action for the private sector is necessary.

Mr. Speaker, returning to the public sector, I would like to ask the minister what action he proposes to improve the position of women in the Public Service of this Province and, in particular, if he and his administration will appoint women to the Public Service Commission, which has one vacancy now and will have a second vacancy in the Fall?

MR. SPEAKER:

The hon. the President of the Council.

MR. BAKER:

Thank you, Mr. Speaker.

I would point out to the member that if that was necessary now, and it has been necessary and of urgent importance in the last month since I have taken over, it was also of urgent importance during the last seventeen years.

SOME HON. MEMBERS:

Hear, hear!

MR. BAKER:

In terms of the remainder of the question, we are committed to equality in terms of appointments and so on to the various boards and commissions as they come up. This is a consideration, again, that I have discussed with the Women's Policy Office and I have been properly briefed by the Women's Policy Office. I have talked to the President of the Status of Women and have meetings scheduled with a number of other women's groups or groups interested in women's issues.

Some of the questions the member asks, I understand what she is saying, I understand where she is coming from, but I will point out to her, again, that we are committed to equality and I am committed to listening to what the women's groups have to say first before jumping into precipitous action in one month that the members opposite should have done during the last seventeen years.

SOME HON. MEMBERS:

Hear, hear!

MR. HEWLETT:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Green Bay.

MR. HEWLETT:

Thank you, Mr. Speaker.

In the recent budget, Mr. Speaker, there was an announcement of some considerable money for capital improvements in the park system. Would the minister responsible for the parks system care to indicate what would be the nature of these improvements?

MR. SPEAKER:

The Minister of Environment and

Lands.

MR. KELLAND:

Thank you, Mr. Speaker.

Similar questions were raised this morning in estimates, and I guess a lot of information was given. There are a couple of parks that will receive the comfort station installments on a jointly funded venture between the Province and Canada. Additionally to that, there will be road improvements, in some cases, I believe, additional camp sites, and the general upkeep and improvement of the existing parks, is the answer you require.

MR. HEWLETT:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Green Bay.

MR. HEWLETT:

I would ask the minister: Indian River Park and Crescent Lake Park in Green Bay, are either of those or both on the list?

MR. SPEAKER:

The hon. the Minister of Environment and Lands.

MR. KELLAND:

I would have to check on Indian River, but there is no funding for Crescent Lake Park this year.

MR. HEWLETT:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Green Bay.

MR. HEWLETT:

Thank you, Mr. Speaker.

I might indicate to the minister that the Crescent Lake Park in particular was taken over by the

government a little while ago and was slated for a major upgrading, including comfort stations, showers, and so on and so forth.

In light of the fact that some of these improvements are being made to other parks, could the minister advise me whether I should advise my constituents in that area that they should give up on the concept of Crescent Lake being developed into a modern park with all these amenities or should that area go back to being a gravel pit?

MR. SPEAKER:

The hon. the Minister of Environment and Lands.

MR. KELLAND:

An interesting way of phrasing a question, Mr. Speaker.

I do not think the people in that area should give up on having Crescent Lake made into a suitable park anymore than the people of Naskaupi district should give up hoping for a park in that district, which they have been trying for for the last seventeen years without success.

We intend to provide good quality recreational provincial parks wherever we can to the limit of our budgetary constraints. No, they should not give up any more than anybody else should.

SOME HON. MEMBERS:

Hear, hear!

MR. HEARN:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Mary's - The Capes.

MR. HEARN:

Thank you, Mr. Speaker.

My question is to the Minister of Fisheries. In light of the fact that the caplin season has now started, today - and even today we have evidence that a number of the inshore fishermen, who fish cod only, have problems selling their catches - I am just wondering has the minister has put in place some contingency plan to be able to handle the catches of cod during the caplin season?

It is a problem that has started, I suppose, in St. Mary's Bay, where the caplin season has started, but will carry on right around the Province, affecting members on both sides, for many of the people who depend strictly on cod, especially the codtrap fishermen will have a problem as they have had and will have every year, in selling their cod catches?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. W. CARTER:

Thank you, Mr. Speaker.

We have had discussions with the union and with certain people in the private sector, and both have expressed an interest in doing something. In fact, I understand that something is being done, Mr. Speaker, to accommodate the cod glut.

MR. HEARN:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Mary's - The Capes.

MR. HEARN:

Thank you, Mr. Speaker.

One of the things suggested by some of the fishermen themselves and passed along to the minister

was that perhaps inshore plant operators should, as a condition of licence, each year be expected, or maybe forced, to handle a certain amount of cod during the caplin season. Some of them actually forget to take cod at all. They just tell the fishermen, 'Not while we have caplin,' because they make more money on it, 'we are not touching cod, because our freezers are blocked.' I know it is a complicated thing and it cannot happen overnight, but when you consider, in the future, looking at the licencing policy, perhaps as a condition of licence, making sure that where plants exist where you will have caplin and cod coming simultaneously, that at least these operators will handle a certain amount of cod, which would alleviate a lot of the glut.

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. W. CARTER:

Mr. Speaker, it is a good idea. At one point we gave some thought to maybe making it a condition of the licence that the processing sector be required to provide the necessary capability for splitting and salting fish. That is one thought. It is difficult to dictate to them to that extent, because most of these plants are privately owned and are being operated with private funding. Certainly, it is something that we will take a look at, and it may well be that we can impose that kind of restriction on the processing sector.

MR. SPEAKER:

The hon. the member for St. Mary's - the Capes.

MR. HEARN:

Mr. Speaker, I appreciate that.

Certainly, it is something that has to be done, I think, in the long-term. It is not easy to impose something on private industry. The only lever, I guess, we have is the licence. I would like to ask, however, an associated question, coming basically out of the lead questions from the Leader of the Opposition to the Premier, concerning the overfishing and the quota cutbacks, etc., the present state of the fishery, mainly affecting the offshore. In light of the fact that next year, if the quota cutbacks continue and are increased, we might see deepsea plants close down and trawlers taken out of action. Now, I know we can say it is a federal problem, but certainly we know if we leave it all to the feds we are not going to come out of it in a very good light, so we have to have a lot of input. Has the Provincial Government put in place, or will they put in place a contingency plan, also, to be ready for the drastic moves that could occur next year? We hope they will not but they could, and the writing is on the wall that they quite possibly might occur. It is too late to start moving when we see plants closed and trawlers on the beach.

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. W. CARTER:

Mr. Speaker, yes, it makes a lot of sense. That was one of the purposes of my meeting with Mr. Siddon last Wednesday. We discussed that very matter. We talked about the contingency plan, even this year, maybe, if the catches are below what would normally make a half decent season. But certainly, it is the sort of thing that we have been

addressing. The Premier has written letters to the Prime Minister and I have talked to the Minister of Fisheries in Ottawa. It is something we are looking at and we are asking the federal government to start now to put together some kind of a contingency plan of assistance if and when it is needed next year. Hopefully, it will not be needed, but if it is, you are right, we should have a plan ready to put in action, and we are working on that.

MR. HODDER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port au Port.

MR. HODDER:

Mr. Speaker, a question for the Minister of Social Services (Mr. Efford), in light of the minister's recently announced decision to install a computer system in the Department of Social Services. Now, Mr. Speaker, I am not against the computer system, but I am concerned about the fact that the minister will be going back in time to assess social assistance recipients and, as the minister well knows, many social assistance recipients who have received an overpayment have not fraudulently kept it; very often, they are not aware of the fact that they have been overpaid, especially when UIC and Canada Pension overlaps with Social Services. My question to the minister is: Is this an \$8 million money grab on behalf of the department on the backs of the poor people of the Province? And will the minister write it off when there is no evidence of wrongdoing?

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. EFFORD:

Thank you, Mr. Speaker.

I have been sitting in my chair here for the last couple, or three weeks waiting for a question, and I would have thought when they asked a question it would have been something pertinent today and what I have done since I became minister just thirty days ago. The computers were installed in the Department of Social Services in 1976 and the overpayments have been accumulating since the early 1950s. Under the last administration and under the former Minister of Social Services (Mr. Tobin) sitting directly across from me, when the evaluation was done by the Ontario firm that I so noisily protested against in the House of Assembly while sitting in the Opposition, they instructed that that process should be updated and further enforced. With the former Minister of Social Services' request to his officials, that was done. And it was done under his administration, not under mine, Mr. Speaker.

SOME HON. MEMBERS:

Oh, oh!

MR. HODDER:

Mr. Speaker, that sort of shows the arrogance of the minister and the way he expects to treat social assistance recipients.

MR. SPEAKER:

Order, please!

Just a very important point of procedure. I want the member to realize that I have not yet recognized him. I am going to, but I have not yet done so.

The hon. the member for Port au Port.

MR. HODDER:

Mr. Speaker, could the minister tell the House what proportion of those overpayments were incurred through administrative error, and will he put the blame where the blame belongs? It is the minister who is going back and conducting this look through the files. Will he tell us what portion of those were administrative errors and what portion of those were people who took the money knowingly?

MR. EFFORD:

Mr. Speaker, I am surprised that the hon. member -

MR. SPEAKER:

Order, please!

I say the same thing to the Minister, that I have not yet recognized the minister but I am going to.

The hon. the Minister of Social Services.

MR. EFFORD:

I apologize, Mr. Speaker.

The hon. member, as critic of Social Services, should discuss questions with his colleagues, because the member should know that his colleagues were the people who instituted this, and they caused, by the way, this amount, through poor administration over the last seventeen years, to happen to the extent it has happened over that period of time. What percentage of the money is of misappropriation of administration and what percentage of it is just general overpayments by the accumulation of people who cannot afford their light bills, I will

take under advisement and bring the answer into this House tomorrow, the exact percentage.

But I can tell the hon. member that we have not instructed it to be enforced any stronger than your administration did. It is an ongoing thing which I inherited as Minister of Social Services. We are taking a very serious look at it to determine what affect it is having on the day to day lives of the people, which you and your administration caused to happen. We are not collecting any more than 5 per cent of the income of the people who are affected by this. It is caused in many different ways, and I will bring to the attention of the hon. member, and table in this House, what percentages of this is through the fault of the client or through the fault of the Department of Social Services, which was then under your guidance.

MR. RIDEOUT:

That is one per cent more than you gave him in a raise.

MR. PARSONS:

You gave them four per cent.

MR. SPEAKER:

The hon. the member for Port au Port.

MR. HODDER:

Mr. Speaker, the minister talks about the inaccuracies in payouts collecting in the past. But does he not take into view that these are the poorest people and that a 5 per cent decrease for somebody, who unknowingly five years ago received an overpayment, is harsh? Will the minister, when he goes back and checks, also look for people who have been underpaid as well as overpaid? Because that occurs just as well.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. EFFORD:

Thank you, Mr. Speaker.

I will tell the hon. member that while this member was on the other side of the House, while he was in Opposition, he very clearly said that the people of this Province were not receiving enough money to live on, and when he comes on this side of the House as Minister of Social Services his responsibility is increased to the same people. We realize that these people do not have enough money to live on. We also realize that the former administration for seventeen years allowed this to happen. We have been there in this position for a little more than thirty days, and I can assure the member opposite that we will, as is our responsibility to the social service recipients of this Province, create a better economic condition where those people can get some pride back in their stomach and go to work on good, jobs, long permanent jobs. We will look to make sure that they have food on the table when necessary and that they have a warm bed in which to sleep.

MR. TOBIN:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Burin-Placentia West.

MR. TOBIN:

Mr. Speaker, I decided that I would ask a question to the Minister of Social Services, the man who sat over here, as he said

and criticized and did nothing else for the last four years.

Now, Mr. Speaker, he is the minister responsible for having the youngest child in this Province barred up in adult jail. He is the Minister of Social Services who is responsible for the youths 13 and 14 year olds, barred up over weekends in adult jail and the Minister knows what I am talking about because I contacted him. I have to say when I contacted him, he acted upon it, Mr. Speaker, but there was no excuse when I was the Minister.

Now, Mr. Speaker, in addition he is beating up on the poor, the sick and the suffering of this Province by taking back the 5 percent instead of evaluating it like I was going to do and then ask Treasury Board to deal with it. Mr. Speaker, then he had to turn around and give them a 4 percent increase, and from them then takes 5 percent for overpayments and it is something that is not tolerated. Now, Mr. Speaker, in addition to this, when the people who were involved in the child welfare process in this Province -

MR. SPEAKER:
Order, please!

The hon. member will know that we are allowed a preamble in an introductory question, but the member is making a rather long preamble, and the Chair has been waiting for the question. Would the member proceed to get to the question, please?

MR. TOBIN:
My apologies, Mr. Speaker.

Let me ask the Minister how can he justify today, when every time you

turn on the radio and pick up a newspaper you hear people crying, begging, Mr. Speaker, pleading to have some more assistance for those involving all aspects of Child Welfare, how can the Minister of Social Services justify a reduction in the budget for the division of Child Welfare?

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

MR. EFFORD:
Thank you, Mr. Speaker.

I am surprised at the former Minister of Social Services. I thought at least when he was in this position, he had enough time to research and see what was happening in the Department of Social Services, and now that he is in the Opposition at least he would have time to read the budget. I say to the member opposite there is no reduction in Child Welfare in this Province, but there is a small increase. As Minister of Social Services my responsibility is to look to the future and to provide the best child care we possibly can, and in the short time we have been there we have looked at the problems within Child Welfare and we will be bringing it up to today's needs and in the next several months we will provide the service that they so desperately lacked under the former administration.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
The hon. the member for Burin-Placentia West.

MR. TOBIN:
Mr. Speaker, the Province's share of the total budget for Child

Welfare last year was \$4,294,000. This year it is \$4,271,800. I say to the Minister, if that means an increase, Mr. Speaker, God help the people in this Province who have to depend on them. Relating to Youth Corrections in the budget, Mr. Speaker, once you exclude the capital expenditure in the total budget going into the Whitbourne School there is a reduction there. Let me ask the Minister, at this point in time are there any capital expenditures for new Group Homes for young offenders in this Province to start this year? If there are, where?

