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**VERBATIM REPORT**

**THURSDAY, APRIL 17, 1975**

**SPEAKER: THE HONOURABLE M. JAMES RUSSELL**

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

STATEMENTS BY MINISTERS

MR. SPEAKER: The Hon. the Premier.

HON. F. D. MOORES (PREMIER): Mr. Speaker, I would like to very sincerely ask this House of Assembly to join me in an expression of deepest sympathy in the passing of Percy M. Crosbie. As a member of one of our Province's most respected families he was a leader in commerce and a valued participant in community service. I am sure that all Newfoundlanders were shocked as I was to learn of an untimely passing early today in Puerto Rico.

Percy Crosbie was a sincere and dedicated man, and his outstanding abilities and valuable contribution to this Province are well recognized. It will be difficult to imagine this Province going about its day to day business without the dynamic presence of Percy Crosbie. Mr. Crosbie was a tower of strength in the business community. He was President of Crosbie and Company Limited, and a number of other affiliated companies involved in almost every aspect of trade and commerce in this Province. He was born in St. John's in 1913 and educated at Bishop Feild College and Prince of Wales College, and later he attended St. Andrew's College and McGill University. His attending of St. Andrew's College was shared by his nephews, by the Leader of the Opposition, and by myself.

Newfoundland is a better place today because Percy Crosbie lived amongst us. May I as Premier of this Province, Sir, express to the family of the late Mr. Percy Crosbie the most sincere condolences of the government, and I know Newfoundlanders everywhere join me in the expression of sympathy.

The Crosbie family, Sir, in a time like this has to be identified as one of the first families in this Province whether it be through the late Mr. Percy Crosbie's father, through to the involvement of the Minister of Fisheries, responsible for Intergovernmental Affairs today as a nephew or whether it be through the dynamic interests of the Crosbie family throughout this Province.

It is a very sorry day for this Province when a man of the calibre of Percy Crosbie and all that he represented, an entrepreneur which Newfoundland needs so badly passes away. And, Sir, I would ask this House, and I know that all Newfoundlanders join me in passing along sincerest sympathy to his family.

MR. SPEAKER: The Hon. Member for Labrador North.

MR. W. WOODWARD: Mr. Speaker, we on this side of the House join with the Premier and the members of the House in passing our condolence along to the Crosbie family in the passing of Percy Crosbie. He was not only a great man - I knew him personally. I dealt with him for a number of years - he was first in a number of things in this Province, first to venture into the Arctic and take adventurous Newfoundlanders with him to help in the exploration of the High Arctic in the form of shipping, the first commercial vessels to go north into Eureka. He was a very adventurous man. He played a very important role in the formation of the Boys Club in St. John's, and was very active, and was not at all shy in asking for contributions to contribute to that worthwhile cause.

I knew him for many years. I have had many a conversation with him concerning the seal fishery. I suppose he is noted for the stand he had taken, Mr. Speaker, with regards to trying to preserve the seal fishery in this Province. He took great pride in a number of Newfoundlanders. All of his ships, he refused to have them registered abroad, they were Canadian ships and he kept them as such. All of other interests, his interest in the far North, and his interest in Goose Bay going back to the early '40's. We all remember Percy Crosbie, the man he was, and some very unique characteristics. He was very adamant with the federal government on the things that he wanted to see done in the Arctic and in this Province. And, Mr. Speaker, he will be missed by us all, and I join with the Premier in passing our condolence along to the family.

MR. SPEAKER: The Hon. Minister of Finance.

HON. H. R. V. EARLE (MINISTER OF FINANCE): Mr. Speaker, I cannot let this occasion pass without giving a personal condolence to the Crosbie family, and particularly the widow of the late Percy Crosbie in the loss of such an outstanding gentleman. From the days that I first sat in

the classroom at Bishop Feild College with Percy Crosbie, I knew him throughout all the years in an Association in the salt cod fish business particularly, and later in many aspects of Newfoundland life. We sat together as Chairman and Vice-Chairman of the Newfoundland Associated Fish Exporters Limited, the Newfoundland Fish Trades Association, The Board of Trade and many other organizations. And in all his dealings Percy was a gruff man, in many occasions he was an outspoken man, but he was always a fair man. He was unknown to many people in all his attributes which so many members have mentioned. He was also a man who was very thoughtful. I have seen many occasions when Percy Crosbie, in the midst of intensive business negotiations stopped to think of an individual, it might be an employee or some friend of his or some person, you would think at the moment that his mind was completely not associated with it. But he thought and he acted and he was always a friend to mankind.

In giving my tribute I would like to point out these sterling qualities of Percy Crosbie. He was a friend to many men and a friend to a lot of people, unknown to a great many others. And he never sought the limelight. He never tried to take credit for it. But he contributed to Newfoundland both industrially through his business acumen, and in many other ways far beyond the knowledge of most of us here.

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

HON. A. J. MURPHY (MINISTER OF SOCIAL SERVICES): Mr. Speaker, I would like the indulgence of the House to make a couple of short statements, but first before we do that, Sir, I too would just like to say a short word of how I feel about the late Percy Crosbie. I knew him mostly through his work with youth, through the Boys Club, and I join with the rest of the speakers in perhaps adding just a short word of tribute to such an outstanding Newfoundlander.

Mr. Speaker, I would just like to give a short report on the distribution of frozen foods from the firm of McCain's. Approximately 20,000 low income families, Sir, benefited from the distribution of McCain's frozen food. Approximately 1 million pounds valued at some \$400,000 were given away in March and early April. The food was distributed by the field staff of our department during regular working



hours, Sir, as well as after hours and on weekends. And I have the places listed here which will later on, if any, if the House want to they can have a list. But there were some thirty areas of the Province, Sir, excluding - and I would say again our deep regrets that we could not get into Labrador.

I would like to express my gratitude, Sir, first of all on behalf of the people of Newfoundland to McCain's Frozen Foods. I think that McCain's gift was deeply appreciated by government and by the people of Newfoundland. There were many service groups here, business firms, transportation companies, members of the clergy, as well as many individuals who assisted my staff in the distribution of this food. The co-operation received was excellent. And I wish to express my sincere thanks and that of the department to the many people who so willingly gave their time to help in the project.

The result of the help received was such that the total cost, Sir, of distributing this good was much less than \$1,000.

This would not have occurred, Sir, only due to road conditions in certain areas. McCain's trucks could not get there, the large trucks, and we had to get smaller trucks to distribute it in different areas.

I would also like to thank, Sir, the media for the tremendous coverage that was given the project, especially, Sir, those radio stations who accepted our notices at very short notice really and let it get out to the people to know just where the distribution would be. I feel confident, Mr. Speaker, that all honourable members join me in thanking in the first instance McCain's Food for their very fine gesture, and I would also like to add a personal word of tribute to Mr. Gerry Power, my assistant director of field services, Sir, who co-ordinated the entire programme.

I have another short one here, Sir. In our endeavor to bring improvement to our programmes and by so doing, Sir, improved conditions for the people of Newfoundland and Labrador, one of the most recent developments is the training programme whereby social assistance recipients can register for courses designed for upgrading, training and retraining. In all cases where individuals enter these courses regardless whether or not such persons are in receipt of social assistance, additional expenses are naturally incurred, Sir. As a consequence, I, as Minister of Social Services, through negotiations with the Department of Manpower and Immigration and the honourable Mr. Andras have arranged for an additional allowance of \$10.00 per week to be paid to any social assistance recipient who enters any upgrading, training or retraining course. This \$10.00 per week is in addition to any social assistance allowance already being received. It is over and above, Sir, the regular allowance to a welfare family, and will not be considered as income when calculating social assistance allowance. I am very happy with this, Sir, Although the \$10.00 a week does not seem to be a tremendous amount, Sir, I am sure it will help a great many of our people who through no fault of their own are not even receiving unemployment insurance, Sir, but have to receive social assistance. It will help them with bus fares and perhaps a little bit towards providing the little bit of necessary clothing that may be necessary, Sir, to enter

into the courses as I set out.

MR. SPEAKER: The honourable Member for Hermitage, is he replying to the ministerial statement.

MR. SIMMONS: Yes, Mr. Speaker, I would just like to briefly reply to the statements of the Minister of Social Services. First in relation to the matter of the distribution of the McCain's supplies, I thank him and his officials and particularly Mr. Power for getting into not only my area, because I speak on behalf of all my colleagues, but into the various areas of the Province. My assessment of the situation in talking to some people is that people affected have been reasonably well satisfied with the way it was done and the general availability of these items to a fair number of people across the Province as the minister's statement indicates.

I speak only from my experience in my own area. The one criticism I am going to inject, I am not suggesting it is universal across the Province at all. I would have been able to be of considerably more help to the minister and his officials had I been involved a bit earlier in the plans. I did get involved at the minister's invitation just a few hours, forty-eight hours perhaps, a couple of days before the distribution in Bay D'Espoir and the Connaigre Peninsula and Fortune Bay that distribution was affected. Had I been able to be involved earlier I think we could have made the thing operate a little more efficiently. As it was the Lion's Clubs in particular in Bay D'Espoir and Harbour Breton came through in their usual fine style on very short notice and were able to assist the minister's department in getting the materials to the places in the general areas that I have mentioned.

On behalf of my colleagues, I would also like to respond to the statement of the minister in reference to the additional allowance for those persons on social assistance who will be attending district vocational schools for upgrading purposes and for other purposes.

MR. MURPHY: That is educational -

MR. SIMMONS: Yes.

MR. MURPHY: Inaudible.

MR. SIMMONS: Yes. Well, first of all again we welcome this particular announcement. Any money of this nature made available to these persons can only be interpreted as being a benefit because those persons who are on assistance must be given every opportunity to upgrade themselves, to prepare themselves for re-entrance into the labour market and my colleagues and I certainly welcome this, yet another fine example of what federal and provincial co-operation and money can do when applied in consultation with each other.

MR. SPEAKER: Are there any other ministerial statements?

The honourable Minister of Fisheries.

HON. J. CROSBIE: (MINISTER OF FISHERIES): Yes, Mr. Speaker. Several days ago the Member for Hermitage raised the question of herring seiner activity in the Hermitage-Bay D'Espoir area. I have sent a message to Mr. Wallace Roberts of Hermitage, who also contacted me about it, which I would like to read in the House. It says, "We have discussed the matter of herring seiner activity in the Hermitage-Bay D'Espoir area with officials of Environment Canada, Fisheries. They advise that the whole question of herring seiner and dragger activity in inshore waters is under active consideration. Any direct action in support of your request pertaining to "Line and delineated areas" will have to be taken by Environment Canada because the management of fisheries falls within federal jurisdiction.

However, the Province realizes this is a very complicated situation involving gear conflict and resource harvesting by different groups of fishermen deploying different different types of fishing gear. I will be watching the situation in your area very closely and may find it necessary to make direct representation to the Atlantic Herring Management Committee, the agency responsible for herring quota allocation between offshore seiner and inshore herring fishermen along the South and South West Coast."

Now, that is the position with reference to the Bay D'Espoir area, Mr. Speaker. The question of the regulation of herring seiners or quotas and the like is all within the jurisdiction of the Department of Environment of Canada. We of course can make representations and we

have done so. I wrote the - there is an Atlantic Herring Management Committee chaired by Mr. Creeper of the federal department, and I wrote him several months ago and said that in our view, the Province's view, that any inshore area where no quota was set for the catching of herring by seiners or otherwise should be an area that is not fished until a quota is set. It is our view that in areas where they have not got enough information to date to set quotas or to appoint lines within which seiners do not operate and so on, that they should not permit any fishing activity in those areas until they have set the quotas and have the information.

The reason why I bring this up again this afternoon is that at the present time the fishermen of Aquaforte in Ferryland District are very much upset and agitated because there are two herring seiners who are now catching herring in their area. They say they have caught some 350 tons which I believe they are landing at the plant at Fermeuse and they are protesting against this activity and they have been calling the Department of Fisheries, provincial, and they are talking about marching on Confederation Building and whatnot.

Now, it is useless for those fishermen to march on Confederation Building or to march anywhere except on the Department of the Environment, federal, or the Department of Fisheries at Ottawa because that is the government that has the jurisdiction. In the meantime I am wiring the Chairman of the Atlantic Herring Management Committee which advises the federal government on these matters, asking them to take this under consideration and to advise the federal officials as to what they should do in connection with the Aquaforte area as well as Bay D'Espoir

or otherwise. It is not an easy question, but our position is that we should protect the herring stocks for the inshore fishermen except and unless there are quotas set and there is sufficient information known to be able to make a decision as to within what areas seiners operate and what areas should be left strictly for the inshore fishermen. That is our position, and we have advised them of our views, and the fishermen or their members should contact their federal members and should contact the Department of the Environment, Fisheries section at Ottawa or wire Mr. Creeper the Chairman of the Atlantic Herring Management Committee. And in addition to that, of course, we are bringing this to their attention and advising them that action should be taken.

MR. SPEAKER: The Hon. Member for Hermitage.

MR. SIMMONS: Mr. Speaker, just a brief response to the statement of the minister concerning the herring seiners and the problems being created not only in my own district but in the Ferryland district as well. On behalf of my colleagues just let me say, first of all, we appreciate the concern that the government is showing on this. I have done most of the things that the minister has outlined should be done. I wired just about everybody whose name I can get hold of on this particular matter. I appreciate and my colleagues appreciate, of course, that it is indeed a federal matter just as the Continental Shelf question is and the Hamilton Banks question is. The precedent shows, of course, that both these matters were of sufficient concern to this House and to the government that we also saw fit to take a stand on that issue. I would say to the minister that likewise he and his government should see fit to take a stand on this particular issue. It is not enough, Mr. Speaker, to say that it is a federal matter. It is that. But it is a matter which affects sufficiently large numbers of people that the Government of Newfoundland and Labrador should take a particular stand on it and then make representation, make a set of recommendations if you like, or a recommendation to the federal people to Mr. LeBlanc and whoever else may be involved, a specific recommendation which sets forth

the concerns of the Province in this matter and which adequately reflects and represents the concerns of the people who are being directly and adversely affected by the herring seiners' presence in those bays. I agree also with the minister that it is a difficult problem. It is a touchy problem, if you like, because there are people affected from different, depending on what action you take, people affected, I am trying to say, from different points of view or different stances. If you take one stance, you are going to affect favourably the inshore fisherman who is depending on these fish stocks, and if you take that same stance, you may well, in some respects, adversely affect the plant workers who are depending on the additional herring stocks to keep the plants operating full time and, therefore, give them, the fish plant workers, a full pay cheque at the end of the week.

So it is a delicate problem. I quite agree with the minister. But I do say, Mr. Speaker, on behalf of my colleagues, I do say that the delicacy of the problem is no reason to alone pass the buck. It is all the more reason why government ought to take a stand on it and then make that stand known to Ottawa, who I recognize, or which I recognize will finally have to make the ultimate decision on the matter.

MR. CROSBIE: Mr. Speaker, a point there. You know, I have already explained, I thought, that we have made our position known to Ottawa, and we made it known several months ago which I just explained in my statement. Now it is up to them to act and to make a decision.

PRESENTING PETITIONS:

MR. SPEAKER: The Hon. Member for Placentia East.

MR. AYLWARD: Mr. Speaker, I beg leave to present a petition from the residents of Come By Chance and the prayer of the petition is that water and sewerage be installed in that community. While at the present time the main road in the area is under construction and the residents state that this would be a very, very suitable time to install water and sewerage before the road is upgraded and paved.



They had made representations to the honourable minister who was glad to meet with them on two or three occasions, and I know that man must practically shiver in his seat at all these petitions, Mr. Speaker, and in a sense, I suppose, if we are human at all, we would have to apologize to anyone who has to bear the burden that that particular gentleman bears in that particular portfolio, and I would like at this time to really thank him for the kind reception he has given the council at Come By Chance as well as the other town councils who have had occasion to meet him and call upon him to have representations made to obtain funds to install water and sewerage.

I know he is quite aware of the situation, Mr. Speaker, but the residents of that community feel that while there is so much talk, I suppose there is no place in Newfoundland or in Canada really as well-known as Come By Chance itself, but oddly enough that particular community has no water and sewerage facilities apart from a private installation which was put in there by the company to accommodate twenty or thirty homes which were built for the senior personnel at Come By Chance. So as matters now stand in that community, Mr. Speaker, its proximity to the Come By Chance complex, there are a large number of individuals from the area itself really who work at Come By Chance who would like to live in that particular area. Without water and sewerage, they cannot obtain a building lot, and because there are no serviced building lots available, they try for crown land, and all crown land in the area is frozen. That is if you, Mr. Speaker, were today a resident of Come By Chance or your forefathers, and they left you considerable tracts of land and although this was a large area, you could not obtain a permit to build. So the situation in the community is that all growth has been completely halted because you cannot build unless you build on serviced lots, and there are no serviced lots available, and, of course, as far as crown land is concerned, there are no applications being granted to residents to obtain crown lands to build upon.

So, as I said before, I know of all the large number of delegations in all the municipalities that have been making representations to the minister. This, I know, is one of many. I am sure he is aware of it. But I sincerely trust that it will meet the support of all sides of this House and also, of course, the Hon. Minister of Rural Development, whose district borders on mine and some of the people who signed this petition, he is also affected. So if there is ever a change, I suppose, in portfolios and the honourable present minister should get a rest and the Hon. Minister for Rural Affairs should move over, then probably there will have a little more hope. But I sincerely trust that this petition will meet the support of everyone concerned, and I ask that it be tabled and referred to the department to which it relates.

MR. SPEAKER: The Hon. Member for St. Barbe North.

MR. F. B. ROWE: Mr. Chairman, on behalf of my colleagues I would like to support the petition presented by the member for Placentia East on behalf of the residents of Come By Chance for the installation - or is it the extension? - of the water and sewerage system in that particular community. Sir, I think, there is hardly a more important area of the Island part of our Province at the present time than the Come By Chance area because of the oil refinery out there and the possibility of an extension to that particular oil refinery and hopefully other spin-off industries. And this is a case, Sir, where I think water and sewerage obviously is very badly needed and extreme and forward planning is necessary in that particular area of the Province because obviously we are going to have a concentration of population in that particular area. And I sincerely hope, Sir, that the people of Come By Chance will have more than simply a kind reception from the Minister of Municipal Affairs and Housing and that funds will be forthcoming for this particular project.

Well, Sir, in closing

I would simply like to say that I hope that the water and sewerage at Come By Chance will more than come by chance, I suppose. It is as simple as that.

MR. SPEAKER: The honourable Minister of Rural Development.

HON. J. REID: Mr. Speaker, I certainly wish to support this petition which was so ably presented by the Member from Placentia East. We held meetings with these people out in that area and certainly the need is there. It is certainly a growing community, a lot of new homes going in that particular area, and I think that certainly because of lack of water and sewerage in that particular community certainly can hamper the progress of the community. We held several discussions on this with people from there and the Member from Placentia East and I certainly go along as well as the member supporting this petition. I think it is very necessary and I certainly hope there is certainly a possibility this year that the minister can see fit to help, at least, start to get going on a water and sewerage system in Come By Chance.

MR. SPEAKER: The honourable Minister of Municipal Affairs and Housing.

HON. B. PECKFORD: Mr. Speaker, let me say, first of all, that every consideration was be given this year to beginning the water and sewer project for Come By Chance. Of course, when one talks about the Come By Chance area one is talking about a number of communities, distinct communities, and by just installing a system in Come By Chance does not alleviate the other needs for water and sewer in surrounding areas. But, nevertheless every consideration will be given to it. I met with the council from Come By Chance last week and we are having another meeting on the Come By Chance situation, not as it only relates to water and sewer but other crown land and planning and housing developments there, on nine o'clock on Friday morning, April 18 at which time we are hoping to make some definitive decisions for the council in relation to the development of that community.

I just want to assure the honourable member for Placentia East and the honourable Member for Trinity South that every consideration will be given to their request and I was pleased last Fall after I took over the portfolio to go with the Member for Placentia East out to Come By

Chance to meet the Chairman of the Council out there and to have met him just recently.

MR. SPEAKER: Are there any other petitions?

NOTICE OF MOTIONS:

MR. SPEAKER: The honourable Minister of Health.

HON. DR. A. ROWE: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce in this honourable House a bill, "An Act Further To Amend The Medical Act."

ORAL QUESTIONS:

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. F. ROWE: A question to the Minister of Manpower and Industrial Relations, Mr. Speaker: Has the minister received a request from any of the representatives of the Newfoundland Teachers' Association for the appointment of a conciliation officer to assist in their contract negotiations with the Treasury Board?

MR. SPEAKER: The honourable Minister of Manpower and Industrial Relations.

HON. E. MAYNARD: No, Mr. Speaker, I have not received any requests from the Newfoundland Teachers' Association. Under the Newfoundland Teachers' Collective Bargaining Act any requests for conciliation services are made to the Chairman of the Labour Relations Board. I understand that the Chairman has received a request for conciliation services and it is now being considered by him.

MR. ROWE: A supplementary, Mr. Speaker: When was the request received? Can the minister indicate when the request was received?

MR. MAYNARD: No, I cannot say when the request was received by the Chairman. I believed it was two or three days ago but I am not quite sure. The request does not come through my office in the case of the Teachers' Collective Bargaining Act.

MR. ROWE: A supplementary to the minister, Mr. Speaker: Who acts upon the request, the Chairman of the -

MR. MAYNARD: The Chairman.

MR. ROWE: Is there any indication when and if he is going to act upon the request? Is there any time frame when the Chairman has to act on this

particular request?

MR. MAYNARD: I am not quite sure the time limits that are considered in the act, Mr. Speaker, but I would think that the Chairman would act on the request within a couple of days and I would assume that he would use the conciliation services presently existing in the department, one of the officers.

MR. ROWE: Another supplementary: Would the minister indicate or be kind enough, Sir, to undertake to find out and report to the House what approximate time such action will be taken or else we are going to have to leave negotiations dragging on, we are going to have the whole situation stalemated. I realize that was statement, Mr. Speaker.

A question, Sir, to the Minister of Municipal Affairs and Housing. Sir, in view of the fact that in January, 1973 in the Throne Speech the government said that the government had laid the ground work and the framework for a whole new concept in local government, Sir, could I ask the minister why the Whalen Royal Commission was set up if this framework and ground work had been set up?

MR. SPEAKER: The honourable Minister of Municipal Affairs and Housing.

MR. PECKFORD: Mr. Speaker, the broad outlines for any development of municipal government in this Province has been put in place, the broad outlines. How that is to be filled in will depend to a large extent upon the Whalen Royal Commission and other commissions that might be designed or set in motion from time to time. So, I see no conflict in what the honourable gentleman is talking about.

MR. SPEAKER: The honourable Member from Bonavista North.

MR. P. THOMS: Mr. Speaker, I would like to direct a question to the Minister of Highways and Communications. Could the minister inform this honourable House if the contract for the road, Highway 320, the Loop Road will be let shortly or could he give us some idea when we can expect when the contract is going to be called for?

MR. SPEAKER: The honourable Minister of Transportation and Communications.

HON. J. ROUSSEAU: This is the programme that was announced, the DREE programme, is it?

AN HONOURABLE MEMBER: Inaudible.

MR. ROUSSEAU: Oh, yes. Well, these programmes, and I cannot tell the honourable member the exact date, but we are calling the DREE contracts as the honourable member recognizes on an anticipation basis, anticipating the signing of the agreement. This is a mutual agreement between DREE and the officials of the department and I cannot tell you in which order it is. I would have to check with my officials but they will all be called on an anticipation basis and if the one for the area that the honourable member refers to has not been called, I am sure that the calling is only shortly away. If he wants the exact time, I could check with the officials. I do not know the order they are doing them in. That is quite accurate but I will check. It is in the process and when that one is called or another one is called, I do not think - whatever it is it is the agreement between DREE and ourselves when they are called and their anticipation of a signed agreement which we hope we would have imminently again but I will certainly undertake to find out when that particular one will be called for the honourable member.

MR. SPEAKER: The honourable Member for Hermitage.

MR. SIMMONS: A supplementary for the minister: It is good to see him in his usual good form again today. A supplementary for the minister: Can he indicate now when he expects the DREE agreement may be signed?

MR. ROUSSEAU: No, I cannot really. I presume, I am in a good mood today so it is safe to ask a question. -

MR. SIMMONS: Okay.

MR. ROUSSEAU: But anyway, I do not know. They are imminent. I think right now -

AN HONOURABLE MEMBER: Inaudible.

MR. ROUSSEAU: Imminent. It is on the way through the process. I think generally it could be said without fear of contradiction that agreement



in principle has been reached. I presume it is at the Federal Cabinet or Treasury Board level, wherever it is -

AN HONOURABLE MEMBER: Ready to go to Treasury Board.

MR. ROUSSEAU: Ready to go to Treasury Board and as soon as that is approved. But we have the agreement as I mentioned to the honourable Member from Bonavista North, agreement in principle and we are calling these anticipatory tenders, mutual agreement on both sides and I say imminent. I hate to keep saying imminent every day for weeks, but it is out of our power now. We have agreed in principle on the programme and now all we have to do is wait for signed agreements to the programme and I presume as soon as the Federal Treasury Board approves that a joint announcement will be made by DREE and ourselves.

MR. SIMMONS: Another supplementary to the minister: Presuming the contract, the tender date arrived before the agreement was signed with Ottawa, what would happen to these tenders? Will they be held in abeyance or would a conditional award be made?

MR. ROUSSEAU: Mr. Speaker, we take out the first one, which was an unusual situation in Burgeo because of the remoteness of the area and the early call on that. These will be called and we intend to press DREE for a signed agreement. Their agreement to call these anticipation tenders would indicate to us that there will not be any great holdup in it but the programme will not be stopped. Normally the construction companies have been very co-operative. If we say, look, we are still waiting on the programme, when these come in I am sure that they will understand the situation and I am certain that they would hold off for a period beyond the tender date which they have done in other areas when we have been involved in a DREE agreement and have not received them.

So, I do not anticipate a lack of co-operation from the construction companies on that point and when they become due we will be pressing Ottawa to let them know that these tenders are now prepared to be awarded and continue hopefully to get an agreement signed much quicker than we would under normal circumstances. But in the event



that we do not I am fairly certain, if not certain, that the construction companies would co-operate and understand the situation, and normally what we would tell them on an unofficial basis would be to move your equipment in the area, we cannot sign it until we get the actual signatures from Ottawa ourselves.

MR. SIMMONS: So, just to make certain I understand the minister on the point, is the minister indicating that the contracts will not be awarded until the agreement is signed with Ottawa?

MR. ROUSSEAU: Yes, but not necessarily so. Now we have awarded some. It depends on the situation. You know, if Ottawa will tell us, go ahead and sign verbally, you know, they are men of honour so we will accept that. But we have to have some indication that there will be money available for that particular programme. We have no reason to believe it would not be because we have already agreed in principle on the programme.

MR. SPEAKER: The honourable Member for Bonavista North.

MR. THOMS: Mr. Speaker, a question for the honourable Minister of Highways. The upgrading of the Trans-Canada has been at a standstill for three years now, is there a further agreement in this new upcoming DREE agreement to cover the two sections of the Trans-Canada Highway that are not upgraded?

MR. SPEAKER: The honourable Minister of Transportation and Communications.

MR. ROUSSEAU: No, there is not. We submitted it but apparently - and if I may I would like to answer the question completely so that it is put in the proper perspective, when we met with Mr. Marchand, the Atlantic Ministers responsible for transportation some six weeks or eight weeks ago, I forget exactly when it was, we had one item on the agenda and that item was to have some discussion on the highways strengthening programme that the Ministry of Transport and DREE, this was the Ministry of Transport, signed in Western Canada and the agreement was on a fifty-fifty basis for highways strengthening of the main artery, the Trans Canada Highway. Now here that would apply to the

Trans-Canada Highway as well as the Arpentia Access, which is part of it. And at that time Mr. Marchand was not prepared to discuss it with any of the Atlantic Provinces. I think his feeling was that, you know, just because he goes out in Western Canada he does not want to come into Eastern Canada and do the same thing because they would have a leapfrogging effect.

We certainly feel that it is very important. I think the honourable member's area, I guess east of the Gambo Overpass, is a very bad area and as a matter of fact we have had meetings on that and something will have to be done with that regardless. If it is to be done with provincial funds, it will be done. Generally speaking there are a lot of bad areas along the Trans-Canada but the worst areas in the officials' estimation are the five miles from Port Blandford into the Park. But the twenty-odd miles from the park to Square Pond, and also from St. George's out in the Crabbs River area and other areas around, especially east of the Gander Overpass where there are - what? - three or four very deep frost bumps which are very difficult. This morning I had a talk with officials in an attempt to try and get that rectified. We cannot do anything until the frost comes out of the ground. I even suggested possibly cutting it out and putting some sand there until we can pave it, but they say that will be worse.

We are looking at it. As soon as we can do something there we will do it and we will continue to press the federal government for some sort of a programme. And I do not only say this province but we are on all fours with the other three Maritime Provinces on this in an attempt to secure some fund for a highways strengthening programme. Right now on those parts that really need to be done, not those that we would like to have done, you are talking in the area of maybe \$75 million to \$85 million, \$90 million, which is quite a lot of money.

Now we may have to take some of the provincial funds, some of the money in the budget this year to do parts of the Trans-Canada,

especially now with the traffic going over it we have some concerns as well with trucking, Price is now going to discontinue the use of the railway for shipping newsprint and other things from Grand Falls to Botwood and that is going to be using part of the highway. We are concerned about that. But we will continue to press for some agreement with the federal government in respect to a highways strengthening programme and because of the large cost involved it is difficult for this Province to undertake it solely with provincial funds. And if we are unable to consummate some agreement with them, those parts, especially the parts east of the Gambo Overpass which I think is up to a quarter, half of a mile, somewhere in that area, we intend to do everything possible. I do not want to say, yes, we are going to do it, but I certainly hopeful that something will be done this summer so that that problem would not exist again.

MR. SPEAKER: The honourable Member for Twillingate.

MR. GILLET: Mr. Speaker, I have a question for the same minister, the honourable Minister of Transportation and Communications, Several bids have been called, Mr. Speaker, for upgrading and paving throughout the Province and I am wondering if any of these bids are solely the responsibility of the provincial government or whether they are all DREE-shared programmes.

MR. ROUSSEAU: The bids that are solely provincial government's are solid bids. The bids that you see, it is anticipated that - and that is the only way I can say it, you know - this leads off with anticipation. It is not a concrete bid. But it is anticipated by, as I said, mutual agreement between DREE and ourselves that we would call these "anticipating a signed contract". The only one that has been really started, I guess, is down in the Burgeo area, because of the remoteness we would want to start as early as possible in getting equipment and so on down there. But the ones that lead off with, and of course I do not read them, to be quite frank with you, but I would assume that it would state that it is a joint venture between the Government of Canada and the Government of the Province in respect of

those that are DREE and of course the provincial ones will be straight provincial, solid provincial tenders called.

MR. GILLET: Supplementary, Mr. Speaker; then the bids have been called before the estimates have been brought down and before the actual road work has been determined, is that correct, Mr. Minister?

You know the reason I am asking that.

MR. ROUSSEAU: Yes, I am well aware of the reason. What we are attempting to do now is, you know, we have to do reconstruction in one year and normally paving in the next. Normally we do not reconstruct and pave in one year. So normally the roads that are reconstructed, you know, we are certain that these are going to be paved, otherwise the roads deteriorate and the amount of money we spent on the reconstruction and upgrading, if we miss a year, we will probably have to be put back in reconstruction and grading, maybe, if we wait for two or three years.

And also to, you know I suggested yesterday, I would like to put this point on record, that we have to reconstruct, and the way to go really from our viewpoint now with the costs of a mile of paving escalating like it is, is to reconstruct and upgrade sufficient roads in an area. That does not mean that one road has to be continuous. It can be a number of roads that total a large enough mileage so that we can get a decent bid on it. So our hope would be to reconstruct in an area so that when there are enough roads ready in a given area for reconstruction to call the pavement tender on it because if the price is as I suggested at \$25 or \$30 a ton for asphalt plus \$6 for oil you are talking about \$35 or \$35,000 per mile just for asphalt and oil and I suggested yesterday, a year or so ago down on Deer Lake - Wiltondale Road it was about \$9 a ton so the costs are escalating. But we would hope in order to get the most efficient returns on the taxpayers' money to upgrade and reconstruct enough so that a job would be available in an area that would give us the best return on our money.

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. ROWE: Mr. Speaker, I have a question for the honourable the Premier, Sir, in view of the fact that in October 1971 in a campaign speech he promised that he would reduce the size of the Cabinet if elected, could the Premier indicate what he is planning to do about the size of his Cabinet?

AN HON. MEMBER: Yes, he is going to call an election.

MR. MOORES: Mr. Speaker, it is not a matter of major importance but at the time we came in the size of the Cabinet was twenty-one with Mr. Smallwood and we have reduced it considerably since then. Twenty-one when they went to the election.

AN HON. MEMBER: Twenty-two was it not?

MR. MOORES: Twenty-one.

MR. ROWE: Another question for the Premier, Mr. Speaker, Sir, in view of the fact that in the April 1972 Throne Speech, it said that an Independent Redistribution Commission would be a permanent one and that it would report regularly to the House, has the Premier abandoned that particular principle of a permanent Royal Redistribution Commission, Sir?

MR. MOORES: No, Mr. Speaker, I think that should be an ongoing process and I think it should be an ongoing process to continue to review the population trends in this Province as the industrial development which is bound to happen will occur. I think it is very important that we do have a continuous report on what changes need to be made because with the development of the Province as will undoubtedly occur in the next ten years, anything else would be wrong because with the prosperity that is happening in this Province today, Mr. Speaker, and which will happen in the future with our natural resources, whether we are talking about hydro electricity, whether we are talking about oil and gas or whether we are talking about whatever, we will have people who will bring in a continuous review of the electoral boundaries. Is that what you were talking about or not?

MR. ROWE: Yes. You would not believe it from the answer, Mr. Speaker. Okay. The Premier obviously agrees with the nature of the question, but Sir, I would like to ask him specifically what his administration have

April 17, 1975

Tape No. 1526

NM - 6

done about appointing a permanent redistribution commission because this was a statement that was made and that is the point that I want to make.

MR. MOORES: Mr. Speaker, I agree that one should be appointed permanently and

certainly that will be done. I see no reason why it should not be done very quickly. I think it should be an all party decision, by the way. I think it should be a mutual decision of this House because I think it is basically the right thing to do. As you, Mr. Speaker, well know, Sir, and the members of this House, the redistribution which has come in for some controversy in fact for the first time does have population perimeters of 8,000 to 12,000 people. No longer do we have districts where there are 3,000 people and others where there are 17,000 people. It is a start. It is not the end, Sir. It still has a long way to go. But, the start that has been made will mean that people of this Province will have better and truer representation than they have had in the past. Certainly an all party support of a permanent commission, and I see no reason why both parties in the House or it is three parties in the House, I am sorry, cannot get together to identify who the members of that commission should be, or possibly the offices that people hold in the Province who could make up that commission could be, why we should not get together and have an agreement as to how often it should be reviewed and by whom.

MR. F. ROWE: Well, the natural supplementary question, Mr. Speaker, is when: When does the Premier intend to provide such a situation?

MR. MOORES: If we could ever find the Leader of the Opposition, Mr. Speaker, maybe we could get together and talk about it in such a way that would be meaningful to, as I say, make it an all party decision -

AN HONOURABLE MEMBER: Call an election and you will find him, I tell you.

MR. MOORES: because it is something that is beyond partisan politics. Because the Member for Bell Island today is adrift and because the Leader of the Opposition is not here is not really, Sir, something that we can do anything about. But, certainly if and when he comes back, we would gladly get together with him and talk about this.

MR. F. ROWE: A supplementary, Mr. Speaker. If such a permanent redistribution commission is set up, will the government abide by the recommendations of that royal commission or that commission or will they not abide, like they did in the last one and gerrymander the seats after they have received the recommendations.



MR. SPEAKER: Order, please!

MR. MOORES: Mr. Speaker, with all due respect it is not a matter of gerrymandering the seats. As the honourable member knows we have progressed from joeymandering the seats to the stage we are at now where there is true representation. I would think that any commission in the future will at least have a sound base to go on which was not the case in the past.

MR. SPEAKER: The honourable Member for Labrador North.

MR. WOODWARD: Mr. Speaker, a supplementary to that. The Premier received some representation from Labrador of their concerns about redistribution. Maybe he can tell the House now if there will be a census taken before the next election or if he sees fit to change the electoral boundaries in Labrador?

MR. MOORES: Mr. Speaker, the fact is that we have had a great deal of representation, not a great deal but maybe a dozen letters of representation from Labrador, all from the New Labrador Party which was appreciated for the concern they had; we did not have any from any Liberal association in Labrador, Mr. Speaker, even though the honourable Member from Labrador North is fully aware of the presentations that have been made.

MR. WOODWARD: We did our thing in the House.

MR. MOORES: But, the fact is, Sir, that the census for Labrador West is being done, as I understand it, at the present time. Now, when we talk about populations, I think that is the area of Labrador that is particularly - at least I have been advised -

MR. WOODWARD: And the Goose Bay area too.

MR. MOORES: - is much higher than we have been led to believe.

MR. WOODWARD: Yes, and the Goose Bay area too.

MR. MOORES: The Goose Bay-Happy Valley area, as the honourable member knows, is presently much below in population than any other seat in the Province with the exception of Labrador South or the Coast of Labrador -

MR. WOODWARD: No, Eagle River.

MR. MOORES: Or Eagle River or whatever it is it is called. The fact is

that Labrador, Sir, with the tremendous development that is going to happen in the future, I would think would have considerably more seats than they have today. The commitment we made to assess the Labrador statistics will be done as soon as these statistics are available. As I say the census in Labrador West is ongoing now. The enumeration is ongoing. As I understand it, Sir, in most districts in the Province right now.

MR. WOODWARD: Before or after the election, though "Frank".

AN HON. MEMBER: It depends when an election is.

MR. SPEAKER: The honourable Member for Labrador South.

MR. MARTIN: I have a question, Mr. Speaker, for the honourable Minister of Transportation and Communications. It concerns the ferry service on the Straits of Belle Isle. In view of the fact that it is an inter-provincial service and therefore comes under the federal jurisdiction and also in view of the fact that it is totally inadequate, I am wondering if the honourable the minister has any plans underway to make that a totally provincial ferry and if so, when we can see some action on those plans?

MR. SPEAKER: The honourable Minister of Transportation and Communication.

MR. ROUSSEAU: I have to take that question under advisement. You know, it is possible that something has been done in the department. I would have to check that at the departmental level. I undertake to have the reply for the member tomorrow as to either what we have done, if anything, or what we anticipate we can do if we have not done anything.

MR. MARTIN: A supplementary to that, Mr. Speaker. I am wondering if the minister could just indicate whether or not representation has been made to his department to the effect that there is a vessel available, that there is a ferry that was operating on the Upper St. Lawrence that is available now in the event that the Province wishes to take up this individual's offer.

MR. ROUSSEAU: You know, I do not know if I can remember all the letters down at the department. I do not recall it. But, I do recall something about the ferry service. Now, if that was the letter the honourable member referred to or not, I do not know. But, if I did receive a letter it would have been passed on to the director of transportation who

would look into the matter. So, if I have received a letter, yes it is being looked into. I cannot say for certain that I have received that particular letter but I do recall - and that might have been within the past three or four months -receiving a letter in respect to the ferry from the Great Northern Peninsula to the Southern part of Labrador. As the honourable member knows of course, we are providing the air subsidy there while the boat is off. We will continue that as long as it takes for the boat to come back on. I want to take a check with the department as to what is being done or what is intended to be done if nothing has been done.

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. F. ROWE: Mr. Chairman, I have a question again for the minister. I do not think this one will touch a raw nerve, Sir. Sir, in view of the fact that nineteen subcommittees were set up in connection with the task force of 1972 - the only one that I have heard that has been made public is the one on the forestry subcommittee report. Are there any other reports available now and if so, are they going to be made available. Is the Premier dead or alive, Sir?

MR. MOORES: I did not hear it.

MR. F. ROWE: Oh. Will I repeat it? I am sorry, I thought you were listening.

Well, Sir, the question was that in 1972 there were nineteen separate subcommittees of the task force set up and to my knowledge only one report has been made public, that of the forestry report. I was wondering if there are any other reports available and if so, whether they are going to be made public.

MR. SPEAKER: The honourable the Premier.

MR. MOORES: The fact is, Mr. Speaker, yes, virtually every committee's report is back. I do not know if they are made public or not. I certainly will take notice of the question and advise the honourable Member for St. Barbe North. I apologize for not have listened previously.

MR. F. ROWE: That is okay. I was not very dynamic anyway.

MR. SPEAKER: The honourable Member for Bonavista North.

MR. THOMS: Mr. Speaker, in absence of the Minister of Justice, I would

like to direct a question to the honourable the Premier. Could the Premier inform this House if either the Department of Justice or if government have taken any action or is investigating the rash of vandalism which we have in the City of St. John's at the present time?

MR. SPEAKER: The honourable Minister of Fisheries.

MR. CROSBIE: I am the acting Minister of Justice. Is it all right for me to answer?

AN HONOURABLE MEMBER: Yes, boy.

MR. CROSBIE: These matters are always under intensive investigation, Mr. Speaker.

MR. SPEAKER: The honourable Member for Bonavista South.

MR. THOMS: A supplementary, Mr. Speaker. Is there any special investigation going on at the present time?

MR. CROSBIE: Every investigation that our police conduct is a special investigation, Mr. Speaker, because they devote the best efforts to it.

MR. THOMS: A supplementary, Mr. Speaker. Is the minister anticipating setting up some kind of a public enquiry into this rash of vandalism?

MR. CROSBIE: No, Mr. Speaker, we are not contemplating setting up any public enquiry. For what reason would we set up a public enquiry into vandalism? I mean, vandalism is vandalism. It must be dealt with. The forces of law and order have to try to overcome it.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: I mean, imagine now a royal commission on vandalism. Who do we have on the commission, Mr. Speaker? We would have to find some good vandals, some people with long experience in vandalism who could tell us whether vandalism today is different from vandalism twenty years ago or forty years ago or ten years ago. It is an intriguing thought. Yes, we will certainly take it under advisement. It might be a good place to put some of our vandals.

MR. SPEAKER: The honourable Member for Labrador North.

MR. WOODWARD: Mr. Speaker, I have a question for the Minister of Transportation. Maybe the Premier has received representation. In light of the fact that a Mr. Nat, the chief of ferry services for Canada is in town, I want to know if

the Town of Happy Valley, a committee, has made representation to the Premier and the Department of Transport seeking aid in seeing if we can get a ferry service running out of Lewisporte - I am sure Your Honour is very interested in that subject - a regular ferry service south of Lewisporte into Goose Bay in soliciting help of the provincial government. I am wondering if any negotiations took place while Mr. Nat was in town in the last couple of days in this regard and if we can look forward to having a ferry service this coming summer?

MR. SPEAKER: The Hon. Minister of Transportation and Communications.

MR. ROUSSEAU: No, Mr. Speaker, I have not met with them and the peculiar thing is, and I hope this is taken - I have never received any request, any official request to support -

MR. WOODWARD: The Premier did.

MR. ROUSSEAU: - the ferry service. No, but it is rather peculiar as Minister of Transportation and as the minister from Labrador, I never have. I received a copy of a letter, too. But I can assure the honourable member this, that every time that we have had meetings with CN from Mr. Blair, who is the vice-president of the Eastern region and anybody else with CN, we constantly pressed the fact of a ferry service to the Goose Bay-Happy Valley area continuously. There is no question about the support of the provincial government for that. We have also requested that the same sort of convenience be extended this year as was extended last year with the use of, when the loads get too big, the William Carson and so on. It has been suggested that that will be available again. I can assure the honourable member that anything that this government can do to enhance or make the service better will be done. It has been done, and it has been done on every occasion that the department, and myself particularly, meet with CN, we bring this to their attention. And they have suggested that they are attempting to improve the service and that the same sort of convenience, when the loads get to the point they are, and they sent to the larger boats last year, actually the same sort of thing, will happen this year, but we will continue to press for it. And I can

assure the honourable member that the provincial government supports great improvements in that ferry service, you know, I mean the problems that are encountered up there with the winter supplies having to be stored and so on. And I can assure the honourable member that he has no worry about the support of the provincial government.

MR. WOODWARD: But there -

MR. SPEAKER: Order, please!

MR. WOODWARD: But there has not been any indication -

MR. SPEAKER: Order, please!

MR. WOODWARD: - from the federal government.

MR. SPEAKER: Order, please!

MR. ROUSSEAU: No.

MR. SPEAKER: The thirty minutes for the question period have expired. There was to be one question for the late show this afternoon, which was to be debated by the Hon. Member for Bell Island and the Hon. Premier. I understand that perhaps the Hon. Member for Bell Island will not be in his seat today. So, therefore, there really is not a question for the late show.

On motion that the House resolve itself into Committee of Supply, Mr. Speaker left the Chair.

COMMITTEE OF SUPPLY:

MR. CHAIRMAN: Order, please!

1101-01, Mines and Energy.

MR. CROSBIE: Unless the -

MR. CHAIRMAN: The Hon. Minister of Fisheries.

MR. CROSBIE: I have the impression that this may not be carried immediately, Mr. Chairman, and I was just concluding some remarks that I was making the other night. I pretty well said what I wanted to say at that stage. However, if we hear any fallacious points or any points that are not correct and in accordance with the facts, of course, we will have to respond again to honourable gentlemen opposite in connection with this question of oil and gas and energy prices. I was referring the other night, Mr. Chairman, and in closing I just want to refer again to this article that was in The Daily News several days ago by



Wayfarer, entitled The Oil Question. As I said the other night, and I repeat again this afternoon, that article summarizes the situation in Canada with respect to the price of oil and gas and the reasons why the present government took the position that it took at Ottawa last week on the conference. That position was one, not on which we advocate the raising of gas and oil prices but on which we recognize the fact that they are going to have to be increased, just as the federal government has done, and accepting that fact rather than seeming to be or even appear to be political opportunists who are going to rail against something that they know full well is going to happen and which should happen.

And I was referring the other evening to a couple of key sentences in Wayfarer's article where he said, "the key to the question of the price of oil in Canada is the statement by Energy Minister Macdonald that the era of cheap energy has ended." That is certainly so, Mr. Chairman. The last two years have certainly shown the world that the days of cheap energy, whether it is oil and gas or whether it is hydro power or whether it is power from some other source, is gone. Even today in hydro power, hydro power is no longer that cheap, because the interest rates are so high and because the cost of constructing the necessary works has gone so high. Nuclear power is no longer a cheap source of energy, because the cost of constructing nuclear plants has escalated so greatly and the time of construction for constructing them has escalated. There is no longer cheap energy.

There are some energy sources that are cheaper than other energy sources, relatively cheaper, cheaper in that sense. But energy costs in five years time are going to be far higher than they are today, whether they are hydro or nuclear or from oil or from whatever source. So the era of cheap energy has ended and this whole concept is a recognition of that.

He went on in the next paragraph to say, "the Newfoundland position involves a number of important considerations that are concerned with the economic future of this Province." Does this Province



want an economic future or does it not? It cannot have it both ways. We cannot hope to develop our Province and get a proper price for our own resources if we are not prepared to do the things that are necessary now to achieve that. If we are going to take the short-sighted and the short-term and the political view of everything then we are not fit to govern the Province. And the honourable gentlemen who sit opposite are not fit to govern the Province because that is the position and attitude they take. They take the short-term political -they know it is not popular for anyone to say that they recognize the fact that oil and gas prices have to go up in Canada. They know that that is not politically popular. Mr. Collins, in his columns in The Evening Telegram, says that it is not politically popular. Well, it is not politically popular for anyone to say that they recognize that fact, because in the cheap way politics is conducted the opposing party that is not in power will make the welkin ring saying that you are encouraging and not trying to prevent the price of oil and gas or whatever it is from going up, knowing full well that this government has no power to control the matter whatsoever. But they make these statements anyway because they are only concerned with the short-term political gain, what they think is a political gain. But the government is concerned with the long-term and the mid-term future of the Province of Newfoundland. And if we are to have any future, then there must be a sensible energy policy in Canada. And the resources that are owned by the provinces must give them an adequate return.

If we had a large sale or the possibility of selling a large amount of hydro power from Labrador some time in the next five or ten years from the Lower Churchill or some other source and could sell it for twenty mills or thirty mills a kilowatt hour, and the federal government said to that, to us, not likely, you are only going to be allowed to sell it for ten mills or fifteen mills, not for the thirty that Hydro Quebec or the Province of Ontario or Consolidated Edison or whoever it is is going to offer it to you, we will only permit you to sell that for half it, what would the people of this Province think with one of their great resources and one of their few resources that we are able

to sell and get the economic rent for at that time and be told by the federal government, no, you cannot have it, we are not going to permit it? Well what is sauce for the geese is sauce for the gander. That is the position that Alberta and Saskatchewan are in now. And while we feel that the federal government should take the necessary steps to see that prices do not increase rapidly, that they are staged over the next two or three years or four years, and that they continue to subsidize oil and gas in Eastern Canada so that it is the same price as in Western Canada while we believe that that is the course they should take we can hardly be hypocrites, we can hardly be liars and hypocrites and go to Ottawa, and insincere, and go to Ottawa and say publicly, oppose publicly, something that we know is going to happen and it must happen and that economics dictates must happen, say privately in Ottawa, well, we know, you know, Mr. Trudeau and the rest of you that the price has got to go up, but it is to our political gain and advantage to pretend that we are opposing it. So, therefore, before the

T.V. cameras, we going to shout it down and oppose it and put on a fuss about it. Well, we did not choose that course. We do not want to lose whatever respect or good will the other Provinces of Canada have got for us and they have got a great deal for this Province. We do not want to lose their respect and it is not necessary. We can be honest and if it is properly explained the people of Newfoundland I think, will accept it. And that is the course that we have evolved. We are concerned with the economic future of the Province.

Now, what is our position? Wayfarer says, and he is right, "it accepts the inevitability of a gradual increase in oil prices, not only because it is going to come about anyway but also for a number of other considerations. These include the need to take a consistent stand on the ownership of offshore resources, recognition of the fact that other Provinces must put up the money we want to underwrite the survival of the fishery, and the financial assistance that will have to come from Ottawa and could also come from Alberta to proceed with the Gull Island hydro development. In this last, we are playing for big stakes, and so on. These are some of the reasons why this is our policy. We have our own resources here. We have oil and gas off our own shore. We have gas, we know, up off Labrador, Eastcan's gas, which we know is there and will never be developed unless the price of oil and gas goes up. It could never be developed at today's prices, the gas resources off the Coast of Labrador, because of the tremendous amount of capital expenditure that will have to be made to overcome all the problems in getting gas to shore in one of the most difficult areas of the world because of ice and icebergs and the rest of it. We want that gas utilized, returning revenue for the Province, and the oil that will be found offshore. If the oil companies of the world are told that the price of oil and gas in Canada will never rise above \$6.50 there will not be one of them out there trying to discover oil or gas. These are some of the reasons. The Gull Island project - we got accepted at this conference the concept that there should be a regional grid and a study is going to be carried out by Quebec and ourselves and the Federal Government, and P.E.I. and Nova Scotia

would need the power to try to develop this concept. So, we could sell our power to Nova Scotia and Prince Edward Island and the other Provinces that need it and to the U.S. if there is a surplus. That concept has been accepted by them, and that was a great step forward.