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. EFFORD:

Thank you, Mr. Speaker.

First of all, Mr. Speaker, the Youth Correction facilities in this Province that I visited when I was an Opposition member, and visited again since I became Minister of Social Services, are absolutely deplorable! For the former administration to have allowed them to reach that stage, I would be ashamed, as an Opposition member, to stand in my place and ask the question. I can assure the member opposite that Youth Correction facilities in this Province will be greatly improved. There will be capital expenditure where necessary, I can assure the member opposite that we are not leaning towards more secured custody facilities and more group homes that will keep kids barred in. We have already started in Eastern Newfoundland an alternative measures program where we will have volunteer people from the community taking those young

boys and girls and putting them to work in the community where they will be with their families and can get necessary help. We care, Mr. Speaker. We are not like the former administration.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

There is time for one quick, final supplementary.

The hon. the member for Burin - Placentia West.

MR. TOBIN:

My final supplementary, Mr. Speaker, is to the minister again. I would like to ask the minister, again, is there any money in this, Mr. Speaker, for new young offenders open custody facilities? Not closed custody facilities, Mr. Speaker, but open custody facilities. If there any money in this budget for new open custody facilities anywhere in the Province? If so, how much? And where will these new facilities be created, Mr. Speaker? And as he talks about this, Mr. Speaker, let me ask him has he changed yet the locks on the emergency doors in the old School for the Deaf?

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. EFFORD:

Thank you, Mr. Speaker.

Let me first say to the former Minister of Social Services, he will be the former minister for a long, long time to come.

SOME HON. MEMBERS:

Hear, hear!

MR. EFFORD:

Number one, Mr. Speaker, the former Minister of Social Services was the minister who forced his department, who instructed his department to collect the deficiency in the accounts receivable on the backs of the poor in this Province. He is the former Social Services Minister who allowed those doors to be down in the School for the Deaf, because it was under his ministerial responsibility that that facility was built down there. As Minister of Social Services today, we will address the needs of all the young offenders and everybody who comes under the Department of Social Services. I work an average of sixteen to eighteen hours a day and I will increase that if necessary.

SOME HON. MEMBERS:

Hear, hear!

MR. EFFORD:

Mr. Speaker, we do not work from Monday until Friday, we work seven days a week, if necessary. We will continue to do that to provide the proper care for the young boys who did not receive the proper care under the former administration. They now have a minister who is responsible and who cares about the young boys and they will get proper and due care, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

Question Period has elapsed.

If I could be permitted just a comment or two so that the Speaker may be guided in future Question Periods and so that the Question Period is kept as crisp and as light as possible, again I remind hon. members asking questions, and I do this because most of us are new in asking questions, and certainly everybody is new in answering, so that we can get good, precise answers we have to have good questions as well. So I ask the hon. members, particularly in the preamble, if they would keep it as brief as possible and try to keep it to one question, because it makes it hard for the Speaker to judge the answer when a preamble includes three or four questions. I just wonder if in the future we try to make it so that I can ensure that answers are quick, if we will try to keep the question to one as well.

Thank you.

Notices of Motion

MR. SPEAKER:

The hon. the Minister of Justice.

MR. DICKS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Justice.

MR. DICKS:

Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Abolish Certain Ancient Rights Of Action In The Area Of Family Law And To Amend The Children's Law Act, The Family Law Act, The Reciprocal Enforcement Of Support Orders Act And The Support Orders

Enforcement Act", in order to correct anomalies and errors in those Acts. (Bill No. 9).

SOME HON. MEMBERS:

Hear, hear!

DR. KITCHEN:

Mr. Speaker,

MR. SPEAKER:

The hon. the Minister of Finance.

DR. KITCHEN:

Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act Respecting An Increase Of Certain Pensions". (Bill No. 8).

And, Mr. Speaker, I give notice that I will on tomorrow move that this House resolve itself into a Committee of the Whole to consider certain resolutions relating to the guaranteeing of certain loans under The Local Authority Guarantee Act, 1957. (Bill No. 6).

MR. K. AYLWARD:

Mr. Speaker,

MR. SPEAKER:

The hon. the member for Stephenville.

MR. K. AYLWARD:

Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce the following resolution:

WHEREAS the Stephenville and Gander Airports are important to the transportation system of this Province and also to the economic development of those regions; and

WHEREAS Air Canada has served Stephenville and Gander Airports for many years with jet service to mainland Canada; and

WHEREAS on February 1, 1989,

without any consultation Air Canada decided that it would withdraw service from Stephenville and Gander Airports on June 17, 1989; and

WHEREAS requests have been made to the National Transportation Agency to hold a public hearing into the decision by Air Canada but as of this date have refused to call for a hearing; and

WHEREAS requests have been made to the Federal Minister of Transportation asking that the federal government call for a public hearing into the Air Canada withdrawal;

BE IT THEREFORE RESOLVED that the House of Assembly request the Federal Minister of Transport, Benoit Bouchard, to order the National Transportation Agency to hold a public hearing into Air Canada's decision; and

BE IT FURTHER RESOLVED that Air Canada, still being a federal Crown Corporation, be ordered to delay the withdrawal of service until the public hearings have been completed.

Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

I believe the Chair moved along from Presenting Reports by Standing and Special Committees to Notices of Motion. If the House will agree, for the clarification of Hansard I will call for Presenting Reports by Standing and Special Committees, because that is where we were. We are now into Notices of Motion. Are there further Notices of Motion?

Answers to Questions
for which Notice has been Given

MR. SPEAKER:

The hon. the Premier.

PREMIER WELLS:

Mr. Speaker, I received notice today that hon. members opposite wanted some information as to the advice I have given the Prime Minister with respect to fisheries matters. I have already provided the hon. the Leader of the Opposition with copies of the two letters to which I referred. I would now like to table those two letters.

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. BAKER:

Mr. Speaker, I wonder if we could have unanimous consent to revert back for a moment to Statements by Ministers. There is one statement that was not quite ready, and the Minister of Municipal Affairs would like to present it. Could we get unanimous consent to revert for one statement by a minister?

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

It is agreed.

Statements by Ministers

MR. SPEAKER:

The hon. the Minister of Municipal and Provincial Affairs.

MR. GULLAGE:

Mr. Speaker and hon. members of the House of Assembly:

On June 7, 1989 I announced that my department will spend some \$50 million on municipal capital projects this year.

I am pleased today to inform this hon. House of the detailed expenditures my department will be undertaking. As I indicated earlier, the communities to receive funding today are considered those to have the most pressing needs as they relate to environmental and/or health problems.

Mr. Speaker, I think it would be important for members of the House to know that it is my intention to announce the 1990 capital works for both water and sewer and roads in the Fall of this year to ensure that earlier tendering can take place and that projects for 1990 can start as soon as possible in the Spring of 1990.

SOME HON. MEMBERS:

Hear, hear!

MR. GULLAGE:

The following is the list of expenditures listed by municipality, in alphabetical order, which is attached to an appendix to this statement.

MR. R. AYLWARD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Kilbride.

MR. R. AYLWARD:

Thank you very much, Mr. Speaker.

First of all, I want to thank the hon. minister for a copy of the statement and the list of projects which are to be started. Mr.

Speaker, I do want to congratulate the minister on his statement that as of next year, 1990, there will be early tenders. It is desperately needed in this Province, and I am glad to see that the hon. minister is going to keep up the good work started by the member for Harbour Main (Mr. Doyle) some years ago, to try to implement that project.

Mr. Speaker, we had a statement by the minister, some eight days ago I guess it was, which stated that there was a \$50 million-plus water and sewer program, which was somewhat more than was spent last year. I congratulate the minister on getting some more money. It is not nearly what was needed and not nearly what was expected, I do not believe, by the Federation of Mayors and Municipalities, but, again, it was more than we had before.

I just got the list a couple of minutes ago, Mr. Speaker, and in taking a quick look at it I did not see on the list a project which is very important -- I am surprised the member for Windsor -- Buchans (Mr. Flight) did not see that it was on the list -- to Central Newfoundland, and it is the water treatment plant for the Central Newfoundland area. I do not see any mention of it here. Maybe it is somewhere else in the budget and I am missing it, but I certainly do not see it on this list.

Also, there was a very important thing, certainly for the district of the member for Windsor -- Buchans, which we had committed to do, and that was to upgrade the services in the Town of Windsor. We had an MC, and I think \$2.5 million was supposed to be allotted for that this year. It

was recommended while I was in the department, I know. I see that has been cut by at least \$1.5 million, so they will actually get around \$1 million. That is too bad. With the increase in dollar amounts, I would expect those critical problems to have been looked after, but I guess they were overlooked this time.

I will be going over the list to make sure that the money was spent fairly and equitably. Mr. Speaker, when we have perused the list some more, I will probably be asking the minister more questions.

Thank you very much, Sir.

MR. SPEAKER:

Before getting into Orders of the Day I would like to welcome to the Galleries on behalf of hon. members a delegation from the Council of Triton, represented by Mayor Winsor and Councillors Williams and Woodford.

Also, we would like to welcome to the Galleries today the Mayor of Bishop's Falls, Mr. George Saunders.

SOME HON. MEMBERS:

Hear, hear!

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. RIDEOUT:

Mr. Speaker, before we call Orders of the Day I wonder if the Premier has any information to give the House on a question I asked him a couple of days ago relating to issues in transportation, and relating to the Bell Island ferry and a Minute-of-Council. The

Premier gave some verbal indication across the floor yesterday that he had the information, and I was sort of expecting that we might hear something from the Premier on it today.

MR. SPEAKER:
The hon. the Premier.

PREMIER WELLS:
I assume he is talking about the Minute-of-Council relating to the Bell Island ferry?

MR. RIDEOUT:
That is the same Minute-of-Council, yes.

PREMIER WELLS:
I do not remember specifically the issue, but I can tell the House, Mr. Speaker, that on May 23 there was a Minute-in-Council passed that dealt with the issue of ferries in the Province. The Minute-in-Council provided for the immediate construction of a ferry for Bell Island. It also provided for an assessment by the department of the ferry needs of Fogo, in particular, Fogo and Change Islands, and it also directed that there be no further work done by Marystown Shipyards with respect to a second ferry for Bell Island.

I think that is largely what it covered. It directed that there be no further work done at this time by Marystown Shipyards with respect to a further ferry, and it also provided for an assessment of the ability to restore the **Beaumont Hamel** for possible use on the Bell Island ferry service.

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

MR. RIDEOUT:
Thank you, Mr. Speaker.

I thank the hon. the Premier for the information he has provided to the House as a result of our questions.

In order to protect our rights on this side of the House as an Opposition, and since we only now received this information, I take this opportunity, Mr. Speaker, to give you notice that because of the information flowing from the Premier's answer today, as soon as we can have the appropriate research completed we will be raising at the first opportunity a point of privilege on this matter.

Orders of the Day

Private Member's Day

MR. SPEAKER:
It being Wednesday, I call upon the hon. the member for Mount Pearl to debate his resolution.

The hon. the member for Mount Pearl.

SOME HON. MEMBERS:
Hear, hear!

MR. WINDSOR:
Thank you, Mr. Speaker.

First of all, I want to, just in preamble, congratulate the Minister of Municipal and Provincial Affairs for leaving the money in his district which I announced during the election for water and sewer and road reconstruction, right to the penny, Mr. Speaker. He has honored at least one commitment, be it all in his own district.

Mr. Speaker, I want to address the resolution I have on the Order Paper which deals with a very serious situation, a situation which is of critical importance to all Newfoundlanders and Labradorians, and very important to the future and the financial integrity of this Province in the long term.

The first part of the resolution reads:

"WHEREAS the previous Liberal Administration entered into an agreement for the development of the Upper Churchill hydro-electric potential which has seen Hydro Quebec reap from the venture profits which are now estimated to be approximately \$800 million annually; and

WHEREAS the Government of Newfoundland and Labrador by comparison receives in the order of \$12 million annually.."

I might have to correct that. In reading through the 1988 Annual Report of Newfoundland Hydro, it gets something like \$21.9 million paid in dividends to Hydro by CF(L)Co this year - the minister might want to address that. Nevertheless, regardless of which it is, \$12 million or \$21 million, Mr. Speaker, the fact remains that the previous Liberal Government entered into an agreement some time ago with the Government of Quebec and with Hydro Quebec, which has seen tremendous resources of this Province given away and given away for a sixty-five year contract.

Mr. Speaker, that has resulted in Quebec gaining at this point in time around \$800 million a year profit from power generated in Labrador and sold to Quebec, and

they in turn selling it either to their own industrial and domestic consumers or peddling it in the Eastern United States market, which is a very large market for them. Obviously that means that Newfoundland has been denied for that sixty-five year period a normal rate of return on that resource. We are not receiving a fair share of the economic rent from that resource, and the contract is an unconscionable contract by any standards as a result of that. Do you agree with that?

PREMIER WELLS:

I agree it is unconscionable.

MR. WINDSOR:

It is unconscionable. I am amazed that the Premier agrees it is unconscionable, in view of his actions as being part of the government that signed that agreement.

PREMIER WELLS:

No.

MR. WINDSOR:

No? He was not part of the government, he is suggesting? He was, Mr. Speaker, a member of Cabinet when the letter of intent was signed with CF(L)Co which gave the rights to Hydro Quebec. The Premier, Mr. Speaker, became a member of Cabinet on August 15, 1966, he left on May 14, 1968, and the letter of intent was signed on October 13, 1966. That was a letter that agreed in principle that CF(L)Co would sell and Hydro Quebec would purchase power. A subsequent power contract based on that letter of intent was signed on May 12, 1969, so the Premier can stand and say that he was not there when the power contract was signed. He will not admit, of course, that the power contract is

only putting the meat on the legal letter of intent that was signed on October 13, 1966 when he was a member of Cabinet. And he cannot deny that, Mr. Speaker.