So, I frankly cannot see why it should be felt, perhaps it is not explained properly, why anyone should feel that we are on a sticky wicket with our oil and gas or energy policy. I think we are on a terrific wicket. We do not want the short-term political gain. We want the long-term gain for this Province and the Opposition is making a bad mistake. How inconsistent can they be! Their own party in Ottawa takes the same position as the Provincial Government does here in Newfoundland. The Federal Liberal Party takes the same position. They have come to the same conclusion we have, or we are agreeing with their conclusion and all the facts that they have presented and they have gotten them all on the energy situation in Canada, that same Liberal Government. The Liberal Government of P.E.I. takes the same position that we took, accepts the inevitability, not that they like it. In P.E.I. they are dependent wholly on thermal power, oil fired thermal power, as they are in Nova Scotia. They accepted it. The Premier of P.E.I. did not get on with a lot of nonsense that there should not be any increase and put on a big act before the T.V. cameras. He accepted the fact that it had to come. So did Premier Hatfield of New Brunswick and he suggested he supported Saskatchewan's concept that there should be an energy research fund and whatnot, but he accepted the fact.

The Premier of Quebec, Mr. Bourassa, accepted the fact that the oil and gas increase in price had to come but it should be graduated and so on. That is the Liberal Premier of Quebec, the Liberal Premier of Prince Edward Island, the Liberal Government at Ottawa. B.C. accepted the fact. Of course, Saskatchewan and Alberta want it because they are now selling their resources which are irreplaceable for half their world value and they want to get a bit more for it. It is not like our hydro energy, will go on forever, but their oil energy will not.

So, these are among some of the reasons why this government accepted

the fact that an increase has to come about. The consumer must be protected but there are other long-range interests that must be served. As Mr. Wayfarer pointed out, Albert Perlin pointed out in the final paragraph of his column, he said, the point is that whatever attitude Newfoundland might have taken on prices at last week's conference would have made no difference." Right! 100 per cent right! Whether we have made the welkin ring opposing it and bawling and screeching and crying, the Premier could have had tears trickling down, I suppose, his face as he opposed this hideous concept, this barbaric and horrendous suggestion that there should be an increase. He could have beaten on the table and talked about the poor consumer and the poor condition of the Province and so on, and put on a tremendous act. He could have, if that had been the route he had chosen. It would have made not one twits bit of difference, not an iota of difference. It would not have mattered at all. It is only the Government of Canada that can stop an oil and gas price increase and no other government. And only they, Alberta and Saskatchewan, can decide what the increase is going to be. The rest of us have not got any authority in it whatsoever. That conference called last last was called for purposes of cosmetics. The Federal Government wanted cosmetics, hoping that all of the Provinces would agree, as they did a year ago, so that the Federal Government would not have to bear the brunt of the responsibility alone. They did not all agree this year because Ontario is having a provincial election shortly, and they choose not to agree for political reasons, obviously.

The Government of Nova Scotia took their position for whatever reason, principally because eighty-three per cent of their energy in Nova Scotia comes from coal or oil, from oil. They have practically no hydro energy. It will strike them particularly hard.

So, the point is that whatever attitude Newfoundland may have taken would have made no difference. But if we did not take the attitude we did take, Mr. Chairman, we would have been hypocrites. We would have been two faced and we would have justified the cynicism that a lot of people

have about politics, including the writer of a certain article that criticizes the government on political grounds today for doing it. He says it is a political mistake. Well, if it is a political mistake that is too bad. Politics cannot be everything and we have to take decisions that are in the right interest of the Province from time to time.

Mr. Perlin goes on to say, "the rights of the producing Province is to a fair market price for their diminishing oil supplies are irresistible and these rights include an allowance that will provide additional funds for exploration for new reserves. The price is either going to rise by agreement or it will be adjusted if necessary by federal action. The aim is to do this in a way that will impose the least possible impact upon the Canadian economy which must involve an increase by stages." Then he goes on to conclude his article. Now, that is the most sensible article that has been in The Daily News, certainly within recent memory of The Daily News in the last six months or twelve months. It is completely at variance, of course, with the stories they carried about the energy conference and with editorials not written by Mr. Perlin himself. But it is the most sensible, if not the only sensible piece of writing in The Daily News in a long, long time and it hits it right on the head.

So, then Mr. Chairman, I suggest to the Opposition we pass on beyond the ministers salary vote now, get into the details of the estimates and ask about what the money is going to be spent on under various headings, no more of this propaganda, long speeches and a waste of time. Let us make some use of the hours that are left on the estimates, a proper use to ask what the money is going to be spent on. What is this going to be spent on? What is the programme here? What is the government planning to do? That is the purpose of the discussion on the estimates, not for long-winded speeches that can be made on the Budget Speech or the Address in Reply to the Speech from the Throne.

So, I suggest, Mr. Chairman, that honourable gentlemen opposite, that we now pass on and discuss the real bones of the minister's estimates

which cover mining and minerals and oil and gas and hydro development and rural electricity and all the other important questions that he is doing such a fantastic job on. I think he is the youngest, no, he is the second youngest minister in the government and highly regarded all across Canada in this area. In the last two and a half years he has taken complete control of what is happening in these areas in this Province. It is of tremendous importance to us. And he has the respect of the oil companies and the other governments.

So, let us get on and see what he is planning to do this year with his estimates and get some real information for the public of Newfoundland instead of this silly, trifling propaganda because if honourable gentlemen opposite want to get up and try to make propaganda points about oil and gas increases, we are going to get up and answer them. We are not going to let them go unanswered as they do on open line shows. Honourable gentlemen are at their best blathering and blobbing and blawing on open line shows where there is no one there to reply to them.

AN HONOURABLE MEMBER: Inaudible.



MR. CROSBIE: Well I did not say that, you did. But you are quite right. The honourable gentlemen are braying on open line shows all over the Province. Every time you turn on your radio you hear another one of those donkeys braying on the open line show and they have no one there to contradict them, and we do not have the time, Mr. Chairman, because we are busy in our departments, and busy trying to help the Province and serve the Province. We have not got the time to go carousing around and careening around the Province, scraping the barnacles off every microphone that gets stuck out at you on an open line programme, giving slantings of the facts and insinuating this and snibbling about that, and snitching about something else as they have over these past weeks and weeks, and months and months. I say to honourable gentlemen now, let us get on now with the minister's estimates. If we hear another squeak from you on oil and gas prices, and the Energy Conference, we are going to answer you and it is going to be humiliating and embarrassing for you, because you know it is only a lot of twaddle you are putting forward for political reasons, and no one outside is listening to what is happening in this Chamber anyway. So let us get on with the main business of the estimates. Concede the fact that you have made a bad mistake, or even without conceding it just let us get on with it. But if we hear another blither out of you about this subject we are going to answer you, and, you know, we have the answers, and we have the reasoning, and we have the people, and we have the minister and he can talk all day. We have others who can talk all day. So instead of that, let us get on with the business of the House.

AN HON. MEMBER: Carried.

AN HON. MEMBER: Inaudible.

MR. BARRY: Mr. Chairman,

AN HON. MEMBER: Inaudible.

MR. BARRY: Pardon?

AN HON. MEMBER: Inaudible.

MR. BARRY: I am afraid, Mr. Chairman, despite the conciliatory tone of appeasement set by the Hon. Minister of Fisheries that I feel obligated to answer some of the remarks that were made here last Tuesday

afternoon. I think we owe our responsibility to the people of Newfoundland to reveal the position of the Opposition on this particular issue as the shoddy state of petty, partisan politics that it is, Mr. Chairman. And I do not think we could find better proof of that than the fact that we have had the Leader of the Opposition, we have had the honourable Member for Bell Island bawling and screaming and hollering and yowling over every media in the Province for days on end. While, Mr. Chairman, I might add, the Premier and the Minister of Intergovernmental Affairs and myself were at the Energy Conference, they demanded, they insisted upon an immediate debate upon the question of oil and gas price increases. They demanded an explanation as to why this government took the position it did at the National Energy Conference, the First Ministers' Conference. Now, Mr. Chairman, if you want proof as to whether or not this was the shoddy, partisan politics that I just mentioned you only have to look and ask, where is the Leader of the Opposition today? Where was he on Tuesday, when we gave him his opportunity to come before this honourable House and explain his position -

MR. F. ROWE: On a point of order, Mr. Chairman.

MR. BARRY: and to get our explanation of our position.

MR. F. ROWE: The minister is asking where the Leader of the Opposition is and I heard a bark from the other side suggesting Florida. The Leader of the Opposition, Sir, had a prior commitment.

MR. BARRY: Mr. Chairman, this is not a point of order.

MR. F. ROWE: It is a point of order. And I want to make it quite clear it is the government that calls the business in this House, and the Leader had a prior commitment. And at this present time all the minister has to do is look out there and see the reason why he is not back in his seat, he is fog bound - in a plane that is.

MR. BARRY: That is not a point of order, Mr. Chairman. Sit down! Sit down!

MR. F.B. ROWE: It is so a point of order.

MR. BARRY: The honourable member is trying to debate the comings and goings -

MR. F.B. ROWE: Talking about politics, what are you doing now? Listen to your House Leader, boy.

MR. BARRY: The cavorting and the flitting of the Honourable Leader of the Opposition does not interest this honourable House, Mr. Chairman. But I think we can conclude -

MR. E. ROWE: Thank you for your ruling, Mr. Chairman.

MR. BARRY: that he does not give a very, very great importance to this issue. If knowing that it came on on Tuesday, he was not present on Tuesday; knowing that it was coming on again today, he has not seen fit to arrange his affairs to be available in the House. The honourable Member for Bell Island he also I suppose was caught out by urgent provincial business, was he? Another honourable member who was very concerned about debating this matter, debating this issue.

Mr. Chairman, the position taken by the members of the Opposition on this issue is a position that leads me to conclude that the Opposition would have us become the beggars of Confederation. They want to see this Province, Mr. Chairman, continuously going to Ottawa bowing and scraping, cap in hand, pleading for a few handouts. They would have us, Mr. Chairman, put ourselves out as the beggars in Confederation forever. They would not, Mr. Chairman, except that in this particular area especially, in the area of energy resources, and I would submit, Mr. Chairman, in the resource field generally, this Province has the potential and the capability to become a very significant contributor to the welfare, not just in our Province, but to the country as a whole. But no, Mr. Chairman, they reject any attempt at the development of policies that would see this Province put in the position where it could become a large scale contributors to the welfare of the national good. Rather, Mr. Chairman, they would have this government go to a First Ministers' Conference, televised right across the Nation, and they would have us, purely for a short-term political gains in this Province, they would have us take an untenable position namely, Mr. Chairman, that we live for today with no thought for tomorrow, that we concern ourselves only with our short-term problems, and they are problems that we all admit that the people in this Province, and the people in other provinces, but perhaps more so here - we have serious problems with respect to the cost of living and inflation, and this government are very much aware of that fact. But, Mr. Chairman, unless this government takes the position

that policies must be developed to ensure that in the long-term we are in a position to improve our position in Confederation; that Canada as a whole is in a position to improve its position on the world scene, then, Mr. Chairman, they would have us committed to the status of continuous beggars, beggars moving once a year to the annual conference, televised across the nation, and we come in meekly with our cap in our hand, and our hand out for a little bit of charity from our Canadian neighbours, when we have in this Province, Mr. Chairman, forgetting about the potential for oil and gas which is very great, forgetting about that, we have with respect to the hydro potential of Labrador, the potential and the capability of making such a contribution to our country at a time when it needs it, we have the ability to remove ourselves from dependency on the Arabs in the Middle East or the Venezuelans, we have the ability to avoid being held by the throat by the Arabs and the Venezuelans and the other producers of crude oil in five or six years down the road, we have that ability, Mr. Chairman, provided that we see the development of wise national policies that will ensure the development of our natural resources. We had - it just boggles the mind, you know, the reasoning that is used there - we had honourable members opposite pushing for days on end the idea that we had made a deal with Alberta. That we had gone

MR. BARRY: up there and made some sort of deal with Alberta. They did not explain what that deal was. I would be very interested in seeing what we could have gotten in the deal. They did not explain whether or not they thought that Prince Edward Island, a Province with very little in the way of energy potential that I know of, they did not explain whether or not Prince Edward Island had also made a deal with the federal government or with Alberta. They did not explain whether the federal government itself had made a deal with Alberta. They did not mention the fact that we were one of, I think ultimately it was eight out of ten provinces who concluded that an increase in oil and gas prices was inevitable. No, no they did not refer to that.

They played the most shameful, cheapest kind of small, partisan, shoddy politics with this issue, Mr. Chairman, an issue that is fundamental to the welfare of our Province and our nation and the honourable members opposite can check their beaux festes all day.

MR. ROWE: I know who you are speaking directly to.

MR. BARRY: But I think that I am -

MR. ROWE: You are a lawyer.

MR. BARRY: on parliamentary grounds here, on fair parliamentary grounds.

MR. ROWE: Shoddy instead of cheat.

MR. BARRY: Mr. Chairman, I would like to -

MR. ROWE: Cheap instead of cheat.

MR. BARRY: I would like to for a moment just, if I can find it here now, just bring to your attention a statement made by the Prime Minister of Canada, the right honourable Pierre Elliott Trudeau, who, I believe belongs to the same party as honourable members opposite. He did at one time. I am not sure, he may have disowned them by now Mr. Chairman. But if I could read briefly from the statement that the Prime Minister of this country gave to the First Ministers' Conference, just a couple of paragraphs, Mr. Chairman. You know if the honourable members are not prepared to take my words for what we are saying here today -

MR. MURPHY: Pierre. Pierre.

MR. BARRY: - maybe they will take Pierre's.

MR. ROWE: We are going to go down and resign when he is finished.

MR. BARRY: Mr. Chairman, they say we must also take into account that our own oil supply situation is much less favourable than we thought it was a year ago. In other words, there was much more work done with respect to the background developments in the oil and gas field over the last few years which I can elaborate on if honourable members would like but I will just read this paragraph;

"Those who are in the best position to know now tell us our production, which has already begun to decline, will go on declining for five or ten years at least while our needs grow larger all the time."

And when they talk about it being only for five or ten years they are assuming that in five or ten years there will be East Coast oil and gas developed, for example. He says, "we will have to reduce our exports to the United States and increase our dependence on imports from overseas. We have now found out, as everyone knows, that the extraction of oil from our huge reserves of oil in the oil sands will be much more difficult and more costly than we had all expected a year ago. Production from the big Syncrude project will cost much more than the price that we now pay for crude oil in Canada. We do not know yet just when or by whom the next oil sands project will be started." And again this five or ten years decline in production assumes a certain number of tar sands projects coming on. I think it is one every two years. Right now they do not know when the next one will come on stream.

"Meanwhile we have not had big discoveries of oil in the Arctic or offshore and the estimates of cost of exploration and development have risen rapidly. We are not as lucky as we thought we were last year," referring to last year at the National Energy Conference. "We cannot expect those who search for oil, whether they be Canadians or others, to look for it and develop it in Canada," this is the Prime Minister saying this now, "if our prices are far below those in other countries. We

cannot go on year after year being extravagant in our use of oil, far beyond what almost every other country in the world consumes, mainly because it is being sold cheaply in Canada, a lot cheaper than elsewhere and a lot cheaper than our future supplies will cost.

"We cannot expect Alberta and Saskatchewan to go on year after year selling their oil to Canadians at a price which is far below what they could get by exporting it." Just a couple of more sentences, Mr. Chairman, the I think conclusion that the Prime Minister was leading up to, and this should be noted.

The Prime Minister said, "So my colleagues in the government and I have come reluctantly to believe that the price of oil in Canada must go up, up towards the world price," not down, Mr. Chairman, not staying where it is. The Prime Minister says that they believe that the price of oil in Canada must go up, up towards the world price.

Now, I would like to ask the honourable members opposite to explain their position. Are they removing themselves from the position taken by the Prime Minister of Canada, their Liberal leader on the national scene? Are they disowning him?

MR. ROWE: Do not be so foolish.

MR. BARRY: Are they saying that he is wrong, that he is stupid, that he has made a deal with Alberta, that he is out to get the consumer. They are saying all these things about this government, Mr. Chairman, because we happen to have come to the same conclusion, reluctantly, as has the Prime Minister of Canada. Why then are they not out savagely attacking the Prime Minister of Canada. Why is it, Mr. Chairman? Could that be further evidence that they are interested only in short-term, shoddy, petty politics? Could that be?

Mr. Chairman, I also have to refer to the comment by Mr. Collins in -

MR. THOMS: That was a good one. What is not?

MR. BARRY: - today's Telegram, because -

MR. THOMS: Read it all to us. Read it all to us.

MR. BARRY: Mr. Chairman, it strikes me as inconsistent when the stance



normally taken by this gentleman - I enjoy reading his columns, I suspect that often he acts the devil's advocate, that he does not necessarily believe all that he says but he puts out a position. He puts it out very frankly, very bluntly. But, Mr. Chairman, one consistency that I thought I had detected in this reporter, in this commentator, was a consistent belief that this Province could make a fantastic contribution to this country through the development of our natural resources. And I would be very interested in seeing the support that he has given to this government in the position that we have taken with respect to the offshore jurisdictional dispute, for example, with Ottawa and our insistence that the benefits of the provincial resources should go to the provincial governments.

Therefore, Mr. Chairman, I find that - well I am somewhat disappointed, I find it somewhat depressing, and I am somewhat mystified by the position that the commentator is taking in today's article when he basically concentrates on the fact that this government is not making a wise short-term political move. He does not refer to, and I do not know if he has overlooked it or not, Mr. Chairman, but he does not refer to the fact that if this Province ever expects to be able to take its rightful place in Confederation, ever expects to become a contributor instead of a taker on the whole national scene, that this will not be done by our going to national conferences to talk to the Prime Minister and the other premiers of Canada and take positions that are directed solely to the short-term political ins and outs of politics in Newfoundland as they may be in this particular time; that we cannot take a position before these premiers, before the Prime Minister, that is going to, merely for the sake of getting a few votes on a short-term, and expect that such action will lead to the development of national policies that will permit us to take our rightful place in confederation, that will permit us to see the development of our resources in a way that will see vast benefits, not just to our own citizens but to all of Canada, because, Mr. Chairman, honourable members cannot deny that we

have the energy resources, the known energy resources in Labrador. They are undeveloped. We have rivers running to the sea that are undeveloped. Now, Mr. Chairman, we have a choice. We can continue to make representation to Ottawa, to the other Provinces, taking positions that we feel will be popular in the short-term, will get us a few votes in the short term but that are obviously political, that lack credibility, or we can go to conferences with the Prime Minister and the other Premiers of Canada and we can propose policies, national policies, that will see the development of our resources here in this Province, that will gain acceptance by the Prime Minister of Canada and his government and by the other Premiers. We can, Mr. Chairman, choose. We can go as beggars or we can go as contributors. We can go and beg a few crumbs at the table of Confederation or, Mr. Chairman, we can go and reveal what we have to add to the total Canadian picture. We can explain the resources that we have available to benefit all Canadians. We can push for national policies that will see these resources developed or we can play politics.

Now, Mr. Chairman, this government choose to go for the development of national policies that will see all our resources developed and Mr. Chairman, we have been successful because anybody, Mr. Chairman, who noticed developments -

AN HONOURABLE MEMBER: You have not produced the kilowatt hour yet.

MR. BARRY: - anybody who noticed developments at the National Energy Conference last year and developments since then would remember that our position to the National Energy Conference last January was that there should be the development of a national hydro electric grid. Now, this got some polite nods and the other Provinces and the Federal Government appeared to be fairly receptive. We went back to this Conference this year, Mr. Chairman, and we find that many of the Provinces are not even waiting for us now to again raise this issue. We have Mr. Regan of Nova Scotia with a significant part of his brief on energy devoted to the need to see the development of our hydro electric potential of Labrador, to contribute to the development of energy resources in the

Atlantic region, to permit Provinces such as Nova Scotia, such as Prince Edward Island, which have no local energy reserves, to use, participate in the energy reserves of this Province until they are needed in this Province rather than have them wasted, have the water run to the sea. We had, Mr. Chairman, grow out of this recent First Ministers' Conference very strong support for the position that this Province first put forward last year for the development of a national energy grid. Mr. Chairman, that is an idea whose time has come. We will see, Mr. Chairman, from the work that this Province has done both in last year's Energy Conference and this year's Conference, we will see the development of a national energy grid that will permit Newfoundland and Labrador to make a contribution to the energy picture of Canada that will enable us in Newfoundland and Labrador to develop resources and get revenue from resources and have electricity available for industrial development within the Province, that would otherwise, Mr. Chairman, take years and years and years, much longer to develop.

We have growing support right across Canada for our proposal of a national hydro electric grid. I mention this, Mr. Chairman, merely as an example. This is just one example of how if this Province or any other Province is prepared to put work into the presentation of a proposal to the First Ministers or to the Federal Government, either together or separately, that they will find a very receptive audience today because right across this nation people are aware of the fact that we are now at the turning point. We have a choice here in Canada between deciding that we will take the easy road, continue on our energy binge, have it easy for one or two years and then, Mr. Chairman, pay the price, because if anybody on the other side of the House thinks that the people of this Province are prepared to permit the Arabs of the Middle East or the Venezuelans to have us by the throat in five to six years, to set their own price for oil and gas, to determine how much oil or gas we will have available to this Province, how much energy we will have available, then I say that honourable members opposite are in for a rude awakening, Mr. Chairman.

This government believes that the people of our Province expect members of this honourable House, and expect us as members of government, to go to national energy conferences, to go to meetings with the Prime Minister of Canada and the other Premiers and to set forth, not petty, political statements, but to set forth wise policies which can be implemented to benefit this Province and all of Canada. Mr. Chairman, this we have done and I challenged on Tuesday, I challenged honourable members opposite to set out their policy that will see the development of our Province's energy resources, that will see the development of our country's energy resources, to avoid what the Prime Minister has pointed out as the shortage of energy that we will experience over the next five to ten years and perhaps longer, definitely longer if the policies of the honourable members opposite were adopted.

Mr. Chairman, I do not know! Sometimes you wonder what this political exercise is all about. When you see, I think, intelligent men, intelligent members opposite still proceeding on the assumption that Newfoundlanders are too green to burn, still expecting, I suppose in their savage thirst for power, Mr. Chairman, in their hours of desperation they will try anything, still proceeding on the assumption that they can fool the people of the Province by just looking at one side of this point, just one side of this issue. Well, Mr. Chairman, I wish the Premier would go down to the Lieutenant-Governor -

MR. THOMS: Pull the bluff. That is true. He never listens to you. He never listens to you.

MR. BARRY: - on this question of whether the people of the Province want honesty from their government or whether they want just one side of the coin put out to them for a short term political advantage. Mr. Chairman, I would go to the electorate on that issue any day and I submit, Mr. Chairman, that we would end up with a shut-out.

MR. SIMMONS: It would be a shut-out all right.

MR. BARRY: It will be a little dull, Mr. Chairman, in the House after that happens. So, I hope honourable members wise up and see the light, that we can still have one or two voices just to spark us once in

a while, keep us moving.

MR. SIMMONS: What is your point? You want us to agree with you, do you?

MR. BARRY: Yes, I would say if the honourable member was out to be honest.

MR. SIMMONS: God help us! God help us!

MR. BARRY: I would say, I know he agrees with me privately.

AN HONOURABLE MEMBER: Cost the taxpayer -

MR. SIMMONS: No, you do not.

MR. BARRY: But I would like to be able to state it publicly. Mr. Chairman, that is a good point the honourable member has said. I think we have a situation in this Province and probably right across the country where the most vocal discussions with respect to policy, well, first of all, are from politicians, from all the members of this House, but they are usually in Opposition to government policy. I would like to hear, Mr. Chairman, from the people of this Province as to whether or not they believe that this position put forth by the Opposition, this position that we need not concern ourselves with where our future energy supplies come from, I would like to know from the people of this Province, I would like to know from our media commentators and so on whether this is actually the way the people are thinking. Maybe I am out of touch. Maybe I lost out. Am I out of touch on this?

AN HONOURABLE MEMBER: You are. You are.

MR. BARRY: That people do not really care, that people forget about tomorrow, let us look after today, forget about where we are going to be able to meet the task that the Prime Minister describes here of insuring that our country is not held by the throat by foreign powers in a few years.

MR. SIMMONS: I agree with all of that but the minister is confused on one point.

MR. BARRY: Is that quite relevant?

MR. SIMMONS: The minister is confused on the point.

MR. BARRY: You are not concerned about that?

MR. SIMMONS: The minister is confused on the point, if he will permit me.

MR. BARRY: Mr. Chairman -

MR. SIMMONS: A minute ago he said that we had no policy.

MR. BARRY: - honourable members opposite

MR. SIMMONS: Now he attacks the policy. How can you attack what we do not have?

MR. BARRY: I am sorry, I am sorry, no intelligent policy, Mr. Chairman.

MR. SIMMONS: How can you attack what we do not have?

MR. BARRY: No intelligent policy.

MR. SIMMONS: Intelligent, meaning that it does not agree with you.

MR. BARRY: You have a policy.

MR. SIMMONS: I submit -

MR. BARRY: I submit it is not an intelligent policy.

MR. SIMMONS: I submit it is not your policy, but it is a policy.

MR. BARRY: The honourable members opposite will be able to explain how it is intelligent.

MR. CHAIRMAN: Order, please! Order, please!

I have to give honourable gentlemen a lesson in parliamentary grammar.

MR. SIMMONS: Give us the flick again.

MR. CHAIRMAN: You and your and I - I, I suppose, is all right. Honourable members have to be referred to as the constituency they represent and then when only other honourable members have the floor. That is a lesson in parliamentary grammar.

MR. SIMMONS: My humble apologies, Mr. Chairman. I was trying to help the confused minister.

MR. BARRY: I believe I was at fault also, Mr. Chairman.

Now if I could just - I do not know how long the honourable members would like to go on this point.

AN HON. MEMBERS: (Inaudible).