Neither can he deny that he represented the Royal Trust in subsequent action in the court by the previous government to retain the rights that were given away by the Liberal administration in The Water Reversion Act and the recall case.

SOME HON. MEMBERS:
What? No!

MR. WINDSOR:
He also, I might note, represented the federal government in cases trying to deal with regaining offshore rights for this Province, Mr. Speaker. So there is where the Premier stands on the Upper Churchill Development. He protests too much, Mr. Speaker. He is guilty as charged.

As a result of that horrendous giveaway, Mr. Speaker, this Province has over the years had to spend some \$750 million to \$800 million constructing on-Island power generating sources to meet the domestic and industrial load on the Island, and we have been dependent on oil-fired thermal generation at Holyrood. We have no long-term assurance on the Island of stably priced power.

I have done a quick calculation and it is interesting to note that while all this has been taking place, just in the last ten years, the energy equivalent of 20 million barrels of oil has flown as water through the Churchill River watershed untapped, 20 million barrels, which has a value of \$4 billion at twenty dollars a barrel. That is what has gone

since then, Mr. Speaker.

Now, Mr. Speaker, we have been trying to negotiate for some time an agreement with the Government of Quebec and with Hydro Quebec to negotiate the further potential of the Churchill River. We have gone through all the court cases, The Water Reversion Act and the recall case I mentioned, and I will not bore the House with going through those details; we have spent many days debating those particular actions on behalf of the previous government. We are now in a situation where the legal obstacles, I believe, are out of the way, and that it is clear that at least legally if not morally, — certainly not morally but legally — the Government of Quebec has the legal right to the Upper Churchill power until the year 2041. Now, there are some problems with that. We have a difficulty with CF(L)Co itself, Mr. Speaker, in that if at some point in time it is clear that CF(L)Co is not able to meet its financial obligations, Hydro Quebec is required to make contributions to cover those obligations, in return for which they are given additional shares. In other words, Mr. Speaker, it is entirely possible within the existing terms of the contract that if CF(L)Co becomes not financially viable in the future, that all of the rights to Upper Churchill power could revert to Hydro Quebec and they could take absolute and complete control of Upper Churchill.

That is the sort of thing that is in that contract and, Mr. Speaker, that is a critical component of the negotiations that are taking place, or that should be taking place. When he stands up, the Premier I am sure will tell us what is taking place in that

regard. But it was a critical component and it was a precedent. Any negotiations that the previous government was going to be prepared to agree to had to have a clause that guaranteed long-term financial stability of CF(L)Co, the financial integrity of CF(L)Co.

I will be interested to hear, Mr. Speaker, when the minister or the Premier speaks to this question, whether or not that is still an integral component in these negotiations.

Negotiations have been going very favourably, and I might add that in 1984 Hydro Quebec and Newfoundland and Labrador Hydro signed a letter of intent dealing with negotiations.

There was a letter of intent that was signed. Negotiations subsequently failed and other negotiations were carried on. We have been negotiating in good faith with the Government of Quebec now for a number of years and making considerable progress. The Premier can say, as I heard him say a couple of days ago on television, that there has been no substantial progress and that we are not even close to an agreement. I would beg to differ, Mr. Speaker. There has been a tremendous amount of progress made at the negotiating level, at the officials' level in negotiating an agreement. At least there was. The question remains, where is it now?

MR. R. AYLWARD:

(Inaudible) he mentioned in his statement.

MR. WINDSOR:

Well, that is what I am coming to as I read the next part of the resolution:

"Whereas negotiations have recently been progressing very favourably between Hydro Quebec and the Government of Quebec on the one side and Newfoundland Hydro and the Government of Newfoundland and Labrador (under the Progressive Conservative Administration) on the other side, in reference to developing the overall resource potential of the Churchill River Watershed and other hydro-electric potential of Labrador; and

WHEREAS these negotiations were based on the recovery by Newfoundland and Labrador of some portion of the economic rent given away by the Upper Churchill contract."

Now let me deal with those two components. As I said, negotiations were working very well. Talking about the overall resource potential of the Churchill River Watershed not just recovering some benefit from Upper Churchill, that also was a condition precedent in any agreement we would sign, that there would be some recovery of economic rent from Upper Churchill. And there was general agreement that any contract signed would give Newfoundland a more favourable return on development of Lower Churchill in partial compensation at least for what has been given away on Upper Churchill.

The second part:

"Whereas the development of the Lower Churchill plus the intertie to the island power grid system would generate \$10 billion in construction activity..."

Mr. Speaker, \$10 billion in construction activity dealing with the development of Gull Island,

dealing with the development of Muskrat Falls, together producing over 3,000 megawatts of power; additional capacity at Upper Churchill, a small development at Lobstick Control Structure and the intertie to the Island, as well as some transmission lines to Quebec. All of that together represents about a \$10 billion investment over a fifteen year period, creating thousands of jobs in this Province, creating a tremendous amount of economic activity during that fifteen year period, and making it possible, Mr. Speaker, to attract energy-intensive industry in the future, while at the same time eliminating thermal-fired electricity generated at Holyrood and stabilizing energy prices on the Island for the foreseeable future; meeting all domestic and industrial demands on the Island and in Labrador, and still providing for considerable energy sales West through Quebec, which would give a tremendous economic boost to this Province, as well, and which we could badly use as we saw when the budget came down.

Mr. Speaker, a project of that magnitude is a project which is of tremendous importance to this Province. Tremendous social and economic benefits both in the short term and in the long term would eliminate our dependence on oil, would give us tremendous industrial opportunities, opportunities to develop new industries, and would give us tremendous opportunity to open up Labrador. The impact on Labrador itself would be absolutely incredible, Mr. Speaker, not only from the impact of construction but from the industries that undoubtedly would follow. And Labrador would be an extremely attractive place to do that.

Now, Mr. Speaker, the Government of Quebec has to make a decision and they have to make a decision very soon. They need additional energy by 1996. It will take until 1996 to put power on stream from Lower Churchill. So a decision has to be made. There is a window of opportunity over the next number of months whereby Quebec must make a decision on going with another phase of James Bay, which is more expensive than Lower Churchill. Let us be very clear that Lower Churchill now represents the most economical energy source left untapped in Canada today. Let us not mistake that. It is the most economical source.

The question then, Mr. Speaker, is are these negotiations proceeding? What are the implications on these negotiations of the statements the Premier made and his position on Meech Lake? I heard his comments a few days ago as a result of his meeting in Montebello and New Brunswick with Premier Bourassa, and statements attributed to Premier Bourassa. I did not hear the statements myself, but I heard reports where he has denied that it has any implications. Well, Mr. Speaker, I have information from officials of Hydro Quebec which indicate very clearly that the Premier's position on Meech Lake is having an extremely negative impact on the success of these negotiations. I am convinced, Mr. Speaker, that these negotiations have stalled drastically because of the Premier's position on Meech Lake. I was going to ask whether or not the election had any implications, whether there were any conversations between the Premier and the Premier of Quebec prior to the election to ensure that negotiations stalled until

after the elections were over, but that would be speculation on my part. I will not make that statement. He can still answer it, if he chooses to. He can assure us that that was not the case, but I am more concerned about Meech Lake. I am interested in hearing what the Premier's position is now going to be on the Meech Lake Accord in view of the fact, as much as he may wish to deny it, that his position on Meech Lake is having a very negative impact on this government's ability to negotiate an agreement with Hydro Quebec which will see that great development take place.

Mr. Speaker, that development and that set of negotiations were not based on Newfoundland asking Quebec to give us something. That was the case in many sets of negotiations that were held over the last number of years in asking for some recall rates. And Newfoundland felt very strongly under the Terms of that contract that they had the right to recall 800 megawatts of power which they could clearly show was required. Unfortunately, we lost those legal arguments, thanks to, in part, the interjection of the Premier in his capacity as lawyer for the Royal Trust who were the mortgage holders on the lease; the lease was mortgaged to the Royal Trust, and he was representing the Royal Trust in those two court cases.

So, Mr. Speaker, the question remains are these negotiations proceedings? Have they faltered? Is there a possibility now to get an agreement based on a sound business proposal? No cap in hand this time, we do not have to, Mr. Speaker, because Hydro Quebec and the Government of Quebec need that energy just as much as we need to

have it developed.

The New England States need that energy, the Province of Ontario needs that energy. There is a ready-made market. It is a clear business proposition. Let us develop these resources together, Hydro Quebec and Newfoundland and Labrador Hydro, export them as appropriate, use them on Island or in Labrador as required, or in Quebec as required, based on a good business plan, a good deal for everybody involved. We will get an economy return on our resource, Hydro will get a return on their participation in the development, any equity they might put into the development. The Government of Canada, of course, is committed under the Lower Churchill Development Corporation to 49 per cent, so we have their participation. It is a self-financable project. All that is required from the Government of Canada is a government guarantee on the balance of the funding that would have to be raised by the Lower Churchill Development Corporation. Nobody is requesting any grant or any subsidy from the Government of Canada or from anyone else.

So it is a straightforward business proposition, Mr. Speaker, one that will see benefits for Quebec, one that will see benefits for Newfoundland. The question, then, is why have these talks failed? Have the Premier's comments on Meech Lake had the negative implication that I say they have?

The final section of the resolution reads:

"THEREFORE BE IT RESOLVED that this House directs the Premier to reassure Quebec of this Province's

commitment to the negotiations leading to an agreement for the development of the Lower Churchill in the spirit of which these negotiations have been ongoing for the past several years."

Will the Premier, Mr. Speaker, when he speaks assure us that he will indeed deal with the Government of Quebec in the spirit in which these negotiations have been carried on in the last number of years? And will he assure us that he will alter his position on Meech Lake to ensure that these negotiations can continue in that spirit?

Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Premier.

PREMIER WELLS:

Thank you, Mr. Speaker.

Mr. Speaker, I want to address the resolution in a little bit of detail because, in part, we can agree with it. The wrongly stated and incorrect parts we cannot agree with, so I want to go over those. And I also want to use the opportunity to let the House know where matters stand now and to answer some of the questions that the hon. member just raised, because I think they should be answered publicly, having first corrected the misstatements that he has made.

To deal with the resolution, it starts out with an inaccuracy: "WHEREAS the previous Liberal Administration entered into an agreement for the development of the Upper Churchill hydro-electric potential." That is a part of the

truth, but not all of it, so I would sooner see all of it there. And you can see all of it there by leaving in the words "WHEREAS in the previous Liberal Administration" and insert these words 'with the unanimous approval of this Legislature.' Then you have the whole truth.

SOME HON. MEMBERS:

Hear, hear!

PREMIER WELLS:

So the previous Liberal Administration with the unanimous approval of this Legislature entered into it.

MR. R. AYLWARD:

You are the only one here now who actually approved it.

PREMIER WELLS:

That is right.

Everybody did it with full knowledge at the time. John Crosbie, Alex Hickman, Gerry Ottenheimer, Tom Hickey, Harold Collins, everybody, me included. And everybody thumped his desk in approval.

MR. WARREN:

Mel Woodward.

PREMIER WELLS:

Mel Woodward was not in the House at the time.

And it was widely accepted by all of the business community in this Province, and all of those who are now decrying this terrible deal were clapping everybody on the back at the great success of getting this going and participated in the undertaking and works and took the full benefit from it. That was with the knowledge that was available to everybody at the time, because

they all saw it that way. All that is available in Hansard for anybody who wants to look at it.

So we would be prepared to support the resolution if, amongst other things, those words were inserted after the word 'Administration' in the first recital, 'With the unanimous approval of this Legislature.'

On the second recital, I checked on the amount and, while I do not have it with me, I think \$16.8 million would be the correct figure, because \$12 million is not entirely accurate at this stage. It is \$16.7 net at this stage, so technically the recital is incorrect but it is in the same ballpark.

The third recital says the contract was in effect for 65 years from its beginning without the option for Churchill Falls Corporation to renegotiate. That is essentially correct. It is in effect for 40 years with the option in Hydro Quebec to renew. So it is not precisely correct but the net effect of it is, of course, Hydro Quebec is going to renew it so it is going to be binding on us for sixty-five years. So the gist of it is substantially correct and I will not quarrel with that.

MR. WINDSOR:

In view of the fact the mil rate drops by one mil they will certainly renew.

PREMIER WELLS:

One would certainly think so. But it is not specifically correct.

The fourth recital is in error. "WHEREAS negotiations have recently been progressing very favourably between Hydro Quebec

and the Government of Quebec on the one side and Newfoundland Hydro and the Government of Newfoundland and Labrador (under the Progressive Conservative Administration) on the other side, in reference to developing the overall resource potential of the Churchill River Watershed and other hydro-electric potential of Labrador."

That is not accurate.

MR. WINDSOR:

Absolutely accurate!

PREMIER WELLS:

I will give the House and the Province an update on it. It is wrong. In all of the years that they have been in power and trying to resolve this problem, trying to deal with it, they appear to have done everything wrong. Every step they took was a wrong step and produced no results. There was one offer from Hydro Quebec, it was made in 1984. Now the hon. member made mention of a certain document that I was kind of surprised to hear him make mention of because the two parties had agreed to keep the matter confidential. I will not discuss it any further.

MR. WINDSOR:

Will you tell us about the counter offer made by Newfoundland, too?

PREMIER WELLS:

Yes, I will.

So I will not mention that, but that was an event that took place and I just wanted to acknowledge that it did. But I was surprised to hear the Member's comments. In March of 1984 an offer was made by Hydro Quebec that can only be interpreted as a gross insult to the government of the day, the

people of the Province, could only be interpreted a gross insult. They were just toying with Newfoundland, that was the approach and that is the only way one could interpret that. Now that is all there has been in all of the years of negotiation. The talks broke down.

Newfoundland made an offer in August of 1985, a more detailed offer that covered some of the topics the hon. member mentioned in his speech. Newfoundland made that offer. To this moment, Mr. Speaker, there has been no response to that offer. That is how well negotiations have been going, that is how favourably they have been progressing. It has only been nearly four years and there is no response to it. As a matter of fact, there was not even any discussions until last July, so for three years there were not even any discussion on about it.

MR. WINDSOR:
That is not accurate.

PREMIER WELLS:
It is accurate.

MR. WINDSOR:
It is not.

PREMIER WELLS:
The the officials who have been responsible for it have been misleading me and I will check the hon. member's assertion that it is not true.

MR. WINDSOR:
They certainly have and I will document it.

PREMIER WELLS:
I will check it, and if they have given me incorrect information I will provide the correct information if I cannot table it

because of the confidentiality.

MR. WINDSOR:
How about a letter from Premier Bourassa to Premier Peckford dated December 19, 1987?

PREMIER WELLS:
There may well have been. There were a number of telephone conversations and correspondences exchanged, none with any meaningful advancement of negotiations. Negotiations got under way or were talked about again in a discussion between the Premier of this Province - I believe it was the Premier of the Province - and the Premier of the Province of Quebec about July of 1988.

MR. WINDSOR:
There were no meetings between myself and Mr. Ciaccia before that?

PREMIER WELLS:
A meeting between the minister and Mr. Ciaccia in July, 1988, is the only meeting that I have seen any record or indication of.

MR. WINDSOR:
Would you like the Minutes of meetings of March, 1988 and May, 1988?

PREMIER WELLS:
March and May? Yes, I would like to see them.

Mr. Speaker, nothing was done for nearly three years. Then, all of a sudden, there is a new expression of interest. They agreed that they would meet, and the first meeting of officials took place in August, 1988. There were four meetings between August and December, 1988. And, in August, 1988, the government of this Province asked the Government of Quebec to respond to the offer

that this Province had made in August, 1985, three years earlier, to which there had still been no response by that time. That is how favourably negotiations have been progressing.

The Government of Quebec suggested that there should be certain studies, and certain aspects of it examined jointly by both parties, in the interim. Those examinations were completed. They agreed on a schedule for having them completed and for having responses to them. The last meeting took place on 20 December 1988, when the parties agreed that all the things that had to be done and were agreed to be done, were done. Quebec then undertook to deliver its response to the Newfoundland position by January, 1989. It was not delivered in January. Telephone calls were exchanged between the head of Hydro Quebec and the head of Newfoundland and Labrador Hydro at the instance of the head of Newfoundland and Labrador Hydro. There were some telephone calls made, I believe, between the then minister and his counterpart in Quebec. And there is still no response. To this day, there is no response from Hydro Quebec or the Government of Quebec. None. That is how well negotiations have been progressing. There is no response, right to this day. They had agreed that they would do it in January, then they said, 'We will do it in February,' then they would do it in March, and there is still nothing.

The election took place in April. Why was there not a response in January, February or March? It had nothing to do with my position on Meech Lake, nothing whatsoever to do with it. There is still nothing in the way of a response

to this moment. In Montebello last week, I asked Premier Bourassa to see that a response was made. I do not know what the result of that will be.

The fifth recital, Mr. Speaker, is inaccurate in the sense that it is difficult to classify those things as negotiations. It was a request made by Newfoundland, and there were discussions during four meetings of the detail in those requests. But that position had been put three years earlier, with no response or address by Quebec. How can you call that negotiations? And, particularly, how can you say that negotiations were progressing very favourably 'under the Progressive Conservative Administration?' They were a mess! They were not progressing favourably at all. That is the reality of it.

The sixth recital: I do not know if the \$10 billion is absolutely accurate, but it is a very substantial number. It may well be accurate and it could even be more, possibly. The gist of it is accurate, so I do not quarrel with it.

The seventh recital: "AND WHEREAS the Premier through the public position he has taken in opposing the Meech Lake Accord has alienated the Government of Quebec thereby all but eliminating any possibility of reaching a negotiated settlement with Quebec that does not include another "giveaway" of Newfoundland and Labrador resources." See, it is that kind of political guff that makes it impossible for us to support an otherwise well-intentioned resolution. There is no good intention in this resolution. It is just to try and score political points, and

displays no real concern for the future of this Province and for the people of this Province and for their needs. The objective is to try and score political points, if you can.

The simple truth is, Mr. Speaker, that nothing I have said about Meech Lake has any bearings on this. If we are talking about Meech Lake and government's position, let us be totally accurate. I noticed the member did not tell the House what his position was with respect to Meech Lake. I noticed he did not tell the House what he wanted done with Meech Lake and these negotiations.

MR. WINDSOR:

Check Hansard and see who stood on division on the vote on Meech Lake in this House and see where you were sitting when the vote was taken.

PREMIER WELLS:

I am talking about the position the member wanted the government of this Province to take in terms of using Meech Lake in these negotiations. The former minister is not being honest with this House when he misrepresents this in this way and fails to disclose what he wanted the government to do and what the government of the day refused to do and directed that Meech Lake not be used in any manner in connection with Churchill Falls. That was the decision of the government of the day, Mr. Speaker. So let us be honest about this, and let us not mislead. What the member is doing is trying to make things difficult to cover their failure to do anything, to achieve anything in seventeen years, and particularly in the last ten years. All they have done is made matters worse and created a greater difficulty

for us in correcting the problem in the long run. That is the record of their contribution in this matter. They done nothing but make the whole matter worse, achieved absolutely nothing in ten years as far as the Upper Churchill contract and the Churchill River water power generally was concerned. That is the reality of it.

Now, Mr. Speaker, look at the resolution itself. "THEREFORE BE IT RESOLVED that this House directs the Premier to reassure Quebec of this Province's commitment to the negotiations leading to an agreement for the development of the Lower Churchill." I have no quarrel with that. I have no quarrel with participating in a direction, although I prefer to see, and I think I would ask that the thing be changed to 'request.' Because the government has to act as the government and has to take responsibility, and the House cannot really direct the Premier to take the action. But if the Premier fails to take the action requested by the House he is answerable to the House for it. So 'direct' is the incorrect word 'request' is the right word. The Premier does not have to take the direction of the House. He does not have to respond to the request of the House, but if he fails to respond to the request of the House then he answers to the House for it as he should. So change the word 'directs' to 'requests' and I do not quarrel with that part of it.

It is the last part of it that causes me difficulty. "In the spirit of which these negotiations have been ongoing for the past several years." That is where I draw the line. That is the recipe

for failure, the same kind of failure that has taken place over the last several years, if you look at what has happened and look at the record, as I have done in the last three weeks. I have had a couple of major meetings with the Hydro officials and the departmental officials to make sure that we were properly and fully briefed on the exact state of negotiations, the exact state of affairs at this moment, and I have done that. And when I look at it and see that the hon. member is asking that I carry on negotiations 'in the spirit in which these negotiations have been ongoing for the past several years,' I say no, I will not participate in doomed failure in that way. Because that is exactly what has happened over the last few years, due in part to the manner in which the former government approached it, and due in part - and I have to be honest and say it, Mr. Speaker - I expect in major part to the intransigence of Quebec, which province has most of the time been virtually impossible to deal with on these matters, in terms of getting any real, fair deal for this Province.

When you look at the record of it, and these great negotiations about which the former minister was speaking, what was happening is Quebec was toying with the government, playing with them like they were children, and they were not responding in a proper way. That is exactly the record of what happened. You can see the path as they led the members of the government of the day to believe that they were prepared to do something, and they would sit down, and then nothing would be done for months. They did the same thing recently.

The minister referred to the letter of intent a while ago. The government approach has been wrong. We are confident, Mr. Speaker, that we do have an opportunity ahead of us to resolve this problem. I would have to say that I am cautiously optimistic. I am not prepared to convey the impression that the hon. member has conveyed, that a settlement is right around the corner, or was ever just around the corner. It was not at any time and it is not now. But I believe there is an opportunity to do something and we intend to move very quickly.

I had discussions last week in Montebello with Premier Bourassa. I also had discussions with Premier Peters, and I think there is an opportunity that we can do something, because we will do it the right way, to find a solution where the former government failed miserably. Everything they did went wrong. I want people to understand that Quebec has all along taken an intransigent position in this, and that may well be the primary reason why the former government failed. No matter what they did formerly they may well have failed. That does not excuse the kind of approach they did take.

When I have more time - I realize, Mr. Speaker, I am just about out of time - I will deal with this nonsense that the member was speaking about about the legal cases and the position that I took. I represented the interests of Royal Trust, as the trustee for the bondholders. If you look at the court documents, which the former minister obviously did not do, you will see very clearly that the Royal Trust Company did not oppose the recall. In fact, it expressed approval that it could

be done under the terms of the document with the approval of the bondholders. Because you have to remember, Mr. Speaker, the power contract with Hydro Quebec was assigned as the security to make sure that the bondholders, who put up the billion dollars that it took to build Churchill Falls, would be repaid. Anything in breach of that that would diminish the power delivered under that contract, could be done with the approval of the bondholders in a meeting held for that purpose, which I have no doubt the bondholders were totally prepared to do. All Royal Trust wanted the court to declare, and all it asked the court to declare, was that it must have the approval of the bondholders because otherwise their security could be jeopardized, and you cannot treat people in that way. That was the position with respect to the bondholders in that particular court case.

Then the statement where they go back to October, 1966, when a letter of intent was signed. There was another letter of intent signed a while ago but nothing materialized out of it. The contract was approved in this House, Mr. Speaker. The only approval that was given for the contract was done by this House, introduced by the then Minister of Justice, and subsequent P.C. Minister of Justice, the Hon. T. Alex Hickman. The only other person who spoke to legislation at the time was the then Leader of the Opposition, Mr. Ottenheimer, and nobody voted against it, not John Crosbie, not Clyde Wells, not Tom Hickey, not Harold Collins, not Val Earle, everybody voted in favour of it, Ank Murphy included.

So it is time, Mr. Speaker, to set

the record straight and it is time for people to see this. Mr. Speaker, I have every confidence that we will succeed where the former government failed because we will set about doing it the right way, with the right motivation, the motivation to achieve a fair result for the people of Newfoundland and Labrador, not the motivation to cast political mud at the opposing political party, which is solely what motivated the then government, and that is why they have gone totally astray.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. RIDEOUT:

Mr. Speaker, what a performance laced with 'mea culpas' and 'we can do no wrong' by the hon. the Premier. A performance, Mr. Speaker, laced with provision of selective information, providing information selectively to this Legislature, and a performance, Mr. Speaker, that has no sense of history and justice to it whatsoever when it comes to wording a resolution when the hon. gentleman and lady opposite were over here. The hon. the Premier has the lack of intestinal fortitude to talk about political guff in a resolution. If you look, Mr. Speaker, through the resolutions that this hon. group presented to this Legislature, session after session, day after day, week after week, when we were over there.

PREMIER WELLS:

Talk about the one matter at hand.

MR. RIDEOUT:

Mr. Speaker, I will talk about whatever I chose to talk about, within the bounds of the rules, whether the hon. gentleman likes it or not.

The fact of the matter is, Mr. Speaker, to get up and try to justify failure, or to try to justify that you cannot support a particular resolution based on the fact that there might be something a little political in one of the recitals, is not a new thing, Mr. Speaker. The hon. gentleman opposite drafted resolution after resolution, and presented them to this House session after session where they would attack the government of the day politically, they would call us incompetent, they would say we were failures, and we were doing this and we were doing that, so for us to be pointing out that the present government has not exactly embarked on a road of perfection, Mr. Speaker, is not something new. The hon. Premier should not get so hot under the collar or expect that because they were not perfect we can be perfect in drafting something that is going to meet with his perfectionist attitude. It is not possible, Mr. Speaker, within the bounds of human failure, to do something that is going to meet with the hon. gentleman's approval.

Now, Mr. Speaker, the hon. the Premier tries to technically, very technically in fact, skate around his own presence in this particular Legislature when certain Acts were introduced giving effect, or giving authority for the government of the day to proceed to do certain things on behalf of the Upper Churchill development. The fact of the matter is, Mr. Speaker, and I am

not going to take a long time to dwell on past history, that the Act that was introduced to this Legislature in 1966 and passed in 1967 was the British Newfoundland Corporation Act (Lower Churchill River Lease Act) which gave the authority of this Legislature, and ownership through this Legislature, of the water rights of the Lower Churchill River. It was not the negotiated infamous power contract, as I understand it and as I have been briefed, it was not the infamous power contract that was brought in here and laid on the table of the House in the form of legislation, presented to the members of the House and then voted on. The Premier can get up quite technically and say that all sides of the House supported it.

AN HON. MEMBER:

You meant the Upper Churchill.

MR. RIDEOUT:

The Upper Churchill, yes.

The Premier can get up quite technically and say that all sides of the House supported a certain piece of legislation. They did, research shows they did, but what they supported, Mr. Speaker, was the Act giving the authority to Brinco to develop the Upper Churchill. It was not the power contract, and that is the big difference. It was the government of the day, Mr. Speaker, that entered into the infamous power contract. It was the government of the day that had blinkers on and must bear the political responsibility for entering into that document. Now that does not solve any of the problems that we are facing here today, but neither does it solve the problem, Mr. Speaker, if the Leader of the government is going to get up and sanctimoniously try to hide under

the umbrella of a piece of legislation that was not in fact what he said it was. So, in order to have any legitimate debate, if we are going to have legitimate debate, the illegitimate has got to be put to one side, and he cannot slough the responsibility of being a member of the Cabinet that approved certain things at that point in time and say it was done by the House. It was not done by the House. What was done by the House was a piece of legislation that was quite different, but gave the government and Brinco the authority to do certain things. The power contract itself was not done on the floor of this Legislature. That is an historic fact that has been said before, but the Premier does not want to agree with it, and that is his right.

PREMIER WELLS:

They are parallels (inaudible).

MR. RIDEOUT:

That is immaterial, because it was not the power contract that was debated in the House, it was not the power contract that was approved by the House. Do you understand? Do you understand? It was not the power contract, it was not the sixty-five year infamous give away that was done in this House. That is not what was done here.

MR. FUREY:

Crosbie approved it.

MR. RIDEOUT:

I have no idea. I am talking about what the Premier of the day approved of, Mr. Speaker.