MR. BARRY: I have a number of other major policy areas relating to my department which I am prepared to go into at any time that honourable members are ready to move from this issue. But if they prefer to stay on this issue, then that is fine with me as well because I have a fair amount of information yet to give on this that really would just scratch the surface on this particular point. I would like just to refer to the points made by the Hon. Member for Labrador North and the Hon. Member for Bell Island on Tuesday, and I really do not have very much in the way of questions that were asked. I believe the Hon. Member for Labrador North started off by alleging that the Province had made a deal with Alberta, that this government had made a deal with Alberta, and he pointed to the statement of Mr. Lougheed that he was prepared, I believe, to assist in the development of our energy resources, whether it be hydro or offshore oil and gas, and he said that that indicated a deal to him. Well, he is entitled to his opinion I guess. The honourable member is entitled to his opinion, but I ask, what does he figure that Prince Edward Island got out of it? What does he figure Quebec got out of it? What does he figure that the federal government got out of it? What does he figure that New Brunswick got out of it and the other provinces that agreed with the Prime Minister of Canada, reluctantly agreed, that some increase in oil and gas prices was necessary in order to ensure that we have some security of supply five or six years down the road?

MR. WOODWARD: I am sure the minister is aware what Quebec is getting out of the federal government. I do not think he is that naive.

MR. BARRY: No, maybe the honourable member can point to that.

MR. SIMMONS: Would the minister permit a question on the point?

Just a quick one without attempting to get off stride, Mr. Chairman. I



was wondering if he would just refer a little more, or elaborate a little on the Alberta situation? Can the minister indicate whether some firm discussions were held with Alberta in terms of the nature of their possible involvement in the Lower Churchill and if the funding would be presumably in the form of a loan and if interest rates and, you know, conditions circumscribing the possible involvement were spelled out or were touched on even in an informal way?

MR. BARRY: Mr. Chairman, no, I cannot give honourable members specific details of discussions that may have been held between the Premier and the Premier of Alberta. This would have to be - any statements that are done properly would have to be done from both provinces. The Hon. Premier of Alberta has a legislature as well and has certain responsibilities there. But it is a matter of record, I believe, from both conferences, last year's Energy Conference and this year's, that Premier Lougheed has made it quite clear that while they are determined to derive what they consider to be the fair value of their resources, to derive fair revenue from the development of their depleting reserves, because in another few years they will not have any oil or gas, and they want to be in a position to provide for the citizens of their province when their oil and gas is gone, that while they are determined to get the fair return from the development of their oil and gas, at the same time they recognize that they will build up significant cash reserves over the next few years until their oil and gas is gone. And they have indicated that they are very anxious to see the development of alternative sources of energy in other parts of the country. Because, Mr. Chairman, and this is a point, I think, that has been missed, Alberta, if it could, as good citizens of Canada if the people of Alberta could cut off production from their wells I am sure that they would be the happiest people in Canada, because they are looking at another - I forget the exact number of years - six, seven, eight, nine years of oil and gas reserves in their province, and they would much prefer to have these retained for industrial development within their Province, for the development of petro-chemical complexes, to encourage industry to locate in their province rather than have to export these to other parts of the country.

To keep the oil in the ground today is the same as keeping money in the bank without the danger of inflation eating into it, which can happen with their money in the bank.

So Alberta, I am sure, would prefer to restrict as much as possible the necessity of supplying the needs of other parts of Canada from their dwindling reserves of oil and gas. And for this reason they have made it clear that they are prepared to assist in the development in other parts of Canada of alternative sources of energy, whether it be hydro electricity, which can remove then the need for so much oil and gas, or whether it be the development of other oil and gas reserves in Canada which will sort of lessen the pressure on their own dwindling reserves. I am sorry, the honourable member had a question.

MR. WOODWARD: Under the legislation of their province, do they not have the right to restrict the extraction and also the right to increase the taxes?

MR. BARRY: That is right.

MR. WOODWARD: This is what Premier Lougheed - so they do not need the federal government.

MR. BARRY: That is right. The Province or any province has the right to say, we are not going to produce any oil and gas, and obviously it is to Alberta's credit that they have not done that. You know, they recognize that they are part of this country, and it is not much point in their keeping their oil and gas if doing so means the destruction of the nation. They do not see themselves as existing - there are a few, a small minority element out there, I believe, who is pushing for an independent Alberta or an independent Western Canada or whatever. But the majority of people recognize that the strength of Alberta lies in a strong Canada. And so they are prepared to make sacrifices and to make a contribution to other parts of Canada. But the honourable member is right. They could limit production. Also they could increase the price unilaterally. But where the federal government's

role comes in is when oil and gas crosses provincial lines or crosses national borders in inter-provincial trade. Then the federal government has a role, and they can determine the price there. And if Alberta put it up so high, too high, presumably, the federal government could say, well you cannot export at that price. And Alberta then would have a choice of keeping it in the province or exporting it at the price set by the federal government.

But the final point I would like to make on this issue, or the next final point, Mr. Chairman, is that the federal government has made it quite clear, they made it quite clear before the conference, they made it quite clear during the conference, and they have made it quite clear since the conference, that they do not care whether we agree or Ontario agrees or any province agrees, they are going to set the price of oil and gas, and they are going to increase the price of oil and gas in Canada. So then, what was the sensible thing for us to do? Was it just to say, go up there and say, no price increase, or

to go up there and attempt, as we - and this is the statement I find so strange by the honourable Member for Bell Island. He said what we should have done was gone up there and said to the federal government, listen, if you want to increase oil and gas prices, then you compensate the consumer in Newfoundland and Labrador. Mr. Chairman, that is exactly what this government did. We set out a list of ways in which the federal government could alleviate the burden put on the consumer by any oil and gas price increase.

So, all I can assume is the honourable Member for Bell Island is getting ready to cross the floor. I hope that there is a chair being made available for him because he is obviously in total agreement with the position taken by this government.

MR. CHAIRMAN: The minister has two minutes remaining.

MR. BARRY: Two minutes, Mr. Chairman, okay. I have lost the track of my statements there now. I got off on the honourable Member from Bell Island.

What were we saying? Oh yes, the federal government. They are going to increase the price of oil and gas. So, we decided, well, let us have some input. Let us make sure that they phase it in over as long a period of time.

MR. WOODWARD: It is wrong to say they are increasing the prices. They are levelling subsidies that are being paid. They are not increasing the prices.

MR. BARRY: Oh no! As far as western gas is concerned, they increased the price.

MR. WOODWARD: Inaudible.

MR. BARRY: They will in terms of export outside of -

MR. WOODWARD: They are raising the tax.

MR. BARRY: - from Alberta and Saskatchewan. There is no subsidy there. Between Alberta and Saskatchewan they will set a certain price or between Alberta and British Columbia or Alberta and Manitoba they will determine the price out West. Then as that price goes up, they will remove the subsidy on the East Coast and that price will go up.

MR. WOODWARD: That price will go up but they do not increase there on the East Coast.

MR. BARRY: No, but they increase on the West Coast -

MR. WOODWARD: It is not fair to say that they are increasing their prices.

MR. BARRY: They are -

MR. WOODWARD: It is better to say that they are lifting the subsidy -

MR. BARRY: You have to say that they are increasing the price because they are doing it directly on the West Coast and indirectly on the East Coast.

MR. WOODWARD: On the East Coast, yes.

MR. BARRY: That is about all I have to say on that, Mr. Chairman, other than that we must remember that there is a conservation element here as well, you know, and we have a choice. We can continue to be as wasteful as we have been with respect to energy, continue on an energy binge, or we can start to conserve energy. We can start to recognize the true value of oil and gas. It is generally accepted, I think, in a free enterprise system or as free an enterprise system as we have, that one of the ways of ensuring that proper recognition of value is observed is by having this reflected in the price of the product. So that if we expect conservation to be carried on, we have to expect realistic prices to be imposed on petroleum products.

Again I say, Mr. Chairman, I have much more I could add on this issue but I am prepared to go on after honourable members have their say to other major policy areas of the department at the honourable members' pleasure.

MR. CHAIRMAN: The Member for St. Barbe North.

MR. F. ROWE: Mr. Chairman, although I am not the official spokesman for mines and energy on this side of the House I do have a few observations that I would like to make. Sir - now if the chattering can stop - I sincerely hope, Sir, that the Leader of the Opposition will be able to get in through the fog in order to put the position of this side of the House clear and straight in everybody's mind.

Sir, I have found that a lot of the information that the

Minister of Mines and Energy had given the Committee up until this point to be very interesting information. It is a pity, Sir, that we did not have some of this information before this particular point in time.

Now, Sir, I am going to take a peculiar tack here. I am going to assume - and I am not saying that it is correct, because I firmly believe the government were wrong in this particular instance - but - let us take a hypothetical case and assume that the government's position at this First Minister's Conference was 100 per cent correct. I am not saying that they were 100 per cent correct. In fact I think the government's stand was quite wrong and time and history will bear this out. Let us assume, Sir, that the government was 100 per cent correct. All right. They come back from Ottawa, the Minister of Mines and Energy and the Minister of Fisheries and they lash out at the Opposition for the stand that they have taken. Now, they were basing this on the assumption that they were 100 per cent correct which, of course, they were not.

Sir, why did we take the stand that we did? Why did we take the stand that we did? Because we firmly and sincerely believed that the Province and its representatives, namely the government and the Premier, should act in the best interests of the Province bearing in mind the fact that they are a part of this great Canadian Nation, but act in the best interests of this Province. That may not be necessarily in the best interests of the Nation, but this government represents the Province of Newfoundland and Labrador just as the Mount Pearl Town Council represents Mount Pearl. If there is any argument between Mount Pearl and St. John's or any other council, you would expect the mayors and councillors of these jurisdictions to stick up and argue in the best interests of their own jurisdiction. Then the provincial government, if there was a stalemate or a decision had to be made, this is where the provincial government would step in in the best interests of the Province or the whole area.

So, I submit, Sir, it would have been in the best interests of this Province for this government to not side with Ottawa nor the federal

government nor any other provincial government that agreed with this increase, but they argue on the basis of representing Newfoundland alone, Sir, because Newfoundland has one of the highest, if not the highest unemployment rates; it has the lowest, second lowest, I believe, average in this country; it has the lowest, second lowest, I believe, average per capita income in Canada. Bearing these factors in mind, Sir, my colleagues and myself thought it only reasonable that this government do everything possible to help to keep the cost of living down.

What is one way of keeping the cost of living down? By keeping the cost of aviation gasoline, motor gasoline and aviation turbo fuel, kerosene and stove oil, diesel fuel oil, light fuel oil, heavy oil, lubricating oil, lubricating greases and asphalt, keeping these things down because as one of my colleagues, I believe, mentioned the other night, Sir, if you add all of these things up, these items that I just listed and take a ten cent surcharge increase over the 1973 costs - this is assuming now that the costs for 1975 are the same for 1973, of course, they have increased since - this based on the 1973 figures would cost our Province or the people of our Province an additional \$57,333,191. In other words, it would cost the people of this Province approximately \$120 for every living soul in this Province.

AN HONOURABLE MEMBER: Inaudible.

MR. F. ROWE: Look, Sir, the minister knows very well that we cannot pinpoint figures. For, number one reason, I am using the 1973 figures which are the latest figures that we have available for the cost of these things.

AN HONOURABLE MEMBER: Inaudible.

MR. F. ROWE: Now, you know, we are in - look, are we going to get nitty gritty about dollars and cents. We are in



the general- what is the expression used in maths? - the general order of magnitude. We are talking about principles. We are not talking about cents, we are not even talking about hundreds of dollars when we are talking about millions of dollars.

Now, Sir, I said, the point that I was making, as soon, the basic assumption I am still leaving up there in the air, that the government is one hundred per cent correct. I personally and sincerely do not believe that you are one hundred per cent correct, and you are probably partly correct. You cannot be totally wrong and you cannot be totally right in issues of this case. But my submission, Sir, is that the government is more wrong than right in this particular case.

Now, Sir, we are assuming that the government is one hundred per cent correct. We would have assumed that they have gone and protected the best interests of the people of this Province.

AN HON. MEMBER: Inaudible.

MR. ROWE: Just one second now, And they viciously assault this side of the House. Now, Sir, who is playing politics in this case? I ask you, who is playing politics? The honourable Minister of Mines and Energy accuses the Opposition of playing shoddy, cheap, petty politics, Now I ask the Chairman, who is playing politics in this particular case? What facts did we have, Sir? Did we know exactly what the gas and oil potential off this Coast of Labrador and Newfoundland are? What the potential is, I am sorry? Mr. Chairman, did we know what the specific potential of the oil and gas sources or resources off this Coast are or is, the potential is?

We did not know, Sir. Now I do not know whether the government knows. The government knows. Okay, the government says that they do know. Sir, do we know the economic feasibility of getting this gas and oil ashore? Does the government know, Sir? Does the government know the economic feasibility? Is it economically feasible at this point in time to get this oil and gas ashore? If so, or if not, when will it be economically feasible? What is going to be the time lag? What is going to be the further cost of exploration and then what is going to be the

cost of exploitation?

So we did not know these things. We did not know it. The government may well know it. With respect to electricity, Sir, who is going to finance the development of hydro power in Labrador and when is it going to be financed and when is it going to be developed and when is it going to be brought to the Province and will there be customers for the use of the electricity in this Province?

We do not know the answers to those things, Sir. We did not know where the financial help was coming from in hydro development or gasoline, I am sorry, gas and oil exploration and exploitation. We did not know what the time lag was or is. We did not know these facts, Sir. The only facts that we knew, Sir, are that the government, this government, agreed with Alberta. And what did Alberta want? Increased cost of oil! That is one thing we knew, and this provincial government were siding with them. We knew that this government was endorsing Alberta's stand. We knew what the unemployment rate was in this Province, one of the highest in Canada. We have one of the highest costs of living. We knew that we had one of the lowest average per capita incomes and we knew that this stand was going to cost this Province approximately \$53 million. That is the only thing that we knew, Sir.

We did not know these things that I have mentioned beforehand. Now I am assuming, and it is just a hypothetical case that I am taking, I am assuming that the government was one hundred per cent right. And why am I assuming that? Because the minister raised the question of who was playing politics in this particular case. Sir, I submit that it was this provincial government who was playing cheap, petty, shoddy politics in this whole issue. If this stand that this government was so very important and so crucial to the future of our Province in order, and if we were so wrong as is maintained by the government, if, and I say if with capital letters, if we were so wrong and if our stand was going to jeopardize the future of this Province, if this was such an important

issue, surely as has been done in the past with the previous administration of issues of major importance, the Leader of the Opposition, and sometimes his caucus, would be invited down and given some very relevant information. We do not know whether they are going to have the oil come into Labrador next year or in ten years time. And there is quite a difference. There is quite a difference, is there not?

AN HON. MEMBER: Or if at all.

MR. ROWE: Or more important, if at all. This is what I am talking about. We do not know what the potential is out there. We do not know what the cost of exploration is.

MR. BARRY: - you do not read anything I give you.

MR. ROWE: No, Sir.

MR. BARRY: I gave you a background paper about a couple of weeks ago.

MR. ROWE: Sir, we have not had all the information that is necessary to support this administration's stand at the First Ministers' Conference. And, Sir, if we knew -

MR. BARRY: Now you cannot support it.

MR. ROWE: If we knew all the information we would be in a better position to decide what our stand is. But based upon the information that we had made available to us we put the stand and we maintain the stand until we are given further information.

Now the minister, for his own cheap, petty, shoddy political purposes, has seen fit -

MR. BARRY: What purposes?

MR. ROWE: Has seen fit now to provide us with some of the information, but, Sir, not near enough, not near enough, Sir. I maintain, Sir, that this provincial government's position should have been to protect the best interests of the people of this Province in light of our unemployment situation, our per capita average income, in light of our high cost of living, stand up for the old rock, Sir. It is as simple as that. Try to keep down the high cost of living and then leave it to the federal government to settle the differences between the provinces.

Sir, this foolish red herring that has been dragged into the debate about what is wrong with us over here, have we disowned poor old Pierre, how inconsistent can you get! When we are arguing against the government here and they claim they agree with the government up there and they therefore conclude that we have had a falling out or disagree with the Prime Minister of Canada. Sir, that is just plain childishness.

The responsibility of the Government of Canada is to protect the best interests of Canada from east to west and south to north. The responsibility of this Province is to protect the best interests of the Island and Mainland portion of our Province and they should put the best foot forward.

Now, Sir, we still do not know what the situation is with respect with Alberta. We have no idea in this world whether this government agreed with Alberta, sided with Alberta, and do not forget, Mr. Chairman, there is another very important aspect of this, is that in spite of what they say about what other provinces did agree to or did not agree to, it was this Province that sided with Alberta one year ago, sided with Alberta one year ago. And, Sir, I think the people of this Province have a right to know whether there has been a political deal with Alberta.

MR. ROWE: Well, okay, if the Chair would permit, since the minister asked a deal for what, there are all kinds of deals or agreements. If the word deal makes the minister feel badly, I will use agreement. Was there a pure, partisan political agreement in terms of the national leadership of the P.C. Party, for example? One can ask that question or become suspicious about that.

AN HONOURABLE MEMBER: Inaudible.

MR. ROWE: Do not be naive, Mr. Minister, do not be naive. The minister knows full well what I am talking about and we know full well what I am talking about and I know full well what I am talking about and people of Newfoundland know full well what I am talking about. Or, or -

MR. BARRY: What about the Liberal Government -

MR. ROWE: Well, I mean all agreements do not have to be the same. All deals do not have to be the same. You can have - the honourable minister can have a deal with ten different people. They do not have to be the same deal but they can all be an agreement.

MR. BARRY: Inaudible.

MR. ROWE: Now, the honourable lawyer minister is not going to use his legal tactics to try to draw me off course, Sir. It is as simple as that. Now, what other kind of a deal can be made? Another agreement that can be made is that Alberta will help or assist the Province to finance the Lower Churchill. If so, Sir, the people of Newfoundland and this House, this Committee have the right to know what kind of negotiations are going on. Because what is the total cost of this development? \$2.6 billion is it? Lower development, the total, the whole works?

AN HONOURABLE MEMBER: \$1.6 billion.

MR. ROWE: \$1.6 billion, a minor - \$1.6 billion in order of magnitude 100 per cent order. Okay, Anyway, Mr. Chairman, it is \$1.6 billion we are talking about. Now, because of the position this government has placed itself in it can use any assistance it can get. I would submit, Sir, that it has even made itself quite vulnerable to deals and agreements with Alberta in order to squeeze a little bit of dollar juice out of them, to

assist them with the Lower Churchill. But I think we have a right to know, Sir, and the reason why we took the stand that we did is because, based upon the information that we had available we did not and we do not think that this government stood up for Newfoundland. Let the Federal Government worry about Canada. This government's worry is about the problems and the issues and the stake and the future of Newfoundland and Labrador.

Now, Sir, I think I have made the basic point that I really wanted to make and that is that the minister has seen fit to say that we have been using cheap, petty, shoddy politics based on short-term concepts or attitudes trying to get the voters, trying to leave the impression that this government is giving it to the consumer, which it is in this particular case, for cheap political purposes. I would submit, Sir, that if anybody, if anybody is guilty of playing politics in this whole deal, in this whole issue, it has been this Provincial Government because they have neither provided the people of Newfoundland nor the Leader of the Opposition in confidence, or his caucus in confidence or otherwise with information. I was not in Mr. Smallwood's cabinet. My colleague, the Leader of the Opposition was, but it was my understanding that in such crucial matters when the future of the Province was in jeopardy because a certain thing would not happen, was it not so that the Leader of the Opposition at certain points in the game was briefed on a number of things.

MR. ROBERTS: Inaudible.

MR. ROWE: Exactly, and the same thing, if we have taken such a narrow, short term, dastardly position on this particular point, and we have not, it can only be blamed on one group of people in this Province, Sir, and that is the administration of this Province at the present time.

Now, Sir, I think really I have made the only point I want to make at this particular time. I have dealt with disagreeing with the Federal Government. Oh, yes, there is one, for instance, I will tell you one other thing we did not know. We were very concerned about this whole

business of this \$57 million increase, say. I mean, it is a figure to the best of our ability we can come up with.

AN HONOURABLE MEMBER: Inaudible.

MR. ROWE: All right. Now, we were totally unaware of something that the minister said, totally unaware that the Federal Government has agreed to some form of compensation. Were we aware of that? Were we aware of that, the compensation factor? If our oil goes up the Federal Government was going to compensate because of the increase. The first I heard of it was from the minister here in this House.

AN HONOURABLE MEMBER: Inaudible.

MR. ROWE: Well, did you say it or did you not say it?

AN HONOURABLE MEMBER: Inaudible.

MR. ROWE: Oh! Now there we go! That is even worse!

AN HONOURABLE MEMBER: That is what I said.

MR. ROWE: Well, I am sorry, Mr. Chairman. The situation is worse than I thought it was. I was kind of left with the impression that the Federal Government had agreed to compensate for the increase but according to the honourable minister now the Province has made a proposal and there has been no commitment from the Federal Government.

AN HONOURABLE MEMBER: Inaudible.

MR. ROWE: Okay, well, in other words, there is no commitment. So, it is possible that we will not be compensated for this increase.

AN HONOURABLE MEMBER: Inaudible.

MR. ROWE: I know. Well, in the event of it.

AN HONOURABLE MEMBER: Inaudible.

MR. ROWE: If you are going to have a price increase, the honourable the Minister of Mines and Energy said that if you have a price increase, I got the distinct impression, I might have heard it incorrectly or I might have misunderstood it but the impression I got was that if a price increase -

AN HONOURABLE MEMBER: How much?

MR. ROWE: I do not know how much the Federal Government is going to



come up with and it is the Federal Government's job, I would submit, to come up with a reasonable price increase if there is going to be a price increase. It is the honourable Premier's job to fight against such a price increase.

AN HONOURABLE MEMBER: Why?

MR. ROWE: Because the honourable the Premier is representing the Province that has the highest unemployment, the highest cost of living and the lowest per capita income in this nation and I would submit that it would be in the best interest of this Province for the Premier and the Minister of Mines and Energy and any other representative to go up and fight till death against an increase. If there are certain other deals, Mr. Chairman, if there are certain other deals between the Federal Government and between Alberta or between any other private enterprise or Provincial Government for any institution that is in the best interests of our Province, that is associated with a price increase, you would have the full support of this Opposition on it.

PREMIER MOORES: You want cheap gas and sock your kids?

MR. ROWE: What?

PREMIER MOORES: That is what you are saying. Sock the next generation.

MR. ROWE: I did not say that.

PREMIER MOORES: That is exactly what you are saying.

MR. ROWE: No, that is not what I am saying at all, Mr. Chairman. That is not what I am saying, Mr. Chairman.

MR. CHAIRMAN: Order, please!

MR. ROWE: I wish, Mr. Chairman, we could have more definitive answers to when, number (1) What oil and gas is out there? When will it be exploited? What will be the cost? Is it economically feasible? When, and the same way with the hydro, when, how is it going to be financed? Who is going to finance it? When is it going to be developed? Do we have the customers? These are all the things that we did not have the answers to and that is why we took our stand.

Now, Mr. Chairman, if I continue on like this I am simply going to

be repeating myself and giving the legal, the lawyer minister of Mines and Energy the opportunity to trip me up in legal jargon. So, while I am, before I become tattered and torn I will take my seat and hopefully we will hear from some other people.

MR. BARRY: If I could just briefly, Mr. Chairman, reply to the two main points raised by the honourable member opposite. His first point was that assuming that we were 100 per cent correct in the facts and figures that we put out, that still the Province should act in the best interests, or the government should act in the best interests of the Province even though

this was not necessarily in the best interests of Canada. I think what the honourable member neglected to point out is that it is in the best interests of this Province to ensure that we take action today to avoid being held by the throat, as I said on Tuesday and as I will say again today, by foreign suppliers of crude oil and gas. This goes to the second point as well, that you say you do not have enough information and therefore you have to criticize our government going along with any price increase.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Well, okay. I will elaborate. The point is, Mr. Chairman, that this government believes, the federal government believes, most people across Canada believe that the wisest course of action is to accept reluctantly, reluctantly, not in a happy mood but facing the hard, grim realities of life, that it is better to accept some modest increase today to avoid disastrous, enormous increases a few years down the line. Now, that is the issue.

The honourable member opposite says that might well be so. The point we are trying to get across, Mr. Chairman, the point this government is trying to make is that we have a responsibility to think long-term, that it would be cruel, it would be evil, it would be shameful for this government or for any members of this honourable House to encourage the people of our Province to live as if there were no tomorrow. It would be evil and shameful for this government for pure political reasons to go up when we have an opportunity to promote the development of national policies, to go up to Ottawa and just object for the sake of objecting, to, as the honourable Member for St. Barbe South said, take a purely municipal, provincial, sectarian, shortsighted, unstatesman-like point of view, contrary, Mr. Chairman, to the best interest of this Province in the long run.

Now, the honourable member did not refer to statesmanship at all. I agree he did not. More is the loss.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: The honourable member would have this Province go up and advocate policies to the detriment of Canada as a whole, not recognizing, Mr. Chairman, that if you think long-term, and you do not have to think

very long-term, Mr. Chairman, that this Province's strength lies in the strength of Canada, and that if we take any policy that is not in the best interests of Canada as a whole, we had better watch our bobbers. We had better look to our guns because we are saying we are going to cast ourselves adrift, that we are in a position to look after our own interests, that we can advocate a position purely for our own short term gain that could be harmful to the national interests. That is what the honourable member said, and that we should do that; that the Premier, when he goes to a national conference, should advocate a policy that may be in the interests of Newfoundland, short-term immediate interests, even though it would be harmful to Canada as a whole.

I mean, I have not heard such a terrible, astounding, frightening concept, I think, put forth in this House since I have been here, that all of the sudden we here in Newfoundland are going to set ourselves adrift from Confederation. We are going to ignore what is in the best interests of the rest of Canada and we are going to go up as a government and put forth positions that we think are going to get a few extra dollars for us but they are going to be ruinous as far as the Nation is concerned. This is one honourable member, Mr. Chairman, who is not prepared to accept that proposition. I hope that no honourable member in this House is.

Just let me read out a few statements from the position given by the Premier at the Conference. This is the actually opening statement read by the Premier before Prime Minister Trudeau and the other nine Premiers. He said after pointing out the necessity for some rise in petroleum prices, he says, "if this does not eventually happen major economic dislocations will inevitably occur and excessive demands will emerge because a commodity has been kept at a low price by artificial means. Such demands can only be met in the long run by higher cost alternatives. If this occurs we will all have to bear these increased costs. Our position on this matter has not changed in the last year."