Now, Mr. Speaker, the Premier today would like one to believe that unless he starts off something, there can be no right

approach to it. Unless it is his concept, unless it is his theory, it cannot come to a successful fruition. The Premier has gone today very close, I would say, Mr. Speaker, to misleading the public of this Province by selectively taking certain pieces of information, from briefing documents and so on, and saying 'Here is what transpired,' or 'Here is what did not transpire.'

Now, Mr. Speaker, some of us happen to have been there and we know --

AN HON. MEMBER:

(Inaudible).

MR. RIDEOUT:

We will. The member who introduced the resolution will be closing the debate. I hope the hon. gentleman has his ears as active then as he has them right now. It can be proven.

We know, Mr. Speaker, that there was a period of time in the early 1980s when nothing seemed to happen between the Government of Newfoundland and Labrador and the Government of Quebec in terms of those negotiations. We know we tried on several occasions to try to tap a window of opportunity to get the negotiations started up. We know that several ministers, and that can be documented, including a former leader of the Opposition who was a minister at one time in the government over there, tried to get negotiations started, and they never, never did get started. But, Mr. Speaker, in early 1988 the then Minister of Energy, the present member for Mount Pearl, by his own decision of going to visit the Minister in Quebec, and then with further follow-up by himself and the Premier, was able to get something

started. It might be alright for the Premier of today to fault how we approached it or what we did, but it is not factually correct for the Premier to say that nothing happened, and nothing happened.

In fact, Mr. Speaker, what is correct, and what can be documented, is that for the first time in perhaps a decade or more, for the first time in several years there seemed to be a genuine willingness on the part of the Government of Quebec to try to move those negotiations along. That can be proven. For the first time, Mr. Speaker, it was agreed that certain parameters would be topics of discussion and negotiation between a team of officials representing Newfoundland and a team of officials representing Quebec. For the first time, Mr. Speaker, items, having been identified, were dealt with, and it was Quebec coming and saying 'We want to deal with the global picture,' Mr. Speaker. It was Quebec coming to Newfoundland and Labrador, after we had initiated this process, saying 'Why do we not expand this somewhat? Why do we not include this area of negotiation as well?' And a lot of progress, a great deal of progress, Mr. Speaker, was made. And it is very untruthful, number one - I suppose politically you cannot say anything about being unfair, anything is fair in love and war - to suggest that no progress was made, nothing happened, it was failure, it was doom, as the Premier said in this House today.

There was a lot of progress, Mr. Speaker. For example, there was progress between both parties in determining once and for all the viability, or lack thereof, of the

Upper Churchill project itself. Churchill Falls/Newfoundland and Labrador Corporation. There was a lot of progress, and both sides agreed what had to be done to make that corporation financially viable for the long term. Because members opposite may or may not know that unless there are changes to the present financing arrangements of the Churchill Falls (Labrador) Corporation, it is possible, under that infamous agreement, for control of that corporation to go from this Province to Hydro Quebec. It is possible that if the Churchill Falls (Labrador) Corporation does not receive sufficient income to do its capital improvements and expansion and pay its bills, then Hydro Quebec has a right to do it and, correspondingly, take shares away from Newfoundland and Labrador. A lot of progress was made in that regard. A lot of progress was made, Mr. Speaker, in determining the technical upgrading of the Upper Churchill site itself in order to carry out repairs that would guarantee the technical integrity of the project for the next several decades. There was a lot of progress made in coming to understandings that would increase the output, for example, of the Upper Churchill project itself. There was progress made in determining what kind of engineering study had to be undertaken with ice flows and ice measurements and water measurements and all of that to determine whether or not the engineering work that was done for the development of the Lower Churchill needed to be upgraded, or whether the cost estimates were now in the same ballpark.

So for the hon. the Premier, Mr. Speaker, to stand up in this House today and say nothing transpired,

no progress was made, nothing took place, is factually incorrect. It is just not correct. If the Premier, Mr. Speaker, is successful, and we will see if he is, in getting an agreement on the Upper Churchill and Lower Churchill developments will not have to do all of the things that were carried out by Newfoundland and Labrador Hydro and Quebec, Mr. Speaker.

MR. FLIGHT:
Nationalization.

MR. RIDEOUT:
Mr. Speaker, the hon. gentleman should know all about nationalization. He might have to nationalize a few forest industries before the next year or so is over.

Mr. Speaker, all of those things that were carried on in technical evaluations, engineering evaluations, coming to understandings on the financial integrity of CF(L)Co itself, all of those things were progress, all of those things were things that we could never get to talk about. They were only things that we could get to dream about before in terms of dealing with Quebec, Mr. Speaker. So it is not right, it is not truthful for the Premier to say that those things did not take place. And they took place, Mr. Speaker, and because they took place the negotiations and the framework for negotiations are now further along, much further along than ever they were before between Newfoundland and Labrador and Quebec, much further. The Premier does not have to go back, nor do the officials for both sides have to go back and do all those things over again.

We will not take final credit

because it was not concluded, but we will take credit for the things we did right. And this was done correctly, Mr. Speaker. So if the Premier wants to come into this House and mislead the public of Newfoundland and Labrador by giving selective pieces of information and then leaving all of those gaps. Mr. Speaker, the Premier is getting like the old Watergate fellow himself, there is only 18 1/2 minutes of gaps in the Waterford tapes and that hung Richard Nixon. There are years of gaps in the information that the Premier provided here today, years and months of gaps, and then he selectively goes on to something else, Mr. Speaker. He is becoming infected with this business of providing a piece of information that shows the way he wants to see it, Mr. Speaker, but when we put it all together -

MR. WALSH:
What about (inaudible)?

MR. RIDEOUT:
Mr. Speaker, we could have a very interesting debate in this Legislature on the early 80s.

SOME HON. MEMBERS:
The '70s.

MR. RIDEOUT:
We could have a very interesting debate, if the member for Mount Scio-Bell Island (Mr. Walsh) would go to his seat. The first thing he should know is that if he is going to say anything he should say it from his own seat. That is one of the rules of the House. You should not be in somebody else's place to disrupt the House of Assembly. If the member for Mount Scio-Bell Island wants to talk about the early '80s or the early '70s, Mr. Speaker, and the middle '80s it is possible so to

do.

And you hear the Premier here today saying so sanctimoniously, Mr. Speaker, that all I did in acting for Royal Trust, all Royal Trust wanted was protection on behalf of the bondholders. That is all Royal Trust, that is the only position that Royal Trust took and I took on their behalf when I appeared on their behalf to intervene in those proceedings.

Well, Mr. Speaker, that is not exactly the case. The fact of the matter is that the present Premier appeared in 1981 arguing against the Water Reversion Act, saying that it was unconstitutional. That is the position that the Premier today took in 1981. He did not appear on behalf of Royal Trust to represent bondholders and say 'Well, we do not really care one way or another about this legislation, all we want is to ensure the rights of the bondholders are protected.

The Premier went down to the court proceedings, paid by the bondholders in Royal Trust, and took a definitive position. And the definitive position was that the legislation was unconstitutional; in other words, this legislature did not have the jurisdictional competence to pass the legislation in the first place.

That was the position that he took. He did not go down and do what he said here today. That is another example, you see, Mr. Speaker, of where this particular Premier only comes clean when it is to his advantage to come clean, and when it is not to his advantage to come clean then he gets tied up in legal gobbledygook. That is exactly what this Premier does, and does

well.

SOME HON. MEMBERS:
Hear, hear!

MR. RIDEOUT:

I am telling you, Mr. Speaker, that legal gobbledygook is not going to save the hide of this Premier in Ming's Bight, or Harbour Deep or Pacquet or some of those places. It is not going to be legal gobbledygook that will get his neck out of the political noose. This Premier has got to develop - and he does not know how to do it yet, he has not developed it yet - a posture of coming clean with the public and telling the public of Newfoundland and Labrador exactly what it is his intentions are, exactly what it is he intends to do and how he intends to do it, and not get tied up in selective pieces of information, not get tied up in legalese that he would not know that there is nobody over here can see through it, or you would not know but the people of Newfoundland and Labrador could not see through it. We might not be all learned gentlemen, Mr. Speaker -

SOME HON. MEMBERS:
And ladies.

MR. RIDEOUT:

- and ladies, but we have enough experience now to be able to look inside that learned circle take away all the pizazz and all, that and see exactly what the hon. gentleman is trying to do. And what the hon. gentleman tried to do here today, Mr. Speaker, is nothing short of covering up for his own failures, nothing short of not wanting to tell this House how he intends to pursue this matter in the future, and nothing short of wanting to once again sell this

Province down the drain, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

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

MR. RAMSAY:
Thank you, Mr. Speaker.

Mr. Speaker, it feels very good to be able to rise today and speak to and I say important motion in loose terms. Of course, there are parts of it which we on this side do not particularly agree with. I tended to look at it just to see exactly how well written it was in regard to trying to get a motion through the House.

Now, if we as hon. members are planning to try to get our motions passed, one would think we would leave the political jargon out of them. I possibly am guilty of this myself, as well, in the motion I put before the House just recently on the national transportation initiative.

Now, I want to put forth a question first which is: Should we or should we not give in to Quebec and Quebec's position on this particular hydro deal? Should we give in or not? I will develop this whether we should give in or not over the course of what I have to say.

The importance of the hydro deal is something that is tantamount to our future as Newfoundlanders and Labradorians. It is something that we definitely need and, as was said earlier, it is needed by North America. Industry in Ontario needs it, and it is needed by Newfoundland itself. Of course, we do not have enough

hydro capacity for the near future. Just getting used to it now, getting the details of the hydro negotiations, we find that it will take ten to fifteen years, depending on how the construction of the proposed deal progresses.

Now, what does it mean to us? If you look at construction jobs, is that all it means, construction jobs? Do we jump into this thing feetfirst without any consideration for the policy aspects of the Meech Lake Accord? Let us say we are going to get a ton of jobs. I say a ton of jobs because the numbers vary as to what we expect can be created by the construction of the project. I submit we do not jump feetfirst into this, as has been done in the past in some cases, in negotiations for any project, by members opposite. We cannot always see the future, of course, and we do not know what will happen in the future.

In reference to the Meech Lake Accord and what some of the possibilities are if we were to, as was put forth in the resolution, relax our position on Meech Lake, it says in this part here, "AND WHEREAS the Premier through the public position he has taken in opposing the Meech Lake Accord has alienated the Government of Quebec..." Really! Alienated the Government of Quebec, as if they could be any more alienated than they are with their own language issue. Have we alienated them or have they alienated themselves? This is something we have to look at seriously. Are we the reason why Quebec is alienated, over Churchill Falls? I think not.

What causes this alienation? Are we as a people here in

Newfoundland and Labrador, as Newfoundlanders and Labradorians, supposed to take this sitting down? Do we look at it and say, 'Well, Mr. Bourassa - or in the past Mr. Levesque - I think we can give up what we joined Confederation for for the sake of signing a deal to get construction jobs?' The way in which this resolution was put forth seems to give us that sort of impression.

Now to look at Meech Lake. We have a document here which was done up by a forum of individuals here in Canada who have put forth an argument to the Court in trying to stop the Meech Lake Accord in its current form - and I should stress, in its current form. There are flaws, and like quality control which is so necessary now in industry, in business, in management, in anything that is done, do we put forth a very poor quality document like Meech Lake in its current form? Do we overlook the problems with it and say, 'Well, we can overlook that because we can deal with it later'? But 'later' may never come if you have to have total unanimity of all the provinces in order to do this. With the trouble there is now to get agreement between Canada and Newfoundland on things, can you imagine what it will be like if in the future there has to be any constitutional change within the Meech Lake Accord as it currently is and we have to have all provinces agree? I feel that that would not happen.

Now, I will read to you some portions of this document which was handed around. It is entitled **The Meech Lake Constitutional Accord** - not the official one -- prepared by Timothy S. B. Danson.

It says, and I quote: "Even before the court ruling, Premier Bourassa stated that to reject Meech Lake is to humiliate Quebec."

Now, do we really believe that if we choose to reject Meech Lake that all of a sudden Quebec will crumble and be humiliated and the whole province will become terribly upset with us and prevent us from starting up this hydro development that they need as well as we do? I do not think so.

Also, here, and I quote: "Premier Bourassa told us recently to read the history of Quebec over the past twenty-five years to see what will happen if the Accord fails." That is a threat. It is an implied threat. Read what happens. 'Well, we are going to be bad boys now. If you do not support our position on Meech Lake and play ball with us, we are not going to play ball with you', as was reiterated also by a member of the federal government after the election.

Does it not sound a bit 'childish', I suppose you could say, to assume that a government is so nervous about their own culture that this is the sort of thing they would lead themselves to?

Also, there is another part here which reads, and I quote: "For French Canadians, the language issue represents a collective identity and pride." Okay, that is fine. But does that mean that our collective identity as Newfoundlanders and Labradorians, and our pride has to take a back seat to Quebec's identity and pride, or their superiority complex, as I tend to call it, which is supposedly built in?

This aspect of the Meech Lake Constitutional Accord would make one wonder about Quebec's intention. Are they toying with us? I think so. They can wait. Now, possibly we cannot wait. Who knows what the future holds? Who knows how much power will be needed? We have projections, of course, based on scientific research and demands for power for North America - for the United States, for Ontario, and for Newfoundland itself.

Now, in the hon. member's resolution it says: "make possible the attraction of energy intensive industries" to our Province "and would stabilize energy costs for the foreseeable future." I have some trouble with that. Sure we want to attract new industry to the Province; we want to attract some industry, possibly, which is energy intensive. But do we give up our agreement under the Terms of Union, of which I have a copy right here? Do we give up what we negotiated in that for the sake of attracting some energy intensive industry? Members opposite are apt to jump up and make sure we know that history has not treated us well in hydro development, so do we jump forth and say, 'Well, I guess we had better sign this regardless of the Constitution and give up our rights, bow down to Quebec's intent?' I have problems with that, and I do not think it is the way to get a resolution put through this House.

You see the objective, I suppose, for members opposite putting forth a resolution is to maybe get it passed, or to maybe create debate. If we are going to create debate other than having resolutions passed, I suppose we can be here talking for a long time, as was done over the last

two days by a certain member opposite.

What does Meech Lake mean for us in its current form. Well, not being a political-scholar I have researched this a bit and, as quipped by the hon. the member from Burin - Placentia West when I mentioned research in speaking in the House in the past, I did come across a few points. One is we would give up a centralized federalism. We would give up that whereby Ontario, which centers our central government, becomes just one of the communities of our community, as was said by one member of the government up above, I guess we can call him, when he said -

MR. TOBIN:

(inaudible) Tim Horton the hockey player.

MR. RAMSAY:

Some of them come from there, yes.

'But,' he said, 'we are a community of communities'. Now I submit that that is not the case. That is incorrect. That is wrong. We are not a community of communities. We are more than the sum of the parts, more than the sum of the whole. If you take two outboard motors and put them on the back of a boat, you can go faster than you can with one outboard motor of the same horsepower.

If as a country we are to become a sum of our parts, we should be more than just ten provinces and a central government. Together we can be quite a bit more. We can be a strong country. We can have our own identity. It seems to be somewhat thwarted by some provinces right now, having a national identity. We have French

and English, and there are French in this Province as well. But we also have to look at the country as a national identity within the global world. What do we represent? I mentioned before the superiority clause, as I call it. It is in the body of the Constitution, apparently. That in itself would mean that Quebec can take precedence with the notwithstanding clause. Apparently it was not the intent of the Prime Minister of the day, Pierre Elliott Trudeau, to have in there anyway, he just did it to accommodate the members who were negotiating.

Fifteen years of construction: Well, sure, that would be nice. We would have a lot of construction on the go, we would have plenty of jobs, everyone would be happy for a long time, and maybe - just maybe - government could forget about unemployment problems. But is industry the way we want to go for the future? I submit that industry will be part of our future plans, of course, but it will not be the way of the future.

As we approach the Twenty-First Century, do we want to go into industrialization? Is this where the Twenty-First Century is going to take us? I do not think so. I think some industry is fine, but industry in tandem with information.

MR. WARREN:

Do you agree with a whole lot of (inaudible).

MR. RAMSAY:

I cannot understand you, Sir.

Now when I speak of information, Mr. Speaker, what are we doing? Are we going to go back? Around

the turn of the past century into the Twentieth Century, we went from the Victorian era into the industrial age. We arrived in the industrial age and now, supposedly, we are in the information age. I would like to read a few words about the information age: 'Information in its many forms is the raw material of the new economy. Information is central to manufacturing, to manufacturing services, and the operations of government.'

What does this mean? If we are to go forth and try to create a new Ontario out here on an island in the Atlantic, are we going to become the new industrial boomland according to the member's resolution? I think not. I do not think that will be the case.

MR. WARREN:

Why not?

MR. RAMSAY:

Because it does not make sense for what the future holds.

There is one point I want to make to the hon. the Leader of the Opposition: As I understand the legal process and people who are members of the legal profession, the position they take in a case in court does not necessarily have to be their own personal position on something. As I understand it, a lawyer will put forth a case for his client's purposes and not necessarily have to take the same position himself. So to discredit an individual, or try to, for having taken a certain position in a legal case to me is hogwash, as I see it. Now if anyone can say that I do not have a case in saying that, inform me of it and I will possibly believe them. But I do not think that is a good point.

I do not have much more time, but I want to mention something. The hon. the Leader of the Opposition spoke of illegitimate debate versus legitimate debate. Now legitimate debate and legitimate resolutions do have something in common. In a legitimate debate we debate things back and forth to get our ideas out and to find out whether we can come to an agreement or whether we disagree. Now the dotting of the i's and the crossing of the t's as has so often been mentioned about this particular thing of which we speak, this agreement, and as well the dotting of the i's and the crossing of the t's on the Sprung greenhouse affair, and the dotting of the i's and the crossing of the t's on the Hibernia oil agreement would make one wonder whether this is legitimate or illegitimate debate. If we are debating a resolution which in its writing is possibly full of political dogma, well maybe this is not legitimate political debate.

I submit that in debating this we look at it and make sure the details are there, make sure that we have the details all done properly, we have the i's dotted and the t's crossed and then we can support it. But if there are flaws in it, we do not intend, as a party on this side of the House, to support a flawed resolution or a flawed document. It has its good points, but so do cucumbers.

Mr. Speaker, I will not be supporting this resolution, but I think it does have good intentions. I thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the member for Torngat Mountains.

MR. WARREN:

Thank you very much, Mr. Speaker.

I want to speak for a few minutes on this resolution. I believe it is a good resolution. It is a very accurate resolution and a resolution that I would think everybody in this House would support. In fact, Mr. Speaker, I am surprised that the Premier found so many faults with this resolution when at the same time he was part of a government of this Province that gave away the Upper Churchill. Mr. Speaker, I find that to be very, very unfortunate, that a Premier would be against a resolution asking that we get our fair share in our Canadian society.

Now, Mr. Speaker, I do not want to say anything to cause you, Sir, to ask me to withdraw my statement, but I want to say in all honesty to the Premier that I believe if the Premier wanted to check Hansard tomorrow when he gets a copy, the Premier did on three or four occasions this evening, in particular when he was summing up, say there have been no negotiations ongoing for the last number of years. Now, Mr. Speaker, the Premier has said time and time again this evening that there were no negotiations. I would like for the Premier to explain to this House how he can stand in this House today and say that there have been no negotiations ongoing between this government and Quebec and, at the same time in the budget speech that was read by the Minister of Finance --

MR. RIDEOUT:

He did not know what he was saying.

MR. WARREN:

But, Mr. Leader of the Opposition, I want to say that he is part of that government over there, and he should know.

I want to say that the Premier is either right or wrong, he cannot be both. He has to be either right or wrong because it says here on page 7 - I want to read this, Mr. Speaker, for the information of all concerned - 'this Government will continue negotiations towards an agreement.' Now, Mr. Speaker, here is what the Minister of Finance said in his budget speech, 'This government will continue negotiations.' How can you continue negotiations if no negotiations have started? I find it very, very interesting that the Premier would come in here and say that there are no negotiations ongoing.

Like the Premier just said, 'It is stupid and silly.' Yes, Mr. Premier, I suppose it is stupid and silly. I would say, Mr. Premier, that during your years in your legal profession you have done many things that are stupid and silly. You represented, Sir, a company, the Royal Trust, against the Upper Churchill. You represented them against Newfoundlanders and Labradorians, Sir. So, Sir, if you want to call something stupid and silly that is what you should call stupid and silly.

Mr. Speaker, one other thing. Who was one of the legal counsels for the federal government on the offshore? Who would be one of those legal counsels? I would think, Mr. Speaker, the present Premier of the Province.

Now, Mr. Speaker, if you would

allow me, Sir, there is one other thing in the budget speech that does tie indirectly into this resolution. I just want to bring it to the attention of the Premier. I brought it this morning to the attention of the Minister of Environment and Lands. Again the Premier may say this is silly and stupid, but I just want to bring it to his attention. Last night I had the opportunity of attending Queen's College Convocation, and the Premier was there, and today and tomorrow the Anglican Church of Canada is having their General Synod, the first time ever in the Province of Newfoundland and Labrador. Mr. Premier, this does tie a little bit into this resolution, indirectly, but I just want to throw it open to you, Sir, as the Leader of the government of the day. One of the resolutions that will be debated at this Synod will be a resolution on low level flying in Labrador.

Now, Mr. Premier, on Page 7 of the budget your government is supporting NATO. In order for NATO to go into Happy Valley - Goose Bay, Labrador, we are going to need more power from the Churchill River. The least thing that this government can do, because we are going to have people from all across Canada debating a very fundamental resolution in the next three or four days in St. John's, Newfoundland, that could have a major effect on the future of NATO in Labrador, so if the Premier has not already done it for the three hundred or so delegates who will be there debating that particular resolution, all he has to do is ask Mr. Fred Way, or someone else in Intergovernmental Affairs, to at least give some background information on NATO in Labrador to

all the delegates at this convention so that at least when they are debating the pros and cons they do not have just one side of the story. I would think, Mr. Premier, it would be very wise that those delegates know the government's position and know what we are doing to make sure that the health of individuals, the environment wildlife are protected in the promotion of NATO in Labrador. I think it would be very, very valuable that this would be done so that all the delegates have at least the government side of the story, because, and I should tell the Premier this, if we do not do our job then other minority groups, other groups within the Province and within Canada, will be having a negative effect and we will not be having a positive effect. So the Premier should seriously look at supplying some information that is public, to those delegates across Canada who will be debating such an issue.

PREMIER WELLS:

Does the hon. member want information?

MR. WARREN:

Sure.

PREMIER WELLS:

The answer is, it was done last week, Mr. Speaker.

MR. WARREN:

Excellent!

PREMIER WELLS:

The Department of Intergovernmental Affairs, the office responsible, contacted the office of the Church and offered to make the services of the officials available to explain to them the government position. I saw a note on my desk yesterday

indicating that they had met with the Bishop and three or four other representatives, and had had a discussion. I have not looked at the detailed discussion of it, but I know it was done.

MR. WARREN:

Good show, Mr. Speaker. I appreciate the Premier giving us that information. I am glad he is doing that because the Church, at the same time, has said no to the Mokami Project Group about coming in and debating the resolution. So I am glad that the government has done that for all the delegates. Hopefully, I will have a copy of what the government has issued because I will be there amongst the crowd during the debate.

Now, Mr. Speaker, let us go back to the resolution. The hon. member for La Poile, Mr. Speaker, I cannot understand what he was trying to say, saying that the Meech Lake is not going to have an effect on any negotiations on the Upper Churchill. Now, the Premier has said the same thing. I heard him say last night when he spoke, I have heard him say in this House a dozen times, and I have heard him say on the media, that he wants to be honest. Now, Mr. Speaker, I want the Premier to be honest also. I think we are all living in a political world. Let us face it, we are all living in a political world, and Mr. Bourassa will not be as accommodating to the Province of Newfoundland and Labrador if the Premier objects to the Meech Lake Accord. I think that is common political sense in the political world that we are living in. Mr. Speaker, I believe that the Premier's comment, that he is going to join McKenna and a few other Premiers from Canada to object to the Meech Lake Accord -

SOME HON. MEMBERS:

Oh, oh!

MR. WARREN:

Mr. Speaker, the hon. gentleman for Eagle River, the Labrador Flag Wonder! You are not allowed now to have a Labrador flag on your car bumper, and you are not allowed to have a Labrador flag in an ashtray. A poor old lady in the hon. gentleman's district is not allowed now to kneel down on the Labrador flag by her bedside and say her prayers. So, Mr. Speaker, that is the Labrador Flag Wonder. Mr. Speaker, I say to the hon. gentleman that I was very tempted this time to leave the district of Torngat Mountains, when I heard the hon. gentleman was running in Eagle River. I did not do, Mr. Speaker, what he did. He came up to Torngat Mountains on government expense and tested the waters and took off back again, as fast as he could go, to Eagle River. Because he wanted Mr. Hiscock to stay there. So I just want to warn the hon. gentleman, when the Premier decides to call the next provincial election, it is quite possible that he may have an opponent in the district of Eagle River who could very possibly take him on and maybe be successful.

SOME HON. MEMBERS:

Hear, hear!

MR. WARREN:

Now, the hon. gentleman took me away from the resolution, but then again not really, because we want to get the Churchill water flowing - I grew up on it - right down to the hon. gentleman's district. It will never go up to Nain and so on, but, hopefully, it will eventually reduce the electricity rates along the Labrador Coast. So it does tie into the resolution

to a certain degree, Mr. Speaker. So that is why I may be in Eagle River when we see cheaper electricity rates and we see the hydro coming down through the Straits and connecting into Cartwright and probably under the Straits and over to the Island portion of the Province. That could be the answer, Mr. Speaker.

During the past fifteen or twenty years, imagine if we had the money that we have lost on the Upper Churchill! I suppose it is true to a certain degree what the Premier said, that when you make deals, years after the deals are not so good after all. That is quite understandable. You go and buy a car and the next day you could have probably gotten it cheaper, or something like that. That is understandable. But just imagine if we had a better deal. Today the Minister of Municipal and Provincial Affairs would not need to come in with a program for water and sewer because every community in the Province would have a water and sewer system completed with the money that we lost on the Upper Churchill. We would have water and sewer projects completed in all our communities.

MR. FLIGHT:

The dollars we spent nationalizing Brinco, and the interest we have paid ever since we got it, would have fixed up a few water and sewer systems, too.

MR. WARREN:

That is exactly right, Mr. Speaker, and I would say the money we lost on the rubber factory in Holyrood would have also helped water and sewer in the Province.

Now, Mr. Speaker, I say to the hon. gentlemen opposite that maybe

we should eliminate the political part of the last or second last WHEREAS, just keep the political part out of it - I only have five minutes left. Mr. Speaker, how fast time goes. I have to blame all this time on the member for Eagle River.

Anyhow, Mr. Speaker, this is a good resolution and I would say to the hon. gentleman from Naskaupi, the hon. gentleman from Eagle River in particular, this is a real good resolution, so let us all support it together because we need the Lower Churchill developed. We need those five rivers developed. We need all the people Day and Ross is going to bring home from Alberta, Toronto and everywhere else. We need work for all those people who are going to be travelling home in boxcars and everything else. We need employment. At the same time, there is one thing that we have to keep in mind, and I will close by saying this, that we have to be serious, we have to look at the social fabric as well as the economic fabric. Minority groups have expressed their concerns on NATO, and I would not doubt there will be concerns expressed by other groups whenever you start a major development, whether it is in Labrador or whether it is on the Island portion of the Province, or anywhere else.