In other words the Premier is saying that if we want to encourage greater consumption of oil and gas by keeping the price artificially low today that that means the reserves will run out that much sooner, and that means that we will that much sooner be dependent upon other sources of energy, higher cost sources of energy -

AN HON. MEMBER: Inaudible.

MR. BARRY: so that what is being recommended by honourable members opposite is that we forget about tomorrow, that we keep the price down today even though we may have imposed on us, ruinous, enormous, tremendous increases a few years down the road. And it is only a few years down the road. The Premier referred to the fact that the position of the honourable members would mean the ruination of the next generation of Newfoundlanders. I would submit with respect to the Hon. the Premier that we do not have to look as far as the next generation, we should look to our own bobbars in our declining years.

AN HON. MEMBER: What are bobbars?

MR. BARRY: The honourable member never went fishing with a bamboo pole or an alder or a piece of string, and you know you put a bobber on your line and a hook and a worm and -

AN HON. MEMBER: Inaudible.

MR. EVANS: He must have used a blueberry for a bobber.

AN HON. MEMBER: Inaudible.

MR. BARRY: If you do not want to get really enthusiastic about fly fishing, you know, if you want to take it a little easy, maybe have

a bit to eat, a mug up, and you just fling out your line in the pond, you put a bobber on it and then you wait.

AN HON. MEMBER: I did not know that they ....

MR. BARRY: But if you do not watch your bobber, you know, you are going to miss the fish.

AN HON. MEMBER: Inaudible.

MR. BARRY: He will take your worm and he is gone.

AN HON. MEMBER: Inaudible.

MR. BARRY: Now I am suggesting to the honourable members that -

AN HON. MEMBER: Inaudible.

MR. BARRY: - to the honourable members opposite that if they do not watch their bobbers they are going to lose their worms in the next election, and if this country does not watch its bobber -

AN HON. MEMBER: Inaudible.

MR. BARRY: - the Arabs are going to have us well hooked, if that is a proper metaphor.

AN HON. MEMBER: Inaudible.

MR. BARRY: Pardon?

AN HON. MEMBER: Inaudible.

MR. BARRY: Its pole. It is a good pole.

AN HON. MEMBER: Inaudible.

MR. BARRY: It is a good pole.

AN HON. MEMBER: Inaudible.

MR. BARRY: No, no, it is a good pole.

AN HON. MEMBER: Inaudible.

MR. BARRY: No, no it is a good pole.

HON. MEMBERS: Inaudible.

MR. BARRY: I am sorry I am getting my Lebanese colleague all upset here. I have nothing - I have nothing against the Arab peoples. I take that for too long, you know, they have been at the mercy of the industrialized countries, and they have experienced very, very poor conditions in their own country. They had their resources being purchased at a unbelievably low price. Do you realize that the price of oil actually went down in the '60's, actually declined when the price

of food, the price of grain, the price of clothing, everything was going up, but the price of oil was actually declining when the international oil companies were calling the shots, and when persumably we and the United States and other industrialized countries, a few other industrialized countries were benefiting. Can we not sympathize and understand why the Arabs are now pretty determined that they are going to see a fair return for their natural resources?

AN HON. MEMBER: Inaudible.

MR. BARRY: Well they are getting that way. They are getting that way. But they have a long way to go. I understand that the Shah of Iran even though, you know, there is fantastic billions of dollars coming in that he is projecting, I think it is three or four years, that he will have to go to the bond market, the bond markets of the world in order to raise capital to meet the fantastic spending programme that he has set out in order to develop his own country. Okay. Well, you know, more power to him. But let us make sure, let us make sure that we are not at the mercy of the Shah of Iran, or we are not at the mercy of other producers of oil and gas.



MR. BARRY: I have some interesting figures that honourable members might have seen. Now this is a very authoritative source, Time Magazine, Mr. Chairman, a very authoritative source. This is not where we usually do our research but they had in the January 6 issue, where they had poor King Faisal as the Man of the Year, who has since unfortunately been assassinated. A very powerful man, a man who had probably more impact on all our lives than any other single person in our history possibly, next to - I will not use examples. It is difficult. I was going to say Hitler but that would not be complimentary and I do not mean to put the honourable member in the same category.

AN HON. MEMBER: Inaudible.

MR. BARRY: But this Time Magazine had a very good map contained in the January 6 issue, showing where the oil is and where it goes. And it showed on a world scale the reserves of various countries and it showed the demands, so you have arrows showing how fantastic quantities move from the Middle East around the horn up to Europe and how so much goes from the Middle East to North America, how so much comes from Venezuela to Canada and a large part of our East Coast supply, not all of it by the way, we do get some Middle East product, but a large portion of our East Coast supplies comes from Venezuela.

And just again the honourable Member for St. Barbe North mentioned order of magnitude. You have to realize just what is involved here with, where we have in the United States reserves of 35.3 billion barrels, okay, 35.3 billion barrels. But you have in Saudi Arabia alone 132 billion barrels of oil. You have the, again I have to get my figures out -

AN HON. MEMBER: Inaudible.

MR. BARRY: Just let me give you, somewhere here I have got the figures on how much it costs to produce a barrel of oil in the Middle East as opposed to today in Alberta, or what it might cost offshore Newfoundland, just to give you some indication of what we are dealing with. I have lost my figures. One second, Mr. Chairman, if I might

dig out this information.

We have, Mr. Chairman, to realize that not only do we have these fantastic quantities of oil in the Middle East, 132 billion barrels of Saudi Arabia's, 60 billion barrels under the control of the Shah of Iran, 64 billion barrels in Kuwait, 31 billion barrels in Iraw 31 billion barrels and so on, but not only do they have these fantastic quantities but the cost of production is so much lower, just unbelievably lower than Alberta, that they can undercut Alberta, they can undercut offshore oil and gas and will be able to at any time in the future. They could sell oil and gas tomorrow that would make it uneconomic, for example, to develop any of the hydro electric potential of Labrador, any of the tar sands of Alberta, because they have said, and they have quadrupled the price over the last couple of years, and they have said the price is not going down. The price is going to continue to go up.

Now, what do we do? Do we say, well let us forget about developing our own supplies. Let us throw ourselves on their mercy. Surely they would not be so cruel, so unkind, as to keep raising prices on us. Not much they would not, Mr. Chairman. But let me give you these figures.

In order to produce in the Middle East it costs anywhere, say, from \$400 to \$700 per barrel, that is for per daily barrel produced the initial capital investment. You invest \$300 or \$400, \$500, \$600, \$700 in the Middle East, and you will get a barrel of oil produced over the life of the field. In the North Sea, they are talking from \$4,000 to \$7,000 a barrel, capital invested for each barrel of oil that you get out of the field, say, ten times the cost of producing as in the Middle East. In the tar sands, with the most recent figure on what that is going to cost, you are looking at probably \$12,000 to \$14,000 capital for every daily barrel of product.

AN HON. MEMBER: For every daily barrel, not for every barrel, every daily barrel.

MR. BARRY: Yes, that is what I said all along. For every barrel that you produce over the life of the field.

AN HON. MEMBER: Every daily barrel.

MR. BARRY: Every daily barrel. It is the same thing.

So the tar sands is up to twenty times the cost of production in the Middle East. And offshore, off our coast, we are still just taking the best possible guesstimate because we are dealing with, as you know, the iceberg problem and what it is going to cost to meet that problem. It is not yet absolutely certain. But you can probably talk in the area of the tar sands, from \$12,000 to \$14,000 capital invested for each daily barrel of production capacity. So you can see, Mr. Chairman, that not only do we have to keep in mind the fact that they have a lot more oil than we have, but we also have to keep in mind that they can produce it much cheaper than we can and at much less cost, and they can undercut us any time. They can undercut not just our oil and gas potential, they can undercut our hydro potential, because they can sell oil and gas, as I just said, Mr. Chairman, at a price, if they wanted to, that would make it uneconomical for us to develop any hydro potential in our Province or for any other province in Canada to do so. So we have, and the Western World has, certain hard choices to make. We have to decide whether we want to throw ourselves on the mercy of the Arabs or whether we want to go on to develop our own secure supplies.

Now the Hon. Member for St. Barbe North again - I cannot stress this too strongly - our position we believe is in the best interests of Newfoundland. We believe it is in the best interests of Newfoundland and at the same time the best interests of Canada because we believe that a gradual small increase today will help us avoid enormous, tremendous, fantastic, ruinous increases not too many years in the future. I gave you the figures the other day as to when we are going to become more dependent upon Middle Eastern oil. Depending on whose figures you look at, the National Energy Board, they say that by the end of this year we will no longer have sufficient oil for our purposes in Canada. By 1982 we will no longer have enough oil and natural gas.

Shell says that by 1976, the beginning of 1976, we will no longer have enough oil in Canada to meet our needs. Imperial Oil says that by the end of 1975 or early 1976. So we have to face the fact that this is the year of decision. This is the year that Canada, as a nation, and our Province as part of Canada, must decide whether or not we are going to throw ourselves, as I said, on the mercy of the Arabs or whether we are going to try and develop our own secure supplies of oil and gas.

Now, Mr. Chairman, the honourable member opposite wanted some information on offshore oil and gas. I do not know. The honourable members, are they satisfied with this issue? Would you like me to move on and give you some information, the policy of the department with respect to offshore oil and gas, some -

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: I would not apologize to the honourable member. The honourable member should apologize to the electorate for his activity since he was elected.

MR. SIMMONS: Who said the word apologize. I said I am not prepared to honour the minister's policy, no. And I had good reason -

MR. BARRY: Sorry. I apologize to the honourable member then.

Mr. Chairman, we have just, up to now on this vote, just touched one policy area of this department. That is the policy put forth by our government at the recent conference with respect to oil and gas price increases. There are a number of significant policy developments that have occurred over the last year in the Department of Mines and Energy. I think we have to separate them for convenience sake. We will look at the other energy developments first and then I will go on to developments in mining policy.

First, with respect to energy, let us look at the electrical energy field, the electrical energy picture in the Province. This year saw this government decide, Mr. Chairman, that until the Gull Island development comes on stream in 1981 that we will proceed with the expansion of Bay D'Espoir which is already started, not a small project by the way. I suspect that past Premiers would have kept that for an election year and would have probably run an election on that project alone. You know that \$42 million, \$43 million project - that is not big enough, not enough.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Anyhow, Mr. Chairman, that is not a mere drop in the bucket. This government has decided that we will expand the Bay D'Espoir project -

AN HONOURABLE MEMBER: Who built the Bay D'Espoir anyway?

MR. BARRY: - put in an additional unit. Now, there has been some misunderstanding with respect to this project, Mr. Chairman, because we have also mentioned that it is our intention provided - and this is a very important proviso - provided environmental studies permit to also divert the Lloyds River into the Bay D'Espoir watershed.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: We have an interim one.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Mr. Chairman, the honourable member will get the information, you know, when it is ready for release.

MR. WOODWARD: Inaudible.

MR. BARRY: No, this is the very point I want to deal with. The honourable member is as confused as certain other individuals who have asked the question. The expansion of Bay D'Espoir, the adding of the additional unit to Bay D'Espoir does not depend upon the Lloyds River diversion. The additional unit at Bay D'Espoir will be needed for peaking purposes, to add additional peaking capacity to the provincial grid by 1977-1978, regardless of whether there is any additional energy gained by diverting other waters of the watershed.

So, there are two separate parts to this Bay D'Espoir project. One, the installation of another unit that will give peaking capacity and secondly, if environmental studies permit, the Lloyds River diversion. That is going to cost approximately \$7 million to \$8 million, and we will see the diversion of the Lloyds River into the Victoria Lake, the Bay D'Espoir watershed by means of a canal or channel constructed between Lloyds River and I forget the uppermost lake there now, between King George IV Lake, I believe it is, and Victoria Lake. I will get that information later for the honourable members - but the upper part of the Bay D'Espoir watershed.

But, the Lloyds River diversion is not necessary in order to have the additional unit go into Bay D'Espoir. We need the additional unit. The Province will need the additional unit for peaking capacity around 1978. The diversion of the Lloyds River into the watershed will give us additional energy then. But, if environmental conditions

do not permit, we will not divert the Lloyds River. We will go on with additional means of providing the additional energy up until 1981. That may be other hydro developments. There are a few small sites left to be developed in the Province or it may mean total reliance on petroleum products whether it be through gas turbines or other fossil fuel generation plants.



Mr. Chairman, we have developed, this government over the past year, we have developed a scheme, as I have earlier presented to the public, a scheme to meet our energy needs up to and including 1981 until the Gull Island project comes on stream. We have also seen, Mr. Chairman, this past year where we have received a positive endorsement by the Federal Government and support of the Gull Island project, a policy developed by this government to see to the development of our hydro electric potential in the Province, a policy put to the Federal Government for a transmission line between Labrador and the Island, for a transmission line between Gull Island and the Upper Churchill and a transmission line between Gull Island and the Goose Bay-Happy Valley area of the Province. This project has received the endorsement and the financial support of the Federal Government in this past year. That, Mr. Chairman, was not an insignificant achievement.

MR. WOODWARD: Tell us about the federal policy on the national -

MR. BARRY: The federal policy on the national -

MR. WOODWARD: How close are we -

MR. BARRY: Well, okay, The national grid, it is somewhat related to this in that one of the options is to sell surplus power until it is needed from the Gull project as well, eh.

AN HONOURABLE MEMBER: With recall rights and all.

MR. BARRY: With recall rights, but that could be - We also have the option, of course, of making this available on a surplus price to industry within the Province. If the -

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Yes, or we can use the surplus power itself instead of exporting to Quebec. If it can be arranged as a sweetener to entice industry into the Province it may be that for the same rates that you sell it to Quebec you could possibly make it available to industry in the Province on the understanding, of course, that once the surplus period was over that they would pay going rates. That would only be there for three or four or five years if they would get it at reduced rates. But

that might be a sweetener to entice industry into the Province. But in any event, Mr. Chairman, the Gull Island project as conceived by this government, as financially supported by the Federal Government and endorsed by the Federal Government, is well on the way, is well on the way. Now, it is not going to happen overnight, Mr. Chairman, by us waving a wand. Anybody who wants to look around can see the tenders are in the process of being called. Work was started last year.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Work was started - the honourable member is a year behind. Work was started last year. Work went on all last summer.

AN HONOURABLE MEMBER: How many -

MR. BARRY: There were up to 150, 200 men employed.

AN HONOURABLE MEMBER: No, eighty men.

MR. BARRY: Where was that? Where was that? Are you taking in -

MR. WOODWARD: The whole thing. The whole thing. Everything done -

MR. BARRY: - the foundation surveys, the Strait of Belle Isle -

MR. WOODWARD: Yes. Right.

MR. BARRY: -the tunnel, the drilling and so on?

MR. WOODWARD: Yes, everything.

MR. BARRY: The honourable member is - I do not have the exact figures. I can get them but they are well in excess of 100 men employed getting the basic work done which has to be done on any project. Honourable members obviously expect that you can whack 2,500 men in there at day one of the project. As a surveyor you should know better than that.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Mr. Chairman, I think it is around six o'clock. I do not know if there is any particular action has to be taken by the House Leader or -

MR. CHAIRMAN: It now being six o'clock I leave the Chair until eight o'clock this evening.

The Committee resumed at 8:00 P.M.

Mr. Chairman in the Chair.

MR. CHAIRMAN: Order, please!

On motion 1101-01 through 1102-08, carried.

MR. WOODWARD: Mr. Chairman, 1103-01, I did not even give the minister time to get into his seat. Mr. Chairman, on mineral development, maybe the minister can tell the Committee what is happening as far as the exploration of BRINEX is concerned and their work in the Makkovik area and if we can hope to see some developments taking place as far as the Kit's Pond area is concerned or the Monkey Hill, and what activities can we see this summer? Is there a chance of some production in this respect?

MR. BARRY: Mr. Chairman, the Kit's Pond uranium deposit, deposits really, there are two, received -

MR. WOODWARD: The Seal Lake one.

MR. BARRY: -the Seal Lake one, they received attention this year in that there was some underground drilling done, underground development. There was some development work done. The shaft was put down through one of the deposits in order to ascertain with greater certainty the extent of the reserves and the information that I have from the work done was that the summer confirmed the previous estimates of reserves for one deposit and my understanding is that the company will be proceeding this summer with development work on the second deposit to again determine whether the reserves are as they have estimated. Until that is done it is unlikely that it will be possible to say that this project will go ahead as a mine development. But the prospects look very good. As a matter of fact -

MR. WOODWARD: What in the way of activities can we expect to see this summer?

MR. BARRY: I cannot give you the specific details in terms of numbers of men employed. I do not have those at my finger tips but I would expect, and the honourable member probably knows this from last summer, that it would be approximately the same numbers of people as there were on site last summer when they operated from Cartwright. I saw - I am sorry, operated from Makkovik. I saw the facilities that are there at Makkovik that were

prepared. I believe as a LIP project. They constructed a nice little hostel, or sort of a motel as a community project and this was rented by BRINEX last summer and I understand they will be operating again this summer from Makkovik and making use of people in the area, the same as they did last summer.

MR. WOODWARD: To what extent you do not know.

MR. BARRY: I cannot give you the specific details. Other than that my impression is that it will be at the same level of activity as last year, and the people in the community know. I know the numbers but I just forget them offhand. I do not have them with me.

I should mention, Mr. Chairman, that I have some figures and some information on the uranium area generally. They have been some significant developments with respect to uranium over the last year. We have a situation where the federal government has recognized a need to change its policy. As you know for a time we had pretty well a freeze on uranium exploration and development because of the federal policies. There were considerable stockpiles of uranium and it was felt that the market conditions did not warrant additional development.

Well now the situation is changed because, if I could just for a moment dig out my information on this, I am not sure if I can lay my hands right on it now, Mr. Chairman. But the situation has changed because of the projected development of nuclear reactors which the federal government estimates will take place in Canada and other countries over the next ten, fifteen years. And there is a new programme, a new uranium reconnaissance programme which has been developed by the federal government and which this Province expects to participate in. If I can just find my information here I will be able to give you the specific details.

In any event this will mean increased expenditures on exploration for uranium in Newfoundland and Labrador as well as other parts of Canada. We already in the past year saw an aero-magnetic survey carried out on the Burin Peninsula because this was a known area of possible uranium potential. There had been indications found of uranium potential. So we arranged for the federal government to do an aero-

April 17, 1975

Tape No. 1543

NM - 3

magnetic survey. I have not gotten the results of that survey yet for release but it is an indication that the federal government is more prepared than it was up until this year to get involved in uranium exploration and development. And basically the significance for the Makkovik area is that market conditions have improved significantly and it looks as if that has very great potential and in all likelihood will be the next mine that we see in our Province.

MR. WOODWARD: Do we know the known reserves?

MR. BARRY: Yes, we have

estimates that have been supplied by the company, Mr. Chairman, but I do not think that these are matters of public knowledge. This is confidential information having been supplied, and without checking with the company -

MR. WOODWARD: There is sufficient to go into production.

MR. BARRY: We cannot say until there is further development work done this Summer. But the information we have to date looks like it would be a commercial probability, with, as I say, the improving market conditions for uranium which derives from the increased emphasis on the development of nuclear reactors, and the fact that it is now estimated - and I cannot find my notes on the extra figures - but it is estimated that whereas up to now Canada had a considerable surplus in uranium reserves, it is now estimated that significant new reserves will have to be developed within the country to ensure that we have sufficient uranium to meet the needs of our nuclear reactors within the next seven, eight, nine years, another indication, Mr. Chairman, of the new and increased concern for alternative energy sources to oil and gas, and it is directly related to what we are speaking about this afternoon and the impact that increases in the price of fossil fuels has had on other energy sources. It is an ill wind that blows nobody any good. And here we see in the area of uranium as well as, I would submit, in the area of hydro potential, in this area of offshore oil and gas potential, where Newfoundland will probably benefit more than many other provinces from this increased pressure to develop within Canada our own secure supplies of energy. I will try and get the information on uranium when I sit down. If the honourable member has any further questions I will be happy to try and answer them.

MR. WOODWARD: Mr. Chairman, maybe it was mentioned at the Energy Conference in a jocular fashion by the Premier of Quebec with regards to the federal government getting involved in the development of enriched uranium in the Province, and the Committee very well knows that there has been some negotiations going on between France and the Quebec Government with regards to the development of enriched uranium. This was widely talked about in this Province going back a couple or three years ago

before our friends the BRINCO people disappeared off the scene to some degree. I was wondering if the minister can tell the Committee if that is still a possibility with the hydro potential now nearing, I hope, development in the Goose Bay area and looking at sufficient water reserves which is the ingredient I understand that is required there is lots of hydro and clean fresh water for the processing of enriched uranium. Is that a possibility or is that outside of the realms of the possibility of taking place in the Province?

MR. BARRY: The problem with uranium enrichment plants, Mr. Chairman, is that this is only another way of exporting energy, and it is the same as if we were to develop our hydro potential in Labrador for export.

MR. WOODWARD: Yes.

MR. BARRY: And really all you are doing in a uranium enrichment plant is adding a hydro electrical component to the basic uranium and you are then shipping that out, not only outside of Newfoundland but outside of Canada because enriched uranium, as you know, is not used, it is not necessary for the Candu nuclear reactors, the Canadian reactor that is being promoted by the Canadian Government -

MR. WOODWARD: Which is not selling very well now.

MR. BARRY: Well it appears to have met with a fair amount of success. It is in a strongly competitive market, but it is an area where I think Canada has made a name for itself and -

MR. WOODWARD: Inaudible.

MR. BARRY: I am not prepared to say it is selling very well, but the honourable member may have further information than I have. My information is that we are right in there competing in countries who are looking for nuclear reactors, who are right in there competing with the type of reactor that requires enriched uranium. So you have on the one hand the fact that the federal government are not too anxious, in my opinion, to promote the development of enriched uranium plants because you are supplying fuel for your competitors' reactors basically. And secondly, we have the fact that do we want to use these enormous, and they are enormous, quantities of electricity required, do we want to use this to put into uranium and ship it out of the Province? It is a capital intensive industry, not a labour intensive one. We would not gain significant -



MR. WOODWARD: No.

MR. BARRY: Well there would be a significant number of jobs -

MR. WOODWARD: Significant number of jobs.

MR. BARRY: - there would be a significant number of -

MR. WOODWARD: I am just looking at somewhere -

MR. BARRY: - there would be a significant number of jobs -

MR. WOODWARD: Particularly the people are saying there are 1,800 jobs involved of that type with a certain volume.

MR. BARRY: Yes. There would be a significant number of jobs in the large scale plants such as I understand Quebec is looking at. But there would also be tremendous quantities of hydro electricity. 'John' do you remember the figures? It is my impression that it would take more than the output of Gull Island just to feed one of these things.

MR. WOODWARD: No, I do not think.

MR. BARRY: Oh, yes.

AN HON. MEMBER: Inaudible.

MR. BARRY: Eh?

MR. CROSBIE: One thousand megawatts.

MR. BARRY: Okay, 1,000 megawatts, that would be somewhat less than Gull Island. My impression was that it was more. But in any event there would not be very much if Gull Island came on stream and immediately was tied in to a uranium enrichment plant, we would right away have to start building another hydro electric site just to meet our own needs three or four years down the line. So we have to ask, is this an area where we should get involved in terms of raising again the enormous quantities of capital that would be required to build this, for the export of our hydro electricity which we will need in the Province ourselves to meet our needs up to 1990, say, which we hope Gull Island will provide? Or do we want to get on a treadmill, do we want to be in a position where we have to develop a second hydro site immediately after Gull Island and maybe even start one at the same time as we are starting Gull Island, or try to start one? I do not think it would be physically possible. It is for these reasons that this Province has not been anxiously out trying to attract a uranium enrichment plant to the Province. It is just the question of priorities, that our first priority is to get Gull Island

developed to ensure that the energy needs of our own Province, our own people, our domestic, commercial and industrial consumers that their needs are met, and to use the power for a uranium enrichment plant would mean that we might meet our own needs for a year or two but immediately we will be on the treadmill again out building a further hydro electric site.

I would like to - I found the figures on the uranium reconnaissance programme. It is not large in the number of dollars that are going to be provided. But it is just the beginning. As far as the Province is concerned there will be - let us see - they are projecting

approximately close to \$1 million, about \$800,000, would be available under this programme. That would be the cost of doing the uranium reconnaissance programme for the Province and the Province would be expected to participate. Now they are suggesting a fifty-fifty participation. We are still discussing this with them and hoping that we may be able to get better terms. But the idea of the survey is to first provide data to stimulate new exploration efforts by small and medium sized companies who cannot afford to acquire the initial information themselves, cannot afford to hire the planes to do the area magnetic surveys and so on. Secondly, to ensure that no potential uranium resource areas have been overlooked, bearing in mind that a several-fold reduction - this is the federal paper - that a several-fold reduction in present ore grades will become acceptable within ten years. In other words, looking down the road deposits which today would not be commercially viable, in ten years time, when there is just not that much uranium left within Canada, they will be going to much lower grades of ore and areas with the lower grades will then be able to be developed. They also want to ensure that Canada is surveyed on a systematic basis, and that again goes back to the previous point of not overlooking one potential area. And we have stressed the fact that any money that is spent in Canada, we want to see a fair portion of it spent here, because of our known uranium potential and this has received acceptance by the federal government, and there will be programmes continuing throughout this year.

There is a lot of information here on it, but I will not take the time of the committee. But if any honourable members have more specific questions, we can answer those.

MR. WOODWARD: Mr. Chairman, maybe the minister can enlighten the committee on the fact that going along with the Candu project, the federal project, as recent as last summer, that the federal government were looking at establishing throughout Canada a series of heavy water plants? And the DREE people had recommended that maybe there should be a study done

with regards to trying to develop, or looking at the feasibility of developing a plant along with the hydro development in Labrador and on the Churchill River, or somewhere in that area. I do not know if the minister's department has given any consideration to this. But if they have looked into it or if he is prepared to look into the possibility of establishing a heavy water plant, maybe they will come up with the same thing as they did with the enriched uranium plant. Maybe it is too large a consumer of electricity. But these are one of the things that the Goose Bay Project Group were taking advice on from the federal consultants, and thought maybe something could be developed in this respect.

MR. BARRY: Mr. Chairman, we are perfectly prepared to co-operate -

MR. WOODWARD: Nothing has been done. There are no negotiations left there.

MR. BARRY: Well, I think everybody is aware of the problems that they have been experiencing with the heavy water plant in Nova Scotia.

MR. WOODWARD: Yes, but that is a technical problem and will not necessarily reoccur.

MR. BARRY: Right.

MR. WOODWARD: Yes.

MR. BARRY: But you have a situation there again that is unbelievable escalation in cost. I forget the - many orders of magnitude -

MR. WOODWARD: Salt water.

MR. BARRY: Pardon?

MR. WOODWARD: The corrosion of pipes for the use of salt water.

MR. BARRY: The corrosion of pipes for the use of salt water. That is right.

MR. WOODWARD: Yes.

MR. BARRY: But there are still bugs to be ironed out. They probably are getting this thing done.

MR. WOODWARD: If the programme is going to go, they are going to need more heavy water.

MR. BARRY: If the programme is going to go, they will need more heavy water. That is right. And I think that even the uranium enrichment plant,

we have not disgarded that,as you know, a total anathema to our Province, but it is a question of priorities and the dollars that we can come up with, whether through private enterprise or public financing, and where we can devote our energies.

Now it may be that the next hydro electric development in Labrador, once Gull Island comes on stream to meet our immediate needs and to sort of relieve the pressure on us as far as meeting the needs of the residents of our Province, and this is something we can start looking at now or very soon, it may be that the next hydro electric development in Labrador can be tied to a specific industrial opportunity such as that, whether it be a heavy water plant or even a uranium enrichment plant. If we should decide there is a benefit in getting an early development of a site there, earlier than would otherwise be the case without such industrial development, we are prepared to look at that. And I will take that comment under advisement and see what the feelings of the federal government are on it and see just what is involved in the heavy water plant. At this stage I cannot say that I have too much background information in the heavy water plant area. We just have not concentrated on it because we have been somewhat leery about the Nova Scotia experience, which by the way, I might mention, is now being taken over by the Atomic Energy Commission of Canada, just in the last few months.

MR. WOODWARD: Mr. Chairman, before we move off this heading, maybe the minister can also inform the committee what is happening with respect to the Javelin holdings, the Jubilee holdings in Labrador? When we think in terms of using large amounts of electricity, I suspect that the minister is considering carrying on the policy of shipping the ore out of Labrador and not going into any type of refining process because of the fact that we are going to need the surplus electricity for residential use. I hope this is not the case.

MR. BARRY: No, no, no, no.

MR. WOODWARD: And I hope we are going to set Labrador's hydro potential aside for another hundred years to supply the residential use of the, primarily, larger populated area of the Province such as the Island.

MR. BARRY: Goose Bay-Happy Valley as well, though.

MR. WOODWARD: Goose Bay-Happy Valley as well, but not to the extent where we are going to stop the growth. I think it would be very useful, Mr. Chairman, when we look back at the studies that the BRINCO people were doing with regards to utilizing or attracting industry, heavy industry to the area as a result of the development of the Lower Churchill. I think it is going through extensive research with regards to even the smelting of the iron ore and utilizing some areas along the shores of Lake Melville, going into smelters. But is this the type of development policy that we are looking at whilst we continue to ship the raw resources out and the mines themselves now are becoming more mechanized and less labour intensive such as the expansion at I.O.C? We are not requiring as many people for the pelletizing plant and as years go by I suspect that they will become almost fully mechanized because they are going to have a difficult time to attract people to work under those conditions such as the pelletizing plant and things of that nature. But, I think, this is the great danger when we think in terms of, and have the selfish motives of thinking in terms of, even for ourselves, putting reserves aside for a number of years in the event that we are going to need them purely for residential use. I hope that is not the intention of the minister and his department or his government, Mr. Chairman, and I would like indeed to see a - Labrador, as you know, has got the largest growth in Canada. I think the growth far exceeds any other province. The population, as I have stated, since 1949 has gone from a mere 8,000 to a population today of some 48,000 people. A lot of people have chosen to stay within the area. A lot of people are looking forward to some industrial development other than the raw materials being shipped out of the Province. But maybe the minister can tell the committee what his policies are and how he would like to see this type of development taking place?

The other area, I suspect, when we get closer to home, is what are we looking at as far as Buchans is concerned? There are a number of conflicting statements. Some people are saying that there is merely a six year reserve left in Buchans and then the mines will have to be

April 17, 1975

Tape no. 1545

Page 5 - mw

shut down, and I suspect that that is the end of the economy of the  
community unless something else can be attracted to that area. But as

4567



we look further down the road and see 100 years of reserve in terms of ore coming out of Labrador West and the other areas that have not yet been tapped, known reserves in Labrador, if he can tell us are we continuously going to do this or will we be getting involved utilizing our own hydro reserves to develop some type of heavy industry in Labrador.

MR. BARRY: Mr. Chairman, it is the policy of this government to wherever possible see that the hydro-electric potential of Labrador is used to provide jobs for residents of Labrador. We have a reference to the iron ore potentials, specifically to the Julienne deposit. As honourable members know, the Julienne deposit has had certain legislation passed by this honourable House many years ago which granted certain rights with respect to the Julienne deposit. This agreement required that development take place, proceed with due diligence - between the jigs and the reels and various amendments to the legislation as of June of 1974, this past two - that there was an obligation on the part of the concession holder to proceed with due diligence to development of this deposit by the middle of last Summer.

Now, there is some question or some difference of opinion, I should say, as to whether the rights automatically terminated or whether there was a reasonable time following that date within which the company had to give evidence that it was proceeding with due diligence. This is the companies' position. They say it did not automatically terminate. This matter is under active consideration by cabinet at the present time. It is expected that within the very near future that there will be further information forthcoming with respect to the Julienne deposit and the future of the Julienne deposit.

At the present time we are not in a position to make that statement.

MR. WOODWARD: Are there any other developers that would be interested in that deposit? Is there any indication of particular interest?

MR. BARRY: Oh, yes. There is has been a fair amount of interest shown by a number of different groups in the deposit. We of course, our government was not prepared or not in a position to make any commitments or enter into negotiations with groups while another concession holder had rights in the

area. So, the first thing that we have to do is to clarify the position with respect to title, with respect to the rights to that deposit.

As I say, this is under active consideration now, and there should be further statements on it in the not too distant future.

With respect to the smelting of iron ore in Labrador, I think we should be very much aware of the potential for this in the event that the offshore gas proves to be commercial and that it can be brought ashore in commercial quantities. Because, as I mentioned, I believe, previously in this House gas is an excellent substitute for coal in the reduction process as a source of carbon. Natural gas is ideal, probably even better than most types of coal. If you have your gas and you have your iron ore and you have your hydro-electricity, to me it is a combination, you know, it has to move, it has to go.

MR. WOODWARD: Far less expensive than the type of bunker that I.O.C. is presently using.

MR. BARRY: Oh, yes. Well the type of bunker that they are using is merely in their pelletizing. This is not the actual reduction process.

MR. WOODWARD: Not as large sums, Mr. Chairman.

MR. BARRY: Oh, there are large quantities -

MR. WOODWARD: A difference to almost one-third of their total operation.

MR. BARRY: It is right, and there are large quantities of bunker C required by the existing iron ore operations. Again if there are commercial quantities of oil or gas, this will significantly affect the existing operations because any pipe-line if it goes to a Montreal market, and if there is any quantity that is where it will have to go to, that is where the people are, and it will have to pass right through the Wabush-Labrador City area. Then of course you have that possibility there that they can get a better supply, a better form of energy than they now have to use. They import their bunker C now through Seven Islands, very expensive, very costly.

So, you have just a fantastic potential for Labrador, for the Goose Bay-Happy Valley area, for all areas of Labrador with - again the

energy resources are the key to the thing, the development of the energy resources. These are of course both the hydro, the uranium and the offshore oil and gas. We just have to keep our fingers crossed with -

MR. WOODWARD: Should we not plan to develop our policy? Is this too far away? Is it too immature to do that?

MR. BARRY: Yes. You know, you have -

MR. WOODWARD: You let people sit in frustration and attempt not to satisfy them.

MR. BARRY: We have to remain aware of the opportunities. We have to plan as much as we can. We have to disseminate as much information as we can. This was one of the purposes, of course, that we went up the Coast of Labrador, went to the Goose Bay-Happy Valley area. I do not know if the honourable member or the honourable Member for St. Barthe North really took a good hard look at that little paper that was distributed. You know, the questions that you ask with respect to the timing, the likely timing of commercial development of oil and gas off the Coast of Labrador -

MR. WOODWARD: The statements, one from government and one from the industry - you know, we get both sides of the plan.

MR. BARRY: But you saw the possible schedule that we predicted with the best information we have available, the best schedule that we could predict. We talked about the -

MR. WOODWARD: It is tentative. It is nothing but -

MR. BARRY: It has not to be tentative. I mean, there is no point in saying that it is certainty. It is not certainty until the companies go back and they drill again and they confirm that they have got certain quantities. Now, I have very little doubt that we are very close to that stage. The way the companies are talking, the way the oil and gas industry is talking across Canada, anybody who has seen the reaction to the gas discovery by Eastcan last year is aware of the fact that attention is focused on this discovery and it is considered to be very significant, and in all probability commercial. But, again the company will be back drilling hopefully with two drill ships this Summer, and we will just have to wait and see the results of their drilling operations.

It is frustrating. It is tantalizing. But, that is what we have to live with.

With respect to that, if I could mention a couple of steps that we are taking and it ties in with this heading. We have passed 1102 fairly quickly before I got back. The honourable Minister of Intergovernmental Affairs in his enthusiasm just whipped through. But, there were a number of little votes there that are significant in that we have there in that vote for professional services provision to employ outside consultants to produce a report on the data available, the geophysical data for the offshore area including the Coast of Labrador just to supplement the information we already have on file. Because, what you have to do is you have to try and get an over-view of the whole picture from the information that is supplied to you by specific oil companies. Here is where a significant advance has been made by this government over the last year to two years.

We are now receiving excellent information from

the oil companies operating off our coast. When we started in 1972 to try to pull this together there was no seismic information being supplied at all. We had to amend the act last year in order to get at that. We are now getting all the seismic work that is being done and we are getting reports from each of the companies with respect to the specific holes that they drill and we have some good people in the department to analyse this information.

MR. WOODWARD: But those findings are not public now.

MR. BARRY: They are not public now. As a matter of fact, they are highly confidential. They are worth an awful lot of money to competitors. For example, if one company could know whether a company drilling at adjoining acreage was going through in a particular area, limestone or sand, on a particular case and it would significantly affect the way the adjoining company would approach its acreage and where it would drill its holes and so on. There is competition there and government has a responsibility and makes an undertaking in getting this very valuable confidential information that it will be kept confidential for a certain period of time which is set out. We comply with the same practice used by the Federal Government. I think it is two years after each well is drilled, I forget the exact timing, something like that, that this information then automatically becomes public and, of course, companies wait. They know a well is drilled off Labrador. They know that Eastcan information is there from last Fall. They will be waiting with bated breath in a year's time or so when this information becomes open and public and they can get their people working on it.

At the same time, companies sometimes sell the information with respect to a particular hole and get hundreds of thousands of dollars for this type of information. So, it is very confidential. With respect to the offshore also, we have funds in here to employ a diving consultant. This is an area where, another area where we are exercising jurisdiction on the ground, in the field to make our position felt there. There have been, as you know, a number of diving fatalities. We co-operated with

the Federal Government, with various federal departments such as the Department of Defense who are really one of the few government departments that have the diving capability or the diving expertise to be able to ascertain why an accident happened in a diving bell and so on. This is an area where I have a certain amount of concern and we have to be very careful how we proceed here because there have been a lot of diving deaths in the North Sea. They are operating on the Coast of Labrador at the limits of their capability right now. It is new, just like going to the moon. It is a new frontier. There are diving depths, operating depths of around 1,000 feet, 1,100 feet which is just about as far as they can go with existing technology and they do not really know, they do not know all about the ins and outs and what they are doing at those depths.

So, we have a responsibility as government to insure that companies are operating with due regard for human life. You can have a situation where as long as the money is good, I suppose, to get people to do anything. Now, government has to decide, do we just wash our hands of it and let them if they are foolish enough to -

MR. WOODWARD: What jurisdiction do we have?

MR. BARRY: Well, we have said -

MR. WOODWARD: We are sixty miles off the Coast of Labrador. What jurisdiction do we have? Eventually, this is another area -

MR. BARRY: In international law Canada has, can enforce regulations with respect to diving or anything related to -

MR. WOODWARD: But not us as a Province.

MR. BARRY: Well, no, One second, Canada as a nation.

MR. WOODWARD: Yes.

MR. BARRY: Then, as a Province it gets into the jurisdictional dispute between Ottawa and the Federal Government, between Ottawa and the Provincial Government as to who has jurisdiction out there with respect to diving safety. I say we have got jurisdiction and we are going to exercise it and we have exercised it and the companies have accepted it and we have

had our people out and we have had in these diving fatalities, we have had our mines inspectors since this is really again the only, you sort of got to have a little ad hocery there. These are people who are inspectors with the technical knowledge that can be used in this area. We have had these go out and inspect these fatalities and this is why we have a vote in here for an offshore diving consultant who has been working with the department, by the way, for the last year, Mr. Lukeman I think it is. He is employed at the Marine Sciences Laboratory and is a professional diver, excellent, very knowledgeable in this area. He is employed as a consultant with our mines safety inspectors and makes certain recommendations with regard to safe practices for diving bells offshore, investigates fatalities. We hope there will not be any others but the ones that we have had, we have had him assist in the investigation.

This is an area, as I say, where I think government has a responsibility to insure that operations are carried out with due regard for human safety. We have exercised jurisdiction and we intend to continue exercising jurisdiction. Now, on the jurisdictional dispute itself, again we have a vote in this little matter of professional services to retain - let me see, where are we here? I think we have it. - yes, legal research, for legal research on our offshore minerals case. This does not contain sufficient funds. It does not assume that we will have the funds from that for a full-blown court case with Ottawa, although we are rapidly getting to the stage where I think that is imminent. I will refer to some recent correspondence on that from the Federal Government. But this, the funds here are to provide for the historical research that we have been carrying out into the details of the Province's legal case. We have had a professor from the History Department at Memorial University employed with graduate students with assistance in going through the archives here in the Province. Last weekend, together with Cabot Martin, who is my executive assistant, they commenced research in the archives from the London end and they have people, they have made contact with



people there to carry out some very important research relating to our legal case. We have obtained information from U.S. sources because, as I mentioned earlier, Newfoundland was involved in the initial declaration by President Truman back in 1944, the Truman Proclamation when the U.S. exercised, seized control of the Continental Shelf or unilaterally declared he had control, jurisdiction over the Continental Shelf.

This research in the archives, both in our Province, in London, in the United States and ultimately in the federal archives is very important to the final case that we have to put together if we go to court, and we have been proceeding on that assumption. We may as well do this while we are negotiating with Ottawa so that we will have it, so that there will be no delay when negotiations finally break down. If they break down we are going to be ready to go to court.

We have also retained three very eminent lawyers, one in the United States, Professor Myres McDougal of Yale University.

MR. WOODWARD: Is this on a full-time basis?

MR. BARRY: Pardon?

MR. WOODWARD: Is this on a full-time research basis?

MR. BARRY: No, no, these are as consultants and they have done work in particular areas of the case.

MR. WOODWARD: Just a retainer fee.

MR. BARRY: They have had a certain retainer fee. Professor Myres McDougal of Yale University, Professor O'Connell of Oxford and Australia and he has been involved with the Australian case that is now proceeding through the Australian courts in the same matter and a Professor Noel Lyon who is a law professor at Queen's University and an excellent Canadian constitutional lawyer. The final individual that we need and who I am now in the process of arranging for is a barrister who will be responsible ultimately for the pleading of the case in court and who is the person - that does not mean that we have decided automatically we are going to court - but he is the person who will have the responsibility for putting

April 17, 1975.

Tape 1547

RH - 5

the final shape on the case, for deciding out of all this vast amount of information we have collected over the last couple of years just what is relevant or what is going to be helpful and what is not going to be helpful. He is the one, he is going to be the advocate, the person who is going to be saying, these

MR. BARRY: are main points to stress. You can underplay those or use those as background material. So we have reached the stage now where our research is basically completed and we now need to have a barrister retained to, as I say, put the final shape on the case and we should have this arranged in the near future.

I will give you an example of the sort of thing that we are finding. Just a little tidbit to whet your imagination. This is something that just came in yesterday from one of our researchers and it is correspondence that dates back to 1934 when the Province was in Commission and it is a letter from Downing Street, from the British Government, to the then Governor, Governor Anderson and it deals with this question of whether Newfoundland was a Colony, whether it reverted back to a Colony or remained a Dominion, retained its sovereign status, which is one very important area of our case. And it is an area where I might say we have been very pleased with what we have found on this. We have a much stronger case on this portion than we had two years ago, a year and a half ago when we started the research. This is the sort of thing we find.

This is a memorandum on the part of the British Government instructing the Governor in Newfoundland how to treat Newfoundland. And he says, referring to the Statute of Westminster, section 11 of the Statute provides that notwithstanding anything in the Interpretation Act, the expression Colony in any future act of Parliament shall not include a Dominion, that is what the Statutes of Westminster said. So here is the British Government, the government saying, consequently the expression "Colony" in any future United Kingdom Act or any United Kingdom Act passed since 1931 will not include Newfoundland. In other words Newfoundland, as far as the British Government was concerned was not included in the term "Colony" in 1934. It was not a Colony.

MR. WOODWARD: What was it, a Dominion?

MR. BARRY: It was a Dominion. Now this is the - Now what is the wording from here?

MR. SIMMONS: It is the wording that makes specific reference to Newfoundland.

MR. BARRY: This is the wording of the British Government in giving instructions to the Governor when we under Commission of Government as to how Newfoundland was to be treated. And everything that we found, they have been amazingly careful and precise. The Commissioners during Commission of Government were unbelievably concerned about Newfoundland's status and they were almost meticulous in the very carefully worded way they preserved Newfoundland's status and -

AN HON. MEMBER: Inaudible.

MR. BARRY: Right, but I suspect that we have lost that art of meticulousness in our public administration, because it is -

AN HON. MEMBER: A different world.

MR. BARRY: A different world, different types of people.

MR. ROBERTS: More than 1500, paid more than \$1,500 a year had to go to Westminster before that it could be created.

MR. BARRY: I do not know if the honourable the Leader of the Opposition heard me, I am just referring to the Dominion - Colony dispute as an element of our legal case and I am referring to correspondence from the British Government back in 1934 directed to the Governor where it says, "consequently the expression Colony in any future United Kingdom Act passed since 1931 will not include Newfoundland."

MR. ROBERTS: Or the way Churchill approached the bases deal.

MR. BARRY: This is just as I -

MR. AYLWARD: Would the minister permit a question?

MR. BARRY: Yes.

MR. AYLWARD: I did not quite follow that, when Newfoundland reverted was that by Statute or what? I followed that letter but he just said, he was not referring to a definition in the Act was he? That was his interpretation? I mean the question I wanted to ask, in 1933 when we lost Responsible Government and reverted back to Commission of Government, was there a special Statute of something passed by the Imperial Parliament or anything? No legislative act on the part of the Imperial Parliament.

MR. ROBERTS: Yes there was.

MR. AYLWARD: I know in Newfoundland there was an Act, but I mean in the

Imperial Parliament was there any Act then dealing with the status?

MR. BARRY: Not dealing with the, this is not the -

MR. AYLWARD: No. No.

MR. BARRY: There was no act dealing with the status of Newfoundland as to whether it was a Dominion or a Colony. It was an act authorizing the involvement of the United Kingdom in the management of the administration in the Government of the Province.

MR. ROBERTS: There was also an act of the then Parliament of Newfoundland. Their last act was to vote themselves out of existence.

MR. AYLWARD:

The question I did not quite follow is, you know, the memorandum.

He is quoting from the definition of Colony in the Interpretation Act in England but says, in his opinion, it does not apply to Newfoundland.

MR. BARRY: Westminster, right. He is setting up a policy of the United Kingdom, the British Government, and saying that Newfoundland is not considered -

MR. AYLWARD: Yes, but there is no statute saying that. That is just his interpretation.

MR. BARRY: Not his, but the British Government's interpretation.

MR. AYLWARD: Yes, but there is no legislative action on it, is there?

MR. BARRY: No.

MR. AYLWARD: You know, there is no action. I see what you mean.

MR. BARRY: I just put that out as an example of the type of material that is being collected by the researchers into the archives, and I will not spend any more time on that.

MR. WOODWARD: Building a case is not winning a case.

MR. BARRY: Pardon?

MR. WOODWARD: Building a case is not winning a case.

MR. BARRY: No, but you stand a better chance of winning if you do a little building.

MR. WOODWARD: Yes.

MR. AYLWARD: If you do not build, you will never win.

MR. BARRY: And just very quickly, Mr. Chairman, I just point out that we have provision for an industrial hygienist consultant, provision for money to have assessment of the Bell Island oil storage potential -

MR. WOODWARD: This is no longer needed.

MR. BARRY: - a consultant for engineering services dealing with again, and getting back to this relevant heading, the possible ways that oil and gas could be brought ashore from Labrador. There has still not been very much work done in this area. Eastcan, the company that is directly

concerned, has done a certain amount but there are still a lot of questions to be answered before we will know, well, first, whether there are sufficient quantities; and secondly, whether it will come ashore.

Oh, yes, one other point with respect to the offshore development. We, last year, obtained the services of a former employee of the federal government who is now acting as a consultant, and he has set up a computer model, an economic model, setting out on a computer the information we have with respect to development costs, with respect to the prices of oil and gas coming ashore, with respect to certain alternatives as to taxation and royalties that could be charged and make the fields viable and so on. Again, we are at a very preliminary stage but this is the sort of planning, I think, that the honourable member was referring to with respect to the offshore, anyhow that we have to start now and start building block by block so that they do not run away from us when they start moving after they conclude this commercial discovery. And these are areas where work has been done over the last several years.

With respect to this heading, Mineral Development Division, it is noted in the subhead, 1103, expenses are related to geological mapping, information of public services, mineral evaluation surveys, geochemical surveys and construction materials inventory. I have some detailed information on all of these areas if honourable members are interested. One area here, I think, that should be pointed out, which is a fairly important point, and that is that we have been successful in the past year -

MR. WOODWARD: Additional salaries for additional staff.

MR. BARRY: - we have been successful in the past year - additional staff as well.

MR. WOODWARD: That is additional staff.

MR. BARRY: Additional staff.



MR. BARRY: We have been successful in the past year in having Brinco and Brinex agree to the reversion to the Newfoundland Government of the very significant number of square miles of territory that were held, the mineral rights of which were held by the companies.

MR. WOODWARD: They have already done their thing so they are quite willing to -

MR. BARRY: No, no, this was well a significant departure, it is not their normal relinquishment. As a matter of fact this was some 8,000 square miles, if you can believe it that has not - the transfer has not yet been completed. But within the next few months some 8,000 square miles of territory on the Island and in Labrador will revert back to the Crown, and we will then be in a position to make this available, to throw it open for claims staking.

This has been one objective that we have had as you know since this government came into office, to loosen up the territory in our Province, to make it available to more companies, more individuals than were able to get involved before. BRINCO, Brinex held a considerable area, held mineral right to it and therefore other potential investors could not get involved in these areas. But, they recognized, they realized themselves that they had, I would suspect, much more than they could adequately explore with the funds -

MR. WOODWARD: (First part inaudible) - programme in the last two to three years.

MR. BARRY: That is not -

MR. WOODWARD: In Labrador they had a full-scale operation which they have withdrawn from completely in the North West River area there.

MR. BARRY: Okay. That is in the Labrador area.

MR. WOODWARD: Yes.

MR. BARRY: They are involved in other areas.

MR. WOODWARD: And went on for a period of the last fifteen years.

MR. BARRY: Right, but they are involved in other areas.

MR. WOODWARD: The resident geologists and the whole thing.

MR. BARRY: They are involved in other areas in the Province, and I might say that in addition to Brinex there are other companies that are involved in Labrador. The honourable member is probably aware of them. But, I might mention them for the information of the honourable House. I have them here somewhere.

We have Kenco. That is a large producer of copper. The parent company is Kennecott Copper Corporation. We have B.P. Minerals Limited. That is a company again that has come in in the last couple of years. It has not been involved in the Province before. It has a concession agreement in Labrador. They are interested in uranium and base metals. This programme is in its third year now. Of course the Iron Ore Company, Labrador Mining and Exploration Company and NALCO are also all exploring in Labrador.

We have, as we referred to earlier, BRINCO and Brinex still spending a considerable amount of money on exploration with respect

to uranium in the central mineral belt of Labrador.

Mr. Chairman, if I could - oh yes, one other point I would like to make here. There will be at least five field parties, mapping parties going out to various areas in the Province over the next year. We would like to see this expanded. This is an area where we are now having discussions with the federal government in an attempt to have expanded mapping because we have decided as a matter of policy that the area where we can now best expend our funds and energy is in providing better mapping of the territory, both the Island and Labrador, and that if we do that, this is going to lead to other companies getting involved in the Province because they will have that much more information and are not starting off almost from scratch as they are in some cases now.

So, we are concentrating on mapping, and mapping on a scale of one to 50,000. That is what? One inch is about ten miles. And we hope to see that pay off. Again it is going to be over the long term, but it is the area where we feel we should concentrate on now, today. Now, there are other policy areas. I am not sure where they qualify for bringing up, but -

MR. WOODWARD: Maybe the minister can then answer the question with regards to the Buchans situation and the exhaustion of the minerals, and if he has any idea how long the development will go on?