So with those few words, Mr. Speaker, I want to say to my colleague from Mount Pearl that it is my pleasure to support his resolution. It shows that we are on the track to recovery. We are on the right track and we can see economic prosperity for the Province of Newfoundland and Labrador.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Minister of Mines and Energy.

SOME HON. MEMBERS:

Hear, hear!

MR. GIBBONS:

Thank you, Mr. Speaker.

It is a pleasure to stand here this evening and speak to this resolution, a resolution which, except for the unfortunate faults in it that have been addressed in detail this afternoon, has some good intentions. There is no doubt in the minds of this government that we need a resolution of the situation with regard to developing hydro power in Labrador. We need the power from Labrador. As the member who moved the motion said earlier, by 1996 it would be nice to have that power. There is a minimum six year construction to get the intertie plus more time, but a minimum of six years to get the intertie from the Lower Churchill to the Island, and it would be appropriate if we could that year start to feed into Labrador power. Otherwise, with regard to power for this Province, by 1993 we will need new sources. In the next twelve to eighteen months we have to make a decision on new sources of electrical energy for the Province. In the short term that will probably mean another generating station at Holyrood, if we do not have a decision made before we have to make that big decision, relative to developing the Lower Churchill and bringing in the intertie. We want to do that. We have every intention of doing that. We served notice in The Throne Speech that we plan to do that, and have stated so

several times since.

As the Premier said earlier today, we have every intention of working on the development of that power with Quebec, and with others, as necessary and if necessary, to develop the power of Labrador. It is, as the member opposite said earlier, the cheapest source of hydro electric power left for development in Canada and North America, because there is very little South of the Canadian border. So we are going to proceed with that.

Relative to some aspects of the motion, I can repeat some aspects but I will not go into detail. On the \$800 million annually, that was addressed by the Premier in his remarks.

Thirty-two million dollars per mil is what is paid for Churchill Falls power. At 3 mils, which is what we get, that is about \$96 million per year. Subtract from that the cost of the operation of the project and we are down to the net figures which vary from year to year, depending on the costs from year to year. In 1984 the net was about \$30 million, and in this year the net is \$16.7 million, the net income from the Churchill project as shown in the latest annual report, which was referred to earlier.

AN HON. MEMBER:

How much this year?

MR. GIBBONS:

The net income this year is \$16.7 million. That varies from year to year. It has been as low as \$12 million and it has been as high as \$30 million. And it will vary, up and down annually.

Naturally, since Quebec can sell

its power Southwards, Westwards and into its own province at varying rates, it is difficult to say how much they are making on it. If they are selling for \$20 million, then maybe they are netting \$600 million compared to us.

MR. WINDSOR:

The Economic Council of Canada estimated \$800 million.

MR. GIBBONS:

They estimates \$800 million, based on about a 30 mil price.

Obviously, as has been stated already, the contract is an unconsciousable one. It is unfortunate, but history is history and we cannot rewrite it. Back in 1966 nobody foresaw what was going to happen to the price of oil. At that time it was \$2 per barrel and today it is 18; it has been much higher and it will be much higher. But back at that time, before the 1973 oil crisis, nobody foresaw what would happen to energy. Everybody thought because of the huge supplies of oil in the world at that time, in the views of many, that there would never be a major increase. Therefore, the rate that was agreed to in 1966 was thought to be good in 1966. Today, though, as we look back, and it is easy to have backward vision and say things were wrong, the only thing we can do now is try to improve the situation relative to that. One way to improve it is to try to develop the Lower Churchill, to develop the lowest priced Hydro power still available undeveloped in North America. We have every intention of doing that, and working vigorously toward doing that with the Province of Quebec and any other province that wishes to be involved.

We know there is lots of room to sell this power: Quebec can use it, Ontario can use it, and New England can use it. New Brunswick and Nova Scotia would probably love to have some of that, as the member opposite said earlier in his remarks. We naturally agree and want to proceed. As we get that intertie, and it would be great to have it by 1996, we will be able to, I would hope, attract more industry to this Province. Because we will have enough energy at that time to attract industry, and that would be one of our intentions. We would be able to stabilize electrical costs in this Province, Newfoundland and Labrador, for almost an indefinite time into the future with the supply that is available from Labrador. We will proceed with that.

Having said that, I can say a few more words about some aspects of the resolution. There was a lot of discussion about the favorable and unfavorable aspects of the negotiations over the last few years, and there was a long time when nothing was being done but attempts were made. The 1984 offer that was made by Quebec, as everybody in this House agrees, was an insult to this Province; it was totally inadequate and an insult. We must have better. The 1985 proposal made to Quebec by this Province would, if we had gotten a good response, be a big improvement on it. Naturally, as the other government tried to negotiate in 1988, they were well intentioned but things did not move at the same pace that they wished. It would have been nice to have had that proposal from Quebec by the end of the year, it would have really been nice to have a proposal that could have been seriously addressed. We are

still waiting for that proposal, as was said earlier. It should have been back to the former government in January, then February, then March. Now it is June and we still have not received anything. As was said earlier by the Premier, he mentioned this matter to Premier Bouressa last week and he said, Please, look into this matter and see what your government plans to do on it.

Back to the resolution: The aspect of the giveaway by the Upper Churchill contract, again, really, it is only in retrospect we call it a giveaway. It is really unfortunate that the contract did not have a reopener clause. So we have to try to get a better arrangement relative to the Upper Churchill from anything we do in future developments relative to the Churchill River. Because it is not just the Lower Churchill that is there for the extra energy, it is not just Muskrat Falls and Gull Island, Mr. Speaker, it also includes the things that may be done to the Upper Churchill to increase its capacity. There are possibilities to increase the capacity of the Upper Churchill which would add another 20 per cent to the capacity of the Lower Churchill, and we must move at that as well.

The particular part of the resolution that deals with the direction to the Premier has been addressed earlier, and I agree it would more appropriate to request the Premier to address the matter with the Premier of Quebec, and he has already done that. The problem part to us, of course, is that last clause, dealing with the spirit of the negotiations. We feel that the reference to the spirit of the negotiations is

probably the biggest error with this resolution. Meech Lake has no implications here. It should not have implications. We should not be trading kilowatt hours for constitutional rights, and we will not stand for trading kilowatt hours, or any resource, for constitutional rights.

I do not know how much time the hon. member needs for his final remarks.

MR. WINDSOR:

By leave, for a few minutes, Mr. Speaker.

MR. KELLAND:

He has twenty minutes to wrap up, but he has given you leave now to carry on.

MR. GIBBONS:

For my part, I really do not have a lot to add to it. I cannot support the resolution without some amendments. I do approve the intention of the support for the development of Lower Churchill power, but there needs to be some change made to the resolution before I can accept it and vote for it.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the member for Mount Pearl.

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

Mr. Speaker, to respond to some of the comments made by hon. gentlemen opposite, first of all I am amazed that the Premier would stand in this House and make some

of the statements he made and then turn tail and run out of the House, and we have not seen him since. He knows the statements he made are dishonest, that they are misleading, that they cannot be substantiated, and he knows that I am about to substantiate it.

Mr. Speaker, I am not going to pay any attention to some of the comments he made about some of the negotiations yet, I will get into that later on. He talked about a sixty-five year contract and he said, 'Ah, but do not forget now, it was a forty year contract with a twenty-five year renewal.' That is true, Mr. Speaker, it is a forty year contract. But Hydro Quebec has the absolute right to renew that for twenty-five years, if they choose to at the end of the forty year contract, at a rate lower than it is now. I think we are getting 3.2 mils now. At the end of forty years, it goes down to 2.5 mils, Mr. Speaker. So we get even less and Hydro Quebec gets even more at the end of that forty year term, and for the last twenty-five years of the contract. Have you ever seen a contract that de-escalated in the last twenty-five years? Have you ever seen a sixty-five year contract, Mr. Speaker, that is not reopenable, not renegotiable at any point in time?

Mr. Speaker, the one thing the Premier said - he really is in error and he knows he is in error. I am amazed that he would say it - is that nothing has been done by the previous government. The minister kept referring to us as the other government. I appreciate the confidence. Mr. Speaker, I want to point out some of the things that have been done just to show how absolutely inaccurate the Premier was. I

will go back just for the record, I will even start, Mr. Speaker, back in 1976, which is a year after I first became part of the House of Assembly, and I will give you a list of meetings first: 1976 - Moores, Crosbie, Bourassa, and Cournoyer; 1977 - Moores, Peckford, Levesque, Jeron; 1978 - Moores and Levesque; 1979 - Peckford, Levesque; 1980 - Peckford, Barry, Levesque. Barry is a familiar name. I think I heard that somewhere before. 1983-1984 - Peckford, Marshall, Levesque, Duhaime; 1985 - a series of meetings, Peckford, Marshall, Ottenheimer, Levesque, Rodriguez, and Johnson; June 1986 - Marshall and Ciaccia; June 1986 - Peckford and Bourassa; March 1987 - Peckford and Bourassa; June 1987 - Peckford and Bourassa; October 1987 - Peckford and Bourassa; October 1987 - Peckford and Bourassa's Energy Advisor; November 1987 - Peckford and Bourassa; March 1988 - Windsor and Ciaccia; and May of 1988 and July of 1988, and the hon. the Premier will tell us that nothing has been done, no attempt had been made by the previous government to deal with it.

Let me give you the dates of some current letters: November 17, 1987, Peckford to Mulroney dealing with this issue, Mr. Speaker; a joint press release, Mulroney and Peckford in November 1987; Mulroney to Peckford, February 1988. Interesting! Peckford to Mulroney, February 1988; Peckford to Bourassa, March 1986 - that is notice of a meeting; June 1987, Peckford to Bourassa. Interesting! December 18, 1987, Bourassa to Peckford. Interesting! February 1988, Peckford to Bourassa again, and so forth. March 1988, Windsor to Ciaccia.

Now, some meetings: May 16, 1988, Windsor and Ciaccia, and on it goes, Mr. Speaker, and they suggest that nothing was done. The Premier made particular reference to 1984 and 1985, I think, and he said nothing happened and a response has not been given. The Premier should know, maybe he does not, but he should know that negotiations absolutely and totally broke down. As the minister just pointed out, and the Premier pointed out, the offer from Quebec in 1984 was absolutely and totally unacceptable. Our offer of 1985 was clearly not unacceptable to Quebec, and it was agreed at that point in time that there was such a divergence between the two proposals that negotiations were fruitless. In the midst of that we were into some legal battles that the Premier should know a great deal about, because he was there, on the other side. Now I will go back to 1981. In May of 1981 trial action commenced with interruption continued for ninety-nine days, and in June, 1983, a formal judgement was entered. In June of 1983 a notice of appeal was filed in Supreme Court by the Province of Newfoundland. On July 26, 1983 an amended notice of appeal was filed. On October 15 to 18, 1984, the Province's appeal was heard by the Appeal Court. In October, 1985, judgement of the court was pronounced, unanimously dismissing the appeal, unfortunately. On application of the Province, on May 1986 the Supreme Court of Canada granted leave to appeal from the judgement of the Court of Appeal and notice of appeal, dated June 1986, was filed in the Supreme Court of Canada. So, Mr. Speaker, to even to suggest for a moment that over that period of time nothing was done by the

former Administration is absolutely, totally unfounded and is misleading in the ultimate.

Mr. Speaker, it was also suggested that no progress had been made in the current set of negotiations.

MR. WALSH:
(Inaudible).

MR. WINDSOR:
What is the chicken saying now?

MR. WALSH:
No progress.

MR. WINDSOR:
No progress. We report no progress and ask leave to sit again.

Mr. Speaker, obviously that claim cannot be substantiated as well. When we entered into those negotiations in 1988, and the first meeting I held with Mr. Ciaccia was in March 1988, I think, and then a second formal meeting in May 1988 and a series of meetings after that, what we did, Mr. Speaker, was start a complete new set of negotiations. This was not a continuation of negotiations that were ongoing in 1984 and 1985, and it was not a continuation of discussing either one of the proposals that had been put on the table, for two reasons. First of all, it was clear that neither of those proposals was acceptable and, secondly, Mr. Speaker, some things had changed: governments had changed, officials had changed, and legal cases were out of the way. We were no longer trying to negotiate on one hand and fight battles in the courts on the other hand. All of that was out of the way and we started a whole new set of negotiations of a completely different scope.

We were not trying to renegotiate the Upper Churchill contract, we were talking about development of the total Churchill River watershed, all the projects the minister just pointed out, as I did earlier, and I will not go through them again, totalling some \$10 billion to \$12 billion when financing is included. That is what we were talking about. They say there was no progress. Mr. Speaker, the Premier knows the difference, because he knows that for the first time in any negotiations the Government of Quebec recognized the importance of giving CF(L)Co financial security and ensuring the integrity of CF(L)Co. That was a major breakthrough. That had never been accepted by Quebec before. Never in any negotiations had they accepted that.

The second thing that was included, Mr. Speaker, and agreed to in the very first meeting back in May of 1988, was that any final agreement would include the recovery of some economic rent for Newfoundland and Labrador as part of this overall deal, and that is an important point. There are two key things that were agreed upon, two major breakthroughs in these negotiations, neither of which had ever been agreed to by Quebec before, and they are both very, very important to the final resolution and to the type of deal we get.

Now, Mr. Speaker, to say that nothing was done during that period, to say that negotiations had not proceeded, is being misleading. I could table, but I will not, the agenda that was set down in the first negotiating session, a full schedule of events. I am sure the minister has it. He knows what I am

referring to. He knows it exists, and he nods his head. He is confirming it exists, a full, critical path for the negotiations, leading up to a resolution at the end of January of 1989. That was in the schedule. Quebec was to come forward with a proposal by the end of January, 1989, and we will discuss why we so not have one yet.

The minister knows that there were power transmission analysis reports done, there were ice management reports done, there was a report done on the financial integrity of CF(L)Co, there was a report done on rentals and royalties, there was a report done on the review of the Gull Island design, and so forth. Mr. Speaker, there were a dozen, probably, technical and financial subcommittees established that have been doing reports, and tens of thousands, indeed probably hundreds of thousands of dollars have been spent on consultant studies and on various components of the work that has been going on.