MR. BARRY: The information that we received last year, as I presented to the House then, was that the then reserves were five to six years. Now, the task force, the Buchans Task Force to avoid any sudden surprises or any pushing it too finely, are proceeding on the assumption of the possibility of exhaustion in three years, just to have proper margins so that they can plan as to how to avoid social and economic disruption in the community when the mine closes down, if the mine closes down. I might add that the companies both Asarco and Price are committed to significant expenditures on exploration again this year in the area of the Buchans mine. And again we can only hope and keep our fingers crossed that they come up with a discovery that would permit the continuation of the mine.

It was interesting to look at Price Newfoundland's annual report this year where they, I think, recognized the responsibility that they have as a company, a mining company, that holds certain areas in Newfoundland, certain large areas, a responsibility they have for spending money on exploration. It was all - I am not sure if it was directly or indirectly. The impression I got, and I think the president may have stated it directly, was that they are very much aware of the changing attitudes on the part of the public, on the part of the government where it is expected of individuals or companies holding large areas, holding the mineral rights to large areas, it is expected that they either invest money on exploration or pass the land back to make it available to others who might be prepared to invest in exploration and come up with development.

MR. WOODWARD: Inaudible.

MR. BARRY: That goes back to the -

MR. ROBERTS: Original legislation.

MR. BARRY: Price - Price, Price, Price -

MR. ROBERTS: No, the Anglo-Newfoundland Development.

MR. BARRY: That goes back right to the -

MR. ROBERTS: 1904 was the original -

MR. BARRY: Right, to 1904.

MR. ROBERTS: What they got then, they still got.

MR. BARRY: Or shortly after, yes.

MR. ROBERTS: Thank you for it -

MR. BARRY: I am not sure if it was the initial one or if they made another agreement afterwards, but it goes back you know, further than the 1920's. As I just mentioned, the companies recognize that governments and the general public are not prepared to have land lying on the dead, to use an old Newfoundland saying, that the public expects companies to either explore or permit others to explore. One of the recommendations of the Royal Commission on Mineral Revenue that we are looking at, with much favor I might say, is that we bring in a mineral acreage tax or a mining rights acreage tax where people holding large areas, they will have the option: They can hold them and pay a certain rental, or they can have

them revert back to the Crown, some or all of them.

I am not saying that we are going to phase it in as quickly as the Royal Commission has indicated, as they would recommend or that the level of the tax will be as recommended there. These are things that are now being worked out. But, I think it is a fairly safe bet to say that this government will be implementing that particular recommendation. We think that most companies will accept that as being a reasonable resource management tool, a necessary resource management tool.

Other matters, of course, arising from the Royal Commission on Mineral Revenue on which there has been a bit of controversy in recent weeks are recommendations - the two I guess most controversial recommendations of the Royal Commission are first, the recommendation that we impose an ad valorem tax, or a tax on the value of minerals produced, rather than a tax on the profits of the company as we have in many cases now in the Province. Companies argue, how can we pay taxes and expect to continue if our operation is not profitable? Now, the other side of the coin, of course, is that if a Province merely taxes profits, you could have an efficient company with little or no profits taking out very valuable and large mineral reserves and the Province recovering

nothing in the way of direct revenue, presumably employment benefits and so on. So, this is one area that we have to very carefully consider. We are not committed to this recommendation. I do not know if we will accept that recommendation. Again, I hope to make a statement on this one and on other recommendations of the Royal Commission report within, I am hoping, a few weeks, a month because it is important that we act as quickly as possible to remove uncertainty that now exists in the industry. We understand that when any Royal Commission brings in a report, companies get twitchy, the industry gets a little uneasy. They do not know what is going to happen. There is uncertainty and then there is probably going to be a tendency to hold off in making certain investment decisions with respect to exploration and so on. I hope we do not. Conceivably there could be some slackening in exploration just while this period of uncertainty exists and that is why we have to act and act fairly quickly and we intend to do so.

The other controversial recommendation is that, by the Royal Commission, was that the Province no longer grant the absolute right to obtain mining leases, that when a person gets an exploration permit or stakes a claim or has a concession agreement that he only has the right to explore and an option to get a mining lease subject to certain conditions to be negotiated. The companies, of course, say how can we expend millions of dollars in exploration and not know if we will ever be able to get the government to agree to give us a mining lease? We are not committed to that particular recommendation. We are studying it. We are going to study it carefully. We are not going to be bulldozed into making a hasty decision or throw out all the Royal Commission merely because there are one or two controversial recommendations.

The other most significant recommendations, in my opinion, are, of course, that we increase the rate of mining tax. I do not think there is any question that there will be some increase in the rate of mining tax. Most companies again agree that there should be.

MR. WOODWARD: What rate of increase are you thinking -

MR. BARRY: This we are not prepared to say yet, but again -

MR. WOODWARD: What are the present tax -

MR. BARRY: At the present, well, it is such a hodgepodge it is hard to say because you have your Mining Tax Act which sets out a mining tax of five per cent of profits as defined in the act but that act hardly applies to any companies that are actually operated.

MR. ROBERTS: They have all got individual acts, do they not?

MR. BARRY: Pardon?

MR. ROBERTS: They have all got individual acts.

MR. BARRY: Virtually all. One or two of them are, but we have the Daniel's Harbour zinc mine where we did not have to give them any special tax break or tax concession. Of course, they tried.

MR. ROBERTS: Wally Maynard got the concession.

MR. BARRY: They tried, they have tried to -

MR. ROBERTS: You heard what happened -

MR. BARRY: They tried to get terms, or they approached us for particular terms and we said the Mining Tax Act is there and it is going to apply, an act of general application, and they proceeded with development. Another area where we have to take action and we intend to take action fairly soon is we have to make a decision as to what we do with the portion of the corporation tax on mining companies that was rebated by the Federal Government. The Federal Government, there has been two rebate acts, one of ten per cent and one of fifteen per cent over the last couple of years. The Federal Government have said, we are doing this and we will give the companies the opportunity, the Provinces the opportunity of moving into this area. If they want to increase their rate of tax by that amount to keep the companies in the same position they were a couple of years ago that is up to them. So, we have to make a decision on this.

Now, we hope to bring down either statements on these various recommendations, statements of government policy as to these recommendations and/or legislation on specific decisions of government, and we hope to do this fairly soon, as I say, as quickly as possible to remove any uncertainty



that now exists in the industry. But again there is an unbelievably complicated process that must be gone through in drafting an act just to increase the mining tax. I thought it would be just a matter of changing the rate in the existing act, but it is not that simple. They got lawyers and draftsmen and geologists going crazy the last few weeks. But it is proceeding along fairly well and we hope to have this area of policy clarified for the mining industry and for the general public in the very near future.

Mr. Chairman, these are the only matters that, of a general nature, that I would like to comment on at this time. Again I am perfectly free to answer any questions that the honourable members might have.

MR. WOODWARD: Mr. Chairman, before we move on I would like to bring to the attention of the minister, and I do not know if the minister is aware of the fact, when you, like in terms of land use and mineral claims, but the situation had developed in Labrador and has been recently brought to life, the fact that the - it was mentioned in the estimates, the Department of Agriculture and Forestry with regards to crown lands - that was the fact that the Moravian Mission are not holding mineral rights but they are holding title to some 400,000 acres of land in Labrador and that land involves a number of communities and possibly a number of potential communities where development will take place in the event there is a discovery and the offshore is brought onshore. I am concerned for a number of reasons. The people are concerned, looking for a title to their property now that they have bought from the, some of them have bought, and the government have bought property or land from the Moravian Mission. I think the, having a meeting, had a meeting a couple of days ago with the superintendent of the Moravian Mission and they would be quite willing to relinquish their claims for some small compensation. I think we should look in terms of doing this and I hope that the minister and his department which will be heavily involved will be receptive to reaching some sort of an agreement with the Moravian Mission so that this land can revert back to the Crown and will be utilized.

Chiefly, I am chiefly concerned about the utilization of land

and legal title by residents in the communities. It was very easy for a Moravian to get a piece of property from the Moravian Mission, but when you get outsiders moving in it may not be as easy to develop if we have other people that are willing and wanting to settle there in the communities such as Makkovik and Nain in the event there is some heavy development. Maybe the government will have to resort to expropriation, which I do not think we would want to see. Possibly the Moravians would be more than willing to negotiate for a small, token sum of money in this respect. But they do have legal title to some 400,000 acres.

MR. BARRY: Well, of course, again this is an area where there is a fair amount of uncertainty as to what is going to be needed and where it is going to be needed. I think it is an area where we are going to have to wait till we see -

MR. WOODWARD: You could hardly get away from them if you go and develop -

MR. BARRY: Well, they have got the entire coast, have they? I ran into this, actually, on my visit up there. In Nain, for example, I believe Ian Strachan's house is on -

MR. WOODWARD: Right. It is the government's property if they said okay, we will give you a piece of property for one dollar and the whole community is developed on Moravian land.

MR. BARRY: Right, on Moravian land, right. We will, of course, be making contact with the Moravian -

MR. WOODWARD: Well, they will be writing, I think, within the next couple of weeks.

MR. BARRY: We will give it careful consideration. Again, this is an area where Municipal Affairs is eventually going to be involved or some planning authority in terms of the controls that are going to be necessary on the development of the Coast. On the one hand you do not want to set up controls so that everybody who wants to erect a stage head has got to engage in a complicated series of red tape. On the other hand you want

to make certain that government controls the sort of development that takes place. We are aware of this and looking at it.

MR. SIMMONS: Mr. Chairman, we are on 1203-01?

MR. CHAIRMAN: 1103-01.

MR. SIMMONS: Sorry, 1103-01. I would like to ask the minister just to comment on the substantial difference between the last year's estimates salaries which were \$239,000 and the revised for last year, \$120,000. What explains that? Is the minister's department having difficulty getting staff or was there a change of plans?

MR. BARRY: Do you say -

MR. SIMMONS: The estimate last year.

MR. BARRY: The estimates were how much?

MR. SIMMONS: \$239,000.

MR. BARRY: \$239,000

MR. SIMMONS: And the revised, \$120,000, about half that amount.

MR. BARRY:

Now I got that information here somewhere. 1103-01, okay, this decrease of \$119,000 from the original estimate is a result of several employees engaged on the mineral development programme being charged to 1103-03-04 mineral development programme, instead of the subhead as originally set up 1103-04. Yes, there was a - and I will explain the change in 1103-03-04 for the honourable member when we come to it as well, but employees who were engaged in the mineral development programme were charged instead of to this subhead, to a later subhead 1103-03-04 and also the unclassified position of regional geologist, which is provided for in the original estimate, was not filled. The salary allocated for this position was \$15,000.

Since then we have, if I recall correctly, filled that position of regional geologist. We have geologists located in Labrador. But this explains the difference in the two votes.

MR. SIMMONS: Before we go on, Mr. Chairman, did the minister indicate that some of the funds had been spent under 03-04.

MR. BARRY: 03-04, yes. That is down as well, I will explain that when we get to it.

MR. SIMMONS: Yes, okay, okay, fine.

On motion 1103-01 through 1103-03-03, carried.

MR. BARRY: 1103-03-04. This is the one where the honourable Member for Hermitage just asked a question. Now provision is made here for \$550,000, which is down from last year. This is for programmes conducted by the Mineral Development Division under the Federal-Provincial Agreement, the Mineral Evaluation Agreement which expired in 1975, or the expiry date is this year, June 30, 1975.

Now last year in this subhead we had allocated \$1,120,000 which was the balance then available under the Federal-Provincial Mineral Evaluation Agreement. We just put in the entire balance remaining under that agreement on the assumption that we would spend as much of it as

could reasonably be spent under the programme. In fact there was only \$720,000 spent on this particular programme because that is all that could be done during the field season. So we have now obtained the permission of the federal government to have this mineral exploration agreement extended to permit the expenditure of the additional \$400,000 remaining under the agreement.

And in addition to that there has been the \$150,000 added to it. The agreement is being extended to March 31, 1976, so the money that is left, the balance under the agreement will be spent in this field season.

Also in this area we have out of this \$550,000 we have \$300,000 of it allocated for the Mineral Exploration Programme under the Federal-Provincial Agreement and we have \$250,000 allocated for new programmes, specifically mapping programmes that I referred to earlier that were in the process of negotiating with the federal government and we hope to see additional federal funding in excess of the balance that remained under the previous agreement to permit additional mapping.

The mapping programmes that we have planned for the coming year are covered in the previous subhead, 1103-03-01 - geological, and they are as follows: regional geological mapping on the Burin-Bonavista Belt, there will be two field parties operating here; regional geological mapping Port aux Basques - LaPoile area, one field party; regional geological mapping in the Hermitage Bay area, one field party; regional geological mapping, St. George's Bay and Deer Lake; in the Conche Carboniferous Basins, two field parties; and regional geological mapping on the Baie Verte Peninsula, one field party.

So these are programmes for which we have funds provided. As I say, we are in the process of negotiating with the federal government in an attempt to obtain additional funds to carry out a more extensive mapping programme but it is too early to say whether we will be successful in our negotiations although I think everybody agrees that this is the area that we should concentrate on, developing better mapping so that

companies or individuals who might be interested in investing and exploration have the information upon which to base their decision.

AN HON. MEMBER: Inaudible.

MR. SIMMONS: Who? What individual?

MR. BARRY: Director of Mineral Resources Division, John Fleming is the -

MR. SIMMONS: Who is John Fleming?

AN HON. MEMBER: I thought it was John McKillop.

MR. BARRY: Well, John McKillop is the Deputy Minister who also of course he is directly involved and sits on the federal-provincial arrangement. I assume the honourable member is going to refer some -

MR. SIMMONS: I want to get a little more detail -

MR. BARRY: - candidates for field parties, yes.

MR. SIMMONS: No, not that, But I did not want to take the time of the Committee but I wanted to put through the Hermitage Bay one, obviously, and get some more detail on it unless the minister wants to give it in Committee.

MR. BARRY: I do not really have sufficient detail here to give you the exact areas and so on or whatever.

MR. SIMMONS: Well that is the kind of thing I wanted.

MR. BARRY: You are better speaking with John Fleming.

MR. ROWE: Is there any further exploratory work going on on the Northern Peninsula with respect to these zinc deposits there?

MR. ROBERTS: Inaudible.

MR. ROWE: Yes, this is what I was saying. This is the company that is doing this and not the government. Well any reports?

MR. BARRY: This is a good example of how you have - government used seed money, as it were. It is like getting the thing going by getting a certain amount of government participation in key areas around the Province where there is the likelihood of good mineral potential. Government, because it has limited resources, and we are still, under our system, forced

to rely on private enterprise and attract private enterprise to invest in exploration.

We believe that the limited funds that are available in government should be used in certain key areas, the areas of greatest mineral potential, to get the basic data that can then be used to entice private enterprise to come in and spend private capital in exploration. And this is what has happened on the Great Northern Peninsula and the Daniel's Harbour area and further North, where there were certain studies carried out by the Department of Mines and Energy over the last -

MR. ROME: Sort of a reconnaissance survey.

MR. BARRY: - over the last few years, geochemical sampling of river beds and so on, the results of which studies were then published and they indicated certain anomalies that was just enough to attract the interest of private entrepreneurs and there is



a very, very interesting and exciting potential on the Great Northern Peninsula for additional zinc discoveries.

I should say here that we are in the process of making an agreement with the Newfoundland Zinc Company to - under their agreement they have - oh they hold under mining licence or a development licence some 400-odd square miles. They have established reserves of approximately ten years, but there is a very good likelihood of additional reserves. They are entitled to retain thirty square miles - I am sorry, I said under the development licence - under their concession they hold 400-odd square miles. They are entitled under their agreement to take out development licences for thirty square miles. They have come to us and said that we want, if we can, to increase the amount of acreage we are entitled to take out under development licence, to increase it from thirty square miles to, I think it is eighty square miles. They asked for more but we would not agree to any more. But there will be some 300 square miles of territory that will revert to the Crown fairly shortly that will be available for claim staking by individuals on the Great Northern Peninsula area. We will, government have agreed, subject to - it has to be confirmed by the House, of course, we have agreed to the amendment of the Newfoundland Zinc agreement to permit them to have a larger area under development licence for a short period of time because they say otherwise they will not be able to efficiently expend the money which they are prepared to expend, a sizeable amount that they have indicated for this coming year some \$250,000 to \$300,000 they are prepared to spend on additional exploration. It is in our interest to ensure that the life of the Daniel's Harbour mine, of course, is extended by the finding of additional reserves and therefore we have been willing to comply with their request, and I doubt if it will make this Session it might, but we will be bringing in legislation to extend or increase the number of square miles they are entitled to hold under development licence, which of course they have to pay rental on, they have to expend certain dollars on in exploring, and have to relinquish if they are not prepared to go to a mining lease within five years.

MR. SIMMONS: Would the minister just indicate if some mapping has been done in that area, say north of Bay D'Espoir if you like to the West of the Bay D'Espoir Highway between Bishop's Falls and Bay D'Espoir, that area to the West of the highway?

MR. BARRY: Sir, what was your question?

MR. SIMMONS: Would the minister indicate whether mapping has been done or is being done to determine - I am talking of the geological mapping of that particular area?

MR. BARRY: The area West of -

MR. SIMMONS: Let us say as you go down the Bay D'Espoir Highway to your right, to the West -

MR. BARRY: Right.

MR. SIMMONS: from there into Victoria Lake, if you like, ah?

MR. BARRY: Right.

MR. SIMMONS: South of Buchans.

MR. BARRY: I can not answer that. It is not in the cards for this year to my knowledge. I have listed the exploration parties. Until one of these parties are covering that territory -

MR. SIMMONS: It does not sound like it. Would you check -

MR. BARRY: It does not sound like it. I do not recall any that have been carried out in the past couple of years. I have a large report here from the division but it will take time to find it. If the honourable member could get the information from Mr. Fleming -

MR. SIMMONS: Okay.

MR. BARRY: - when he is talking to him or I would be glad to supply it later.

MR. CHAIRMAN: Shall 04 carry?

On motion 04 carried.

MR. CHAIRMAN: Shall 1104-01 carry?

MR. ROBERTS: Mr. Chairman, I do not know if the minister wants to say anything on this very substantial expenditure. It is fairly straightforward. I would think - although there are a number of points that I wish to raise. But if the minister wants to - it is not an opening statement but if he wants to say something I will yield and hear what he has to say.

MR. BARRY: Inaudible.

MR. ROBERTS: This is the Power Commission and the REA and one thing and another like that.

MR. BARRY: - energy and resources and this - I made certain statements with respect to the electrical energy side of things in my opening statement. A lot of the general policy of the department has been covered in the debate on the Newfoundland Hydro Bill, of course, and so on. But I do have some comments with respect to the Power Commission budget, if I can find it.

Mr. Chairman, we have under this division the grant in aid for the Rural Electricity Authority, and payments made to the Newfoundland and Labrador Power Corporation under the Industrial Incentives Act. This year, as you will see, there is no payment for generating capacity which is the surplus built-in capacity of the Corporation where government made an annual payment to compensate the Corporation for having this additional surplus built in. As of this year, as you can see, we are operating without this surplus. We do have, of course, we are not totally up to the point where we do not have any further energy to draw on. It will be as I indicated this afternoon 1977-1978 by which time we will have the extension to the Bay D'Espoir project on stream, hopefully, before we reach that stage. We now have a situation where we have the Holyrood Thermal Plant which has two units. One unit is required pretty well full-time. Up until this last year, of course, they could have that on what you would call black standby.

MR. WOODWARD: Who are you buying the bunker from?

MR. BARRY: The bunker is right now being tendered, I am not sure who the last quantity was purchased from. Its put up for tender or they ask for proposals on the market....

MR. WOODWARD: There is a surplus of bunker on the market.

MR. BARRY: Pardon.

MR. WOODWARD: Beware. There is a surplus of bunker on the market.

MR. BARRY: I hope they have not entered into any long-term agreements in the last year. Yes, this was an indication of where conditions change fairly quickly, unbelievably fast over the last year, you know.

MR. WOODWARD: Large surpluses of -

MR. BARRY: As a matter of fact - and this is a little off the topic,  
Mr. Chairman, -

MR. ROBERTS: - seventy per cent -

MR. BARRY: - this is a little off the track, Mr. Chairman, but it  
is interesting that I breathe such a sight of relief when I saw the  
article, I think, it was in Time Magazine dealing with the glut of  
super tankers - they are now -

MR. WOODWARD: They have been converted to bulk carriers.

MR. BARRY: They have these super tankers on the drawing boards  
and in the shipyards being constructed that are obsolete. They have no  
use for them.

MR. ROBERTS: No, no, they are not obsolete.

MR. BARRY: And I refer -

MR. ROBERTS: .... Supership.

MR. BARRY: No. But I refer to the plans that were indicated for  
Marystown at one stage

MR. ROBERTS: Oh, the Pan Maritime people.

MR. BARRY: Well, you know, Pan Maritime were a fine -

MR. ROBERTS: They are.

MR. BARRY: - group, I think, and a knowledgeable group, and we had an unfortunate episode or a series of episodes of events there as to -

MR. ROBERTS: With the Pan Maritime people?

MR. BARRY: No, no, not with them, but with, you know, the general controversy that was raised with respect to the plans for the previous Premier for the construction of super tankers and -

MR. ROBERTS: I did not think there was any controversy. It did not come off. It was an idea that did not work out.

MR. BARRY: Well, let us say that there were considerable differences of opinion, I would think, at the time as to the validity of that concept.

MR. ROBERTS: Between whom and whom?

MR. BARRY: At present I am speaking by hearsay, because I was not involved in government. But I understood that the federal government was more or less adamant at the time that they would not support Newfoundland moving into any such area.

MR. ROBERTS: I do not think they were adamant or not. They certainly were not going to put up any of their own money for it, nor did they.

MR. BARRY: But this is why I say, you know, I breathe a sigh of relief when I -

MR. ROBERTS: That is why we did not go into it.

MR. BARRY: - when I contemplate the situation that you could have at Marystown today and, you know, the potential dislocation, unsettlement -

MR. ROBERTS: More seriously with the super tankers, just the fact that these are floating time bombs all over the world.

MR. BARRY: Well, that is -

MR. ROBERTS: Have you read the book, The Super Ship, by that man -

MR. BARRY: I have not read it yet. I have read a review of it, but I have not had a chance to read it.

MR. ROBERTS: It is more worthwhile than most of the stuff we read .

MR. BARRY: But anyhow this is one good point raised by the Hon. Member for Labrador North that conditions change. We now have a glut of some products on the market. As a matter of fact there is one individual writing in The Guardian, I think, I believe it was reported in The Telegram not so long ago whose theory is that the reason that we are having all these price increases is not because there is an energy shortage but because there is an energy glut. To a certain extent he is right.

MR. ROBERTS: The OPEC cartel is what has driven up the price.

MR. WOODWARD: It is not by supply and demand.

MR. BARRY: But he is right in that, As I showed today with this oil map, there are enormous quantities of known oil and gas reserves. But the point is that unless they are available to the consumer, you cannot say that there is a glut. And if you have, whether it is an artificial barrier or any other barrier that prevents the oil and gas from moving to the market, I do not think it is -

MR. ROBERTS: You do not think that surely the government of Newfoundland is going to solve those problems?

MR. BARRY: No, I do not think that.

MR. ROBERTS: Even the Priorities and Planning Secretariat would have -

MR. BARRY: No, I say we could very probably lead to an easing of Canada's problems through the development of our hydro and electric potential, our oil and gas potential, our uranium potential and these are the areas where I believe we should be submitting proposals for the types of national policies that will see our energy resources developed for our benefit and for the benefit of all Canada.

I do not know how much detail the honourable member would like on this. I do not have too much to say in the way of general opening remarks, Mr. Chairman, or I had not planned - I can say a lot, but I really thought that this area had been pretty well covered in the Newfoundland Hydro debate and in my general opening remarks today. There have been significant developments, of course, in this field over the past year with the Churchill Falls purchase,

the new status, new responsibilities of what was the old Power Corporation where their writ now runs for Labrador or can run for Labrador once that section is proclaimed, as well as for the Island. We have the new organization, Newfoundland Hydro, created to co-ordinate the Churchill Falls operation, the Island operation of the old Power Corporation and the corporation that will be responsible for the development of Gull Island. Again, as I say, I do not plan to go into this in detail at this moment unless honourable members wish.

I should point out, however, Mr. Chairman, that it is obvious from looking at - there is an increase in the grant-in-aid to the Rural Electricity Authority of some \$1.5 million. This is directly attributable to, amongst other things, the escalation in the price of crude oil, the price of Bunker C oil. I have some information with respect to the areas where the Rural Electricity Authority is intending to get involved in capital projects. -

MR. ROBERTS: That is one of the questions that I was going to ask.

MR. BARRY: - for the year.

MR. ROBERTS: Tell me about St. Carols.

MR. BARRY: St. Carols and St. Julien's, I believe -

MR. ROBERTS: St. Julien's has had lights since 1971.

MR. BARRY: I believe the honourable member was referring to St. Julien's in the same context as St. Carols last year. It was only a couple of days ago -

MR. ROBERTS: No.

MR. BARRY: - I tore up my memo. I have forgotten -

MR. ROBERTS: St. Julien's needs a road. I might have been referring to Fischot Islands.

MR. BARRY: Fischot Islands.

MR. ROBERTS: St. Julien's has had lights since 1970 or 1971.

MR. BARRY: Well, the situation still prevails that we have the policy of - we did not set it, it has been there for a time - that in



order to qualify for electrification, we need fifteen customers not necessarily fifteen homes but fifteen customers. It could be a school or a church or a store.

MR. ROBERTS: If there are fifteen customers, that is the minimum demand charge?

MR. BARRY: The -

MR. ROBERTS: That is a customer defined, is it?

How does the minister define a customer?

MR. BARRY: I am not -

MR. ROBERTS: You see there are thirteen.