So for hon. gentlemen opposite, Mr. Speaker, to suggest that no progress had been made, that negotiations are not proceeding favourably or were not proceeding favourably up until April 20th. is misleading. Mr. Speaker, if you do not believe me, let me quote an excerpt from the Minutes of the November 17th. meeting. This is a quote from Mr. Bernier, who was the Chief Negotiator for the Quebec negotiating team. He said that Hydro Quebec wanted to be in a position to firm up a deal with Newfoundland so that we could proceed to financing our projects. He then noted that he believes a deal is possible. "There are many elements which can be manipulated to arrange a deal,

and we must balance these to match our mutual visions." Mr. Speaker, that is November of 1988. That is from the Chief Negotiator for Hydro Quebec.

There was a further meeting on December 20th. and further progress was made.

AN HON. MEMBER:

Here comes the Premier now.

MR. WARREN:

Read it again for the Premier.

MR. WINDSOR:

Yes, I will read it to the Premier. This is a quote from Mr. Bernier. It is not a direct quote. Let me be very clear, because the Premier likes to be legally technical. This is not a direct quote. These are Minutes of the meeting and this is basically paraphrasing what Mr. Bernier, the Chief Negotiator, said on November 17th: Hydro Quebec wanted to be in a position to firm up a deal with Newfoundland so that we could proceed to financing our projects. He then noted that he believes a deal is possible. "There are many elements which can be manipulated to arrange a deal, and we must balance these to match our mutual vision," he says - the Chief Negotiator for Hydro Quebec.

Now for the Premier to suggest, Mr. Speaker, that negotiations were not proceeding well, that the spirit of these negotiations was not proceeding well, is being extremely misleading. They were progressing very well until the Premier, as Leader of the Opposition, made his statements on Meech Lake. That is when we started to see it crumble, Mr. Speaker. When it appeared that the Premier may be in a position

to take over the Government of this Province, that is when things started to fall apart, that is when the spirit of the negotiations fell down. And the Premier, Mr. Speaker, will have to answer to this House for why we do not now have a proposal. Why do we not now have a proposal from Quebec? What has he done and what has his minister done, since he became Premier, to carry on these negotiations, other than talk to Mr. Bourassa last week and say, "Will you please do something. Have a look, Old Man, and see if there is anything going on?"

I cannot believe that the Premier of this Province would sit down with the Premier of Quebec and not come away without demanding to know the status of these negotiations and why we have not received the proposal that the Government of Quebec had guaranteed us to have by the end of January? Now the Premier will have to answer for that, Mr. Speaker. The fact of the matter is, nothing has been done since that administration came to power. I have documented very clearly what happened previously. So, Mr. Speaker, I will leave it with that.

MR. GIBBONS:

Will you agree to change it?

MR. WINDSOR:

No. Of course not. Because the resolution is accurate, the resolution is painfully accurate and the Premier knows it, Mr. Speaker. He can come in here and he can make all kinds of statements to the contrary about the fact that it is not a sixty-five year contract, and that negotiations have not been progressing favourably and all of these things, and that The Meech

Lake Accord has nothing to do with it, but he cannot change the fact, Mr. Speaker, that it is because of the position of the Premier and his government that we do not have a proposal from Hydro Quebec today, and that we are not now proceeding with one of the greatest developments that this Province and this country will ever see.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Is the House ready for the question?

SOME HON. MEMBERS:

Ready.

MR. SPEAKER:

All those in favor of the resolution 'aye'.

SOME HON. MEMBERS:

Aye.

MR. SPEAKER:

All those against the resolution 'nay'.

SOME HON. MEMBERS:

Nay.

MR. SPEAKER:

The resolution is defeated.

SOME HON. MEMBERS:

Division.

MR. SPEAKER:

Call in the members.

Division

MR. SPEAKER:

Is it agreed that we proceed with the vote?

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

It is agreed.

All those in favour of the resolution, please stand:

The hon. the Leader of the Opposition (Mr. Rideout), Mr. Hearn, Mr. Doyle, Mr. R. Aylward, Mr. Matthews, Mr. Windsor, Mr. Tobin, Mr. Woodford, Mr. Hewlett, Mr. A. Snow, Mr. S. Winsor, Mr. Langdon, Mrs. Duff, Mr. Warren.

MR. SPEAKER:

All those against the resolution, please stand:

The hon. the Premier (Mr. Wells), the hon. the Minister of Fisheries (Mr. Carter), the hon. the Minister of Social Services (Mr. Efford), the hon. the Minister of Works, Services and Transportation (Mr. Gilbert), the hon. the Minister of Environment and Lands (Mr. Kelland), Mr. Hogan, Mr. Ramsay, Mr. Crane, the hon. the President of Treasury Board (Mr. Baker), the hon. the Minister of Development (Mr. Furey), the hon. the Minister of Health (Mr. Decker), Mr. Walsh, Mr. Noel, Mr. Gover, Mr. Penney, Mr. Barrett, Mr. L. Snow, the hon. the Minister of Forestry and Agriculture (Mr. Flight), the hon. the Minister of Municipal and Provincial Affairs (Mr. Gullage), the hon. the Minister of Justice (Mr. Dicks), Mr. Grimes, the hon. the Minister of Finance (Dr. Kitchen), the hon. the Minister of Education (Dr. Warren), the hon. the Minister of Employment and Labour Relations (Ms. Cowan), the hon. the Minister of Mines and Energy (Dr. Gibbons), Mr. K. Aylward, Mr. Murphy, Mr. Dumaresque, Mr. Short.

MR. SPEAKER:

Order, please!

The vote is as follows: For the resolution fourteen, against the resolution twenty-nine.

I declare the resolution defeated.

The hon. the Government House Leader.

MR. BAKER:

Thank you, Mr. Speaker.

Just a note of information again, as usual. This evening, in the House of Assembly at 7:00 p.m., the Social Services Committee will review the Estimates of the Department of Health. Also this evening, at the Colonial Building at 7:00 p.m., the Government Services Committee will review the Estimates of the Department of Labour. Tomorrow evening at 7:00 p.m. the Resource Committee will review the Estimates of the Department of Fisheries here in the House. A meeting of the Social Services Committee has been scheduled to be held tomorrow at the Colonial Building, but we are not absolutely certain as to what department is going to be scheduled and we will let you know in a further bulletin tomorrow.

MR. SPEAKER:

The House at its rising will adjourn until tomorrow, Thursday, at 2:00 p.m. This House is now adjourned.

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Answers to Questions
tabled

June 14, 1989



NEWFOUNDLAND AND LABRADOR
HOUSE OF ASSEMBLY

CLYDE K. WELLS, Q.C., M.H.A.
Leader of the Opposition

CONFEDERATION BUILDING
ST. JOHN'S, NFLD.
A1C 5T7

*Tabled by the Hon
the Premier 14
June, 1989*

January 16, 1989

Dear Prime Minister:

In my letter to you of January 5th, 1989, I asked for your personal intervention to help resolve some of the serious problems Newfoundland fishermen are encountering as a result of foreign overfishing off the shores of Newfoundland. One of these major concerns was overfishing by France in the disputed waters south of the islands of St. Pierre and Miquelon.

The people of St. Pierre and Miquelon (with whose fishing activities Newfoundlanders have little or no quarrel) are doing their best to try and resist and prevent overfishing in the disputed waters by trawlers from metropolitan France. In the course of their protest yesterday they prevented one of the two plane loads of gendarmes, sent in from metropolitan France for the purpose of preventing or controlling the demonstrations on St. Pierre, from landing in St. Pierre. In the case of the plane that landed they prevented the gendarmes from disembarking in St. Pierre. Ultimately, both planes flew instead to St. John's where the gendarmes stayed over night.

In such circumstances Canada's accommodation of France should be confined to that which is necessary for safety only, namely landing and refueling so that the planes can immediately return to France. I think it is completely unacceptable that Canada should do anything whatsoever to facilitate the French government's resisting or putting down demonstrations in St. Pierre when those demonstrations are aimed at reducing or preventing metropolitan French overfishing in the 3PS zone adjacent to Newfoundland and St. Pierre.

Prime Minister Mulroney

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January 16, 1989

On the contrary, Canada should be taking whatever steps it possibly can (consistent with appropriate behaviour as between nations) to give comfort and encouragement to the people of St. Pierre in protesting against and resisting metropolitan French fishing in the waters of the 3PS fishing zone. If Canada cannot itself take any action to prevent French overfishing in the 3PS zone she certainly should not be doing anything that might in any manner diminish the effectiveness of the protest being carried out by the people of St. Pierre.

I would ask that your administration require the French planes carrying the gendarmes to leave Canada immediately. That is the very least that the government of Canada can do to help protect the interests of its fishermen.

Yours very truly,


CLYDE K. WELLS

CKW/ms

The Right Honourable Brian Mulroney
Prime Minister of Canada
House of Commons
Parliament Buildings
Ottawa, Ont
K1A 0A6



*Tabled by Hon. the
Premier, 4 June '89*

NEWFOUNDLAND AND LABRADOR
HOUSE OF ASSEMBLY

CLYDE K. WELLS, Q.C., M.H.A.
Leader of the Opposition

CONFEDERATION BUILDING
ST. JOHN'S, NFLD.
A1C 5T7

January 5, 1989

Dear Prime Minister:

On December 30th the Honourable Tom Siddon announced the details of the Atlantic Groundfish Management Plan for 1989. A number of aspects of it cause great concern to the people, particularly the fishermen and fish plant workers, of Newfoundland and Labrador.

Due solely to foreign overfishing in the waters between St. Pierre and the southern limit of Canada's 200 mile fishing zone, and in the waters outside Canada's fishing zone on the nose and tail of the Banks and the Flemish Cap, Mr. Siddon announced the reduction of the total groundfish catch in those waters by more than 20,000 tons. The impact of such a reduction on the economy of this province and on the fishermen and plant workers involved is immense. While I recognize that such reductions are necessary to protect the fish stocks, the fishermen and plant workers of this province should not have to bear such consequences of overfishing by foreign fleets.

As well, the adverse impact on what is a major element in future world food supply cannot be overlooked. Reckless and irresponsible overfishing threaten the future of those fish stocks and the contribution they can make to feeding the world. As such the actions of the foreign nations that are responsible for the overfishing are an offense to all other nations of the world, not just to Canada.

In such circumstances one can understand the barrage of demands for unilateral action by Canada to extend the boundaries of its fishing zones beyond the present 200 miles to include the nose and tail of the Banks and the Flemish Cap, and if necessary to enforce it with Canadian naval support.

On the other hand I can only respect your government's reluctance to have Canada act otherwise than in accord with international law and accepted international practice, or to take any action that will provoke a naval confrontation with European or other powers having naval forces far larger than Canada's. I cannot however understand your government's failure to do anything more significant than what Mr. Siddon describes as "exploring high level political measures to persuade the European economic community to stop overfishing this stock" or "exploring the possibility of securing additional quota from other NAFO members in the future".

While most people of this province recognize the likely futility of unilateral action by Canada, even with the threat of enforcement by the navy, they cannot approve of simply continuing discussions with the offending nations and at the same time reducing the Canadian quota while those offending nations catch more and more of the fish.

I am of the opinion that only the personal attention of the Prime Minister at the international level can gain for Canada the kind of support for a change in international law that will result in either extension of the jurisdiction of the contiguous state to cover areas of the continental shelf outside the existing 200 mile economic zone or effective management by an international organization such as NAFO. Perhaps the time has come for the Prime Minister to give this matter his personal attention and thus the priority that it truly deserves.

Unless and until steps are taken to bring about such a change in international law the fishermen and fish plant workers of Newfoundland and Labrador will have their livelihood subject to constant threat of destruction by the wanton overfishing of certain nations. At the same time the future of a significant element of world food supply will continue to be threatened.

January 5th, 1989

With great respect I suggest that it is not acceptable for the government of Canada to fail to take any effective action simply because it cannot, at international law, take the most effective action of extending jurisdiction unilaterally. Simply continuing discussions with the offending countries is having no beneficial effect and is not likely to be effective in the future.

Mr. Siddon's announcement of December 30th raises two other major concerns for the fishermen and fish plant workers of this province.

The first of these is the excessive French fishing in the disputed waters south of St. Pierre and Miquelon. Again there is a widespread view that Canada is not using all of the means at its disposal to resolve this dispute and eliminate the immense adverse consequences to the fishermen and fishplant workers of this province. I have publicly acknowledged the difficulty of solving this problem where the claims of France are based upon its sovereign territorial rights to St. Pierre and Miquelon but I do believe that your personal attention would make a difference, particularly if it were part of or co-ordinated with your effort at the international level to resolve the problem of foreign overfishing outside the existing 200 mile economic zone.

The second other major concern is the delay in making "a final decision on the allocation of 2J, 3KL cod". I can only express the hope that this is not a preliminary step to increasing the total allowable catch preparatory to allocating a portion of that increase to the Quebec/New Brunswick interests that have been seeking it. Bearing in mind the importance of the fishery to this province, in the present circumstances where its fishermen are experiencing reduced quotas and catches and fish plant workers are being laid off I respectfully suggest to you it would be unconscionable and totally unacceptable for a federal government to allocate any of those fish resources in the waters contiguous to this province to fishing interests of other provinces of Canada. Again, I would seek the personal intervention of the Prime Minister to ensure that the people of this province are not further deprived of an opportunity to make a living from resources they have relied upon for four centuries.

Prime Minister Mulroney

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January 5th, 1989

In summary, Prime Minister, the fishery is so important to the economic and social well-being of virtually everybody in this province that it justifies my asking you to give these matters your special attention and use the considerable power and influence of the office you hold to seek effective solutions to these problems.

Thank you for your consideration.

Yours very truly,



CLYDE K. WELLS

CKW/ms

The Right Honourable Brian Mulroney
Prime Minister of Canada
House of Commons
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