MR. BARRY: In my opinion, I have never bothered to check and find out what the actual practice is, but in my opinion, the practice should be to go out on the site and just look at the physical structures that are there to require electrical hook-ups. Presumably you could have individuals agreeing to pay the minimum demand charge for an outhouse or a henhouse or whatever.

MR. ROBERTS: If I agree to pay it, could I not become a customer in St. Carols?

MR. BARRY: I suspect that that would be contravening the spirit, if not the letter of the existing policy -

MR. ROBERTS: - spirit instead.

MR. BARRY: I would have to check it out.

MR. ROBERTS: You spend \$3.8 million, and you cannot find \$30,000 to bring lights to one of the few communities left. They are a mile by road from the wires.

MR. BARRY: Right. It is -

MR. ROBERTS: It is foolish -

MR. BARRY: Well, let me say, Mr. Chairman, that it is a policy that causes me some trouble, some difficulty but, Mr. Chairman, I would like to point out the reason or the need for some policy in this area for setting some, and it is an arbitrary limit -

MR. ROBERTS: But it was set originally with reference to - you know how it was set do you? I mean I was around when it was. It was with reference to diesels.

MR. BARRY: I will be interested in hearing -

MR. ROBERTS: Well let me say a word on this.

MR. BARRY: With diesels, I -

MR. ROBERTS: Well, let me say a word on that, because it is an important -

MR. BARRY: You are referring to the fact of the distinction between a hydro tie and the -

MR. ROBERTS: Well, no, not between a hydro tie and not that distinction, Mr. Chairman. You know there is a distinction between hydro tie-ins and some diesel tie-ins but we are talking on the Northern Peninsula still of diesel systems.

MR. BARRY: Or the fact of diesel tie-ins for the larger centres.

MR. ROBERTS: Right, that is the point. And we have at St. Anthony, and that is the area we are speaking off, Sir, you know, quite a large plant. I do not know how many watts or kilowatts or megawatts, but it is a very large plant, and it supplies power for all of St. Anthony, which is a town of 3,500 people and has a very heavy consumption of power, a large hospital and everybody in St. Anthony uses power with ease, and they enjoy it. The community of Goose Cove, the community of St. Anthony Bight, the community of Great Brehat some of which are six or seven miles from St. Anthony. Goose Cove is about eight or nine by the way the poles go and Brehatis five or six. Then there is the community of St. Carols which, you know, the population goes up and down. If a family moves out the population of St. Carols can go down by seven or eight per cent. They never have been able to get up to this arbitrary limit of fifteen customers to which the minister refers. The minister is right. There is a policy and it has been in effect - I would guess that was adopted about 1964 or 1965. But the policy was adopted, Mr. Chairman, and I think it is an important point because I would like to see these people get electricity -

MR. BARRY: So would I.

MR. ROBERTS: - and so would the minister. And the way they will get electricity is not to have their own diesel plant but just to run a pole

line out, branching off, I suppose, from the line to Brehat and running out the mile or so, and that is all it is. And there is now a road to St. Carols. so, you know, the lights would - I do not know what it would be. It is a very simple and uncomplex electrical operation to hook up twelve or fourteen or fifteen homes and a school, and there are no shops or stores, but, you know, a community hall, whatever is there.

MR. ROBERTS: They should not be considered a community in that sense, and if it would make it easier we should reconsider it.

MR. BARRY: How many customers are there now?

MR. ROBERTS: I am told, and I have not checked recently, but I am told there were thirteen and I made a long standing offer that I will become two customers any time if that is accepted. You know, I will just agree to pay the minimum demand charge for two residential units indefinitely. Each month I will gladly mail a cheque off to the REA at St. Anthony and pay it that way.

But really, the policy of fifteen, I submit, Mr. Chairman, should not apply because it was developed and where we really got nailed on it was Big Brook over in St. Barbe North. It was developed to get a minimum size below which there would not be sent in and established and set up a special diesel unit. Now we ran into the problem, I think it was Big Brook in St. Barbe North.

MR. BARRY: Or Barr'd Harbour, which -

MR. ROBERTS: I thought it was Big Brook, but what happened was -

MR. BARRY: One case, yes -

MR. ROBERTS: But what happened essentially was we said, all right, we shall not. It is below the policy, it makes no sense at all in any economic parameters to supply a diesel plant because that means three operators, then on you go and the costs are just, you know, hopelessly out of line.

So what we will do, we will give them the diesel unit, you know, the Power Commission will give these people a diesel unit, will put in the installation and the undertaking is they provide fuel and that they operate it themselves, you know, and if it gets into mechanical difficulties, well, the Power Commission has lots of trained mechanics around and they will do that work. But there will not be an operator there. As the minister would tell us, I am sure, the big cost in these things once they are going is fuel and the wages of the two or three men who have to be hired. And even in a place as small as St. Julien's, which has maybe twenty-five families, you know there are two operators. If you wish, Mr. Chairman, ten

per cent of the work force in St. Julien's work for the Power Commission to provide the lights and it is not feasible to do it with less than two, given the forty hour week and, you know, the things which government quite rightly accept.

So the Big Brook thing was a disaster because it turned out the people there were paying \$150 each per month to get -

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Was it Big Brook? Barr'd Harbour, right, to get the lights. That is what the prorated share of the fuel and everything else came out to be and I am not sure what came of it. The then member, Jim Chalker, Mr. Chalker, I have reason to believe he took the matter up with the Power Commission, presumably some compromise was worked out.

But surely on St. Carol's, and I know it is an unimportant thing, well, it is not unimportant to the people there, it is minor compared to some of the points I want to raise, Sir, but it is important to the people. The people in St. Carol's I think are probably the only people left on this Island - except for the people on Fishot and I will come back to them because they are in an unique situation - they are the only people on this Island in any form of community who do not have government provided or Light and Power provided electricity. As far as I know they are the only permanent residents anywhere on this Island, in any community - there are many placed around the Island where there are one or two or three families.

MR. BARRY: That is right.

MR. ROBERTS: And power lines in -

MR. BARRY: Who were the only permanent?

MR. ROBERTS: St. Carol's. Are there other communities? I said as far as I know, and I may not -

MR. BARRY: The only permanent residents -

MR. ROBERTS: Permanent community that does not have public power, are there others?

MR. BARRY: Well, Williams Harbour now is going through a transition where up until last year or two years ago it was a summer community -

MR. WOODWARD: Williams Harbour?

MR. BARRY: Williams Harbour.

MR. ROBERTS: Well, Williams Harbour is not on the Island. I was not thinking of the Coast of Labrador at this point, I am talking about on the Island.

MR. WOODWARD: Williams Harbour is the only one on the Coast of Labrador. That is permanent now.

MR. ROBERTS: These people in St. Carol's, Sir, they are three miles by road, or three and a half miles by road from St. Anthony, and they just do not have lights. The policy is not ridiculous. It made very good sense at the time. It may still make very good sense for the circumstances for which it was designed. But it is a foolish policy when it comes to St. Carol's.

Now I suspect what has happened, to be quite honest, is that, and I do not take the minister to task for this, I think it is a clear case of nobody wants to admit that they may have been wrong, that we have taken a position now and by Devil we are not going to budge.

The amount of money, I have been in correspondence with Mr. Reid down at the Power Corporation, and, you know, the minister has seen that correspondence and I gather it is \$30,000 is the estimate.

MR. BARRY: It was.

MR. ROBERTS: It may be higher now, but compared to the sums of money we are winging out on the - well the Rural Electrification Capital Grant alone is \$3.7 million and that goes, you know, that goes for new equipment for installations and for bigger diesels where we have them and all the things REA does? Cannot we find \$30,000 for St. Carol's and let us not consider it part of a community on its own so that fifteen customer thing does not apply. It is just a matter of - the people there tell me it will take ten or twelve poles, that is all.

MR. BARRY: Could I just give you -

MR. ROBERTS: Yes, okay but I wanted to make that - Fishot, let me touch on Fishot, Fishot is a different quintal of fish, because the people of Fishot are like some people on the Labrador, they move. They have a winter place, Harbour de Vue, and a summer place, Fishot Islands, and they are five miles - My friend from Labrador North would know the area and probably my friend from Twillingate is close to that Coast. Well, it is five miles by Coast between the two because you have to go out around the point of Fishot Island and go across but I mean they have a church on the Mainland, I am sorry, a church on the Island and a school on the Mainland. If you are in the summer in Fishot, the church is the public building there, and in the winter in on Harbour de Vue there is no church as such, the church is held when the priest comes in the school.

It is a unique community and it is rapidly dropping in population. Many of them moved to Port Saunders in -

MR. BARRY: How do you get there?

MR. ROBERTS: Fishot? Aircraft is the only effective way. I have been there by sea and I have been there by ski-doo, but aircraft is the only effective way. We had a terrible problem last year with fuel and food because of the late breakup. But I think Fishot is in a little different position than St. Carol's. St. Carol's is a permanent community. It has been there for a long time. There is still eleven or twelve families there.

AN HON. MEMBER: They need transmission lines. They do not need generators.

MR. ROBERTS: No, no, they do not need - there is not enough capacity in St. Anthony to put on those few extra houses. It is just a matter they need ten or fifteen poles and the Power Commission call it conductor, I call it wire, but anyway the stuff what carries the power from the generating to the delivery, is there no way it can be done this year? It is a very small matter to everybody except the people of St. Carol's and to them it is quite important.

MR. BARRY: Well, again, Mr. Chairman, I have to say that I can sympathize with the desire of the people and I have to confess that this



is an area where I have made attempts to, and I have put up certain proposals for alternative policies that could apply to the anomalies like St. Carol's. There are others, I think we shall have Barr'd Harbour and there are a number of others. But here is the problem. It is not a matter of somebody having made a mistake but refusing to admit it, I have not really noticed any dug in opposition.

MR. ROBERTS: I have not dealt with the officials on a day by day -

MR. BARRY: - to changing the policy. It is a problem of how do you set an objective standard that you are going to apply fairly across the board, because in addition to your St. Carol's or your Barr'd Harbours you have a considerable number of places around the Province where there are one or two or three families, or maybe four or five in another place -

MR. ROBERTS: Not very many of that.

MR. BARRY: It would surprise you.

MR. ROBERTS: It would. I mean I am quite -

MR. BARRY: Out around - I think the honourable Minister of Health had an area out around Bristol's Hope, it may be a situation where you have two families who want to be hooked into the hydro line, and there is a formula that is applied, that is laid down and it is just too expensive. You know the formula may result, it may be -

MR. ROBERTS: - one pole for instance.

MR. BARRY: It may be only a quarter of a mile or a couple of hundred yards, but it might result, the application of formula might result in it costing them \$3,000 or \$4,000 or \$5,000, to have their homes hooked up. It might cost them a couple of thousand dollars, say, with the application of the formula. So then how do you deal with these isolated groups of one or two families, three or four families -

MR. ROBERTS: What you do really is you just sweep them up as part of the general, now the bigger places are done you just do. There is no other way to do it.

MR. BARRY: But then what do we do as far as the future is concerned. Do we say that is it, then, that we are not going to, if somebody decides or two people decide -

MR. ROBERTS: If I decide to go live -

MR. BARRY: They have a piece of land and they decide that they are going to build on it and it happens to be half a mile from the community, are they entitled then to be hooked up?

MR. WOODWARD: People are not doing that.

MR. ROBERTS: I would say a new one, you know, anymore than we do not undertake- if I want to go and live on St. Anthony Cape, the government are not going to put water and sewer lines out there to me. You know I provide my own water and my own sewer and maybe my own power but there are these people. Britol's Hope is one of the oldest, probably the oldest continuously inhabited place left on this Island.

St Carols has been there when Grenfell came, there were people living in St. Carols.

AN HONOURABLE MEMBER: I do not know -

MR. ROBERTS: Where is the place in Port de Grave district?

AN HONOURABLE MEMBER: (First part inaudible) called the Ridge Road.

MR. ROBERTS: I know the Ridge Road, yes. I mean what do you do? You cannot ignore, you cannot deny these people lights. It is not very much in this day and age.

MR. BARRY: But you have to- let me say that I am prepared to again have a re-evaluation of the system of the entire situation.

MR. ROBERTS: What would it cost, a couple of hundred thousand dollars?

MR. BARRY: I am not sure. I am prepared to have the Power Corporation address themselves to these various areas. We did it a couple of years ago. I think I sent letters to all M.H.A.s and asked them to indicate to me all the unelectrified areas in their districts and to give me the numbers of customers who were in each place because it turned out there were places like Williams Harbour.

AN HONOURABLE MEMBER: Williams Harbour is the only one.

MR. BARRY: Williams Harbour now apparently have fifteen customers. Now, I am just finding that out. In -

MR. WOODWARD: Yes, but the people decided not to move back in. It was only a decision they made last year.

MR. BARRY: That is right. They have now become a permanent community, presumably. Presumably they are not going to decide next year to go back, and we will accept that they are not. But I will have the Power Corporation just take a look at this entire area and just see what remains to be covered around the Province and just what it would cost. The diesel areas are the difficult ones where you have to, as the honourable Leader of the Opposition mentioned in order to put in electrification you have got to put in a plant with two operators.

MR. ROBERTS: Well, make a rule that you are not going to build new plants, just hook them into existing plants. There cannot be very - I mean I do not know

the problem in detail. They only started at this ten years ago - half the Island had no regular power.

MR. BARRY: Right. But I mean we will take a look at it and just see just what we can do.

MR. WOODWARD: Williams Harbour is the only area in the whole of the Labrador Coast that does not have permanent electricity.

MR. BARRY: Yes. There were a couple of other places, really small places that were not permanent.

MR. WOODWARD: Pinsents Arm has got four families.

MR. BARRY: Yes. But anyhow I am presently working on the Williams Harbour one and we have the Power Corporation looking into the possibility. Even last year I attempted on an informal basis, we arranged to find a unit, I forget where, and sell it to them for a nominal price of one dollar or a couple of dollars, whatever, and the canning operation or whatever was going to make use of it and they were going to make it available to the community. But, of course, it is still up there on the wharf. I do not know if that unit can go in there. I have the Power Corporation checking.

MR. WOODWARD: But you will discover that they are not going to get involved in capital costs for units now because there is a lot of surplus units around that have been placed with larger units and this type of thing.

MR. BARRY: Right. We will take a look at this area. I will have the Power Corporation review the Province generally and just see what we can come up with.

MR. CHAIRMAN (Dunphy): The honourable Member for St. Barbe North.

MR. ROWE: Mr. Chairman, well I sincerely hope that the minister will come up with something on the Barr'd Harbour situation because we have been discussing it every since, at least, I have been elected with the Power Commission. Sir, there is one question I would like to put to the minister in connection with this map which you will find in the Power Commission report and which you found in the Budget Speech for last year.

Now, I might be asking, I might be a bit naive on this question although I was science educator, was in the life sciences and I was not very strong in physics and mathematics. But when you look at such a map with the power line, the 400 kilowatt transmission line coming down from the Gull Island site and through the transmission tunnel or tunnel cable transmission line there, and you see it passing through the two cable switching stations, one on either side of the Strait, and you have this 400 kilowatt or kilovote, I am sorry, transmission line going right down the Newfoundland Northwest Coast and connecting up with the grid at Stony Brook, it is -

AN HONOURABLE MEMBER: Inaudible.

MR. ROWE: Well, now that I have finished using it, the page or somebody could pass it over to the minister. It would in the Power Commission annual report and in last year's budget, so I will just pass it over to the minister. Thank you.

One could ask this question: Is there any possibility of all these diesel plants being wiped out altogether within the near future and is this one of the reasons why there does not seem to be a strenuous effort to upgrade the transmission lines and the diesel stations in that particular area? Is it technically feasible, number one, to connect up a transmission line to the various communities on the Northern Peninsula from this main transmission line or do we have to extend the transmission line north of Eddy's Cove West from the present grid? What is the situation? Could I be straightened out on that one? Then I can get back to the diesel stations.

To put it very briefly, people in the area think now that the transmission lines are coming over that they are going to be electrified right off the -

MR. BARRY: That is the problem. As I have stated before, that is not the case and I hope that the members will pass the information along. Unfortunately, what we are talking about here is a high voltage direct current transmission line which is -

AN HONOURABLE MEMBER: Just that.

MR. BARRY: Just that and is not, whatever that is. It is a very costly and involved procedure to tap off one of these things and that is why we have the, what do they call the things - I am getting - converter stations.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Yes. The converter station, I am not sure if that is the right term. I think it may be. The specific points where they refer to the converter stations here, one in Stony Brook in the Grand Falls area and one at Soldiers Pond and these are the areas where the tap ends right now until the transmission lines are planned, so that there is not advantage to the fact that we have, that I am aware of, to the fact that we have this high voltage line coming down across the Northern Peninsula. There is no advantage, no economic advantage in terms of electrifying the Great Northern Peninsula. I am not, and I know this is not a very popular image that I am putting forth here when we have the good people of Barr'd Harbour with no electricity looking up at these massive installations, they will

MR. ROWE: Forty-three communities depending on two diesel stations.

MR. BARRY: They will not be, they will not be turned on. Now, I am not sure if it is totally as cut and dried as all that. Like when the installation on either side of the tunnel crossing- I have been told but I forget whether there is a converter station at, I do not think so, but I have to confess I do not remember- on either side of the tunnel crossing.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Well, this is -

AN HONOURABLE MEMBER: What was that?

MR. BARRY: I am wondering if it might be that there might be the possibility of where it comes out of the tunnel across the Straits, that you might be able to -

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Obviously, it is economically feasible to provide the service

April 17, 1975.

Tape 1556

RH - 5

to the Peninsula. This would be looked at. I cannot -

MR. ROBERTS: Inaudible.

MR. ROWE: Well, this is, if I can just speak to it, Mr. Chairman, this is precisely the point. The minister appears to not know what is going on and I am not being personally critical of the minister on this issue, but -

MR. BARRY: I just do not remember. Give me a few minutes and I will refresh my memory.

MR. ROWE: With every single community North of Eddy's Cove West, with forty-three communities in St. Barbe North electrified, and I am using the word loosely, electrified by diesel stations, two diesel stations, one in Cook's Harbour and one in Flowers Cove. Then the honourable, my colleague from



White Bay North, I think all of your electricity is diesel in your district -

MR. ROBERTS: Most all of it.

MR. F. ROWE: Every single bit of it.

MR. ROBERTS: Inaudible.

MR. F. ROWE: And the Coast of Labrador the same way. And I just cannot understand that the government have not made it a point to seriously look at establishing a converting station.

MR. ROBERTS: .... behind, you know, the Cook's Harbour and Flower's Cove installation.

MR. F. ROWE: Right.

MR. ROBERTS: Inaudible.

MR. F. ROWE: You know I just cannot see it not being a part of the government's policy to have at least looked at the situation and found out whether it is economically feasible or not.

AN HON. MEMBER Inaudible.

MR. F. ROWE: And I would certainly like the minister - well, he will not have time now-but to get some technical information and financial information from his advisers there in the Power Commission and find out at this point in the game whether it would be economically feasible to put a conversion or a converter station on either side of the Straits, because as my colleague mentioned, oil is escalating, machinery will wear out, the study, you know, it is just not working properly now. You have -

MR. ROBERTS: ..... you know, because of these facts, the rates of diesel power ....

MR. F. ROWE: Precisely. And you have, you know, ups and downs in the voltages, and you have peoples appliances being burned out, T. V. tubes being blasted out, refrigerators being burned out, deep freezers being burned out, light bulbs. I mean it is just a common occurrence. It is a fact of life because of the fluctuation in the voltages and in the lines, and this is all attributed to the fact that they are operating with these diesel plants that have to push electricity over long distances.

And, you know, I find it quite amazing that nobody seems to have given any thought to it.

MR. BARRY: That is not so. Now look, you are twisting what I saying -

MR. F. ROWE: I am not twisting now, but the minister does not know the answer to the question.

MR. BARRY: I did not say that either.

MR. F. ROWE: Well, what did you say? Do you know the answer to the question?

MR. BARRY: I said I could not remember the particular facts with respect to whether or not it was only a converter station either side of the Straits Crossing.

MR. F. ROWE: Well -

MR. BARRY: I will answer your question directly with respect to the -

MR. F. ROWE: Okay. Well, Mr. Chairman, you know, the reason why I probably appear to be a little bit upset about it is it is more than just a particular fact. You know it is -

MR. BARRY: It is much more than.

MR. F. ROWE: You know it is more than a particular fact, you know, just a minor little fact or what have you. It could change the style of life and the way of life of the people on the Northern Peninsula. It is a very important aspect of this whole thing. It is very important. And I will not carry on any further but I would appreciate it if by tomorrow the minister could find out, you know, what thought has been given to putting converting stations.

MR. BARRY: I can tell you -

MR. F. ROWE: Good!

MR. BARRY: - Inaudible.

MR. F. ROWE: And then we can go on from there. Provided now -

AN HON. MEMBER: The honourable -

MR. F. ROWE: What happens if we pass this vote?

MR. BARRY: You know, I obviously gave the honourable member the wrong impression when I tried to recall the particular technical -

MR. F. ROWE: Yes, I realize, I mean nobody can....

MR. BARRY: The situation on either side of the Strait of Belle Isle. It is a while since I have, you know, the last time I read the report

and I confess that I just do not recall what the existing concept is for either side of the tunnel crossing since the last time I read it. I have forgotten it. I do that sometimes. But I attempted to point out to the honourable member that my information, the information that I have received from the Power Corporation experts and their consultants is that there is no obvious advantage likely to result from the - this is the first position given to me - that there would be no obvious advantage likely to result from the fact that you have this high voltage direct current transmission line proceeding through a particular area. They were not able to satisfactorily tell me at the time this was raised as to what would be involved in the way of cost or what the technical feasibility would be of spinning off at a particular point on the Great Northern Peninsula to serve a concentrated area population. I have very grave doubts as to whether it could be feasible to have a number of ties -

AN HON. MEMBER: Inaudible.

MR. BARRY: coming up. But all you need, as the honourable member has said, for the areas with the exception of Barr'd Harbour, for the areas that are now tied in to the diesel system it may be -

AN HON. MEMBER: Inaudible.

MR. BARRY: Pardon?

AN HON. MEMBER: Inaudible.

MR. BARRY: That is what I am saying.

AN HON. MEMBER: Inaudible.

MR. BARRY: But I have not yet received any indication to the contrary. It has been raised with the Power Corporation. I will see whether they have any more recent information on the point. But my distinct impression was a question that I raised very early in the game, very early when this project was being devised as to whether there would be any immediate, direct, economic advantage to the electrification of the Great Northern Peninsula or other areas where the transmission line went through. And the answer to me at that time was - and this was granted with, not with any great deal of research that there did not appear to be any obvious advantage.

MR. F. ROWE: Simply because they probably had called it just sticking in a converter station on the Straits.

MR. BARRY: Well, you know, okay, I doubt, but that may be - but when you talk about a converter station I suspect that there is a few dollars involved in the converter station. It is not your normal little -

MR. F. ROWE: Yes. There are a few thousand people involved too.

MR. BARRY: We are well aware of that. We are well aware of that. We are aware of the fact that they are entitled to it and deserve the best possible electrical service on an equivalent basis to any other citizens of the Province, and our objective is to try and ensure that they get that. But at the same time, you know, you have to deal with certain laws of Physics, certain monetary economic consideration. As I say, I will check with the Power Corporation and attempt to get an answer for the honourable member as quickly as possible on whether or not they are in a position to say just what is feasible and what is not feasible with respect to tapping off the transmission line.

MR. F. ROWE: You know it is going to be like - it is going to be like a turnpike or a super highway going .....

MR. BARRY: Well, that is a good analogy.

MR. F. ROWE: ... and not connecting up to New York or Boston.

MR. BARRY: That is a good analogy. That is a good analogy, that it may be that. You know, I hope it is not but it may be. But I will check with the Power Corporation and see just what is feasible, what information they now have on that particular aspect of it.

AN HON. MEMBER: Inaudible.

MR. CHAIRMAN: Shall 1104-01 carry?

MR. ROBERTS: Not quite yet if I may, Mr. Chairman.

MR. CHAIRMAN: The Hon. Leader of the Opposition.

MR. ROBERTS: I would like to - I gather Your Honour we are sort of debating really the entire subhead under the salaries vote which seems to be our practice. I would like to raise a question or a matter with respect to the Power Corporation, and I suppose we could say it is related to the estimate sufficiently enough in that we are having to

subsidize them by approximately \$6 million this current year, this fiscal year on their industrial incentives. I am concerned about the situation we found ourselves in recently with respect to the Light and Power Company's increase. Now if I understand the situation correctly, Mr. Chairman, the situation was roughly this; the Light and Power Company, it is the private utility here on the Island portion of the Province operating mainly in Eastern and Central Newfoundland and Southern Newfoundland, they in effect are retailers of power. They produce a relatively small amount of power. They have a number of generating stations, a number of the small ones built early in the 1920's and 1930's, the Topsail station, Petty Harbour, Mobile, and a number of other small stations around. Of course, they have the thermal plant across the Harlour in the Narrows, on the other side of the Narrows. Essentially, Mr. Chairman, they are retailers of power, and wholesaler, the only wholesale source is the government through the Power Corporation. I think that is a fair way, if the minister is with me, that is a fair way to describe the relationship between the Light and Power Company on the one hand and the Power Corporation on the other.

MR. BARRY: But they are customers of the Power Corporation.

MR. ROBERTS: Well, they are customers but the Power Corporation has very few retail customers. I suppose the Power Corporation sells directly to ERCO and it sells directly to Linerboard, and sells directly to Bowater Power and to maybe some of the large consumers. But by and large the individual citizen or the individual business dealing with his power utility will find himself in these areas dealing with the Light and Power Company.

Now, Sir, the Light and Power Company had a contract with the Power Corporation for the supply of power and that contract ran out, or would have run out, in 1977. I am not aware of just when it was negotiated. It may have been the one negotiated after Bay B' Espoir came on stream in the latter part of the 1960's or it may have been an extension of it, it may have been a revision of it, it may have been a new contract entered into within the past two or three years. In any event, Sir, there was a contract between the Power Corporation on the one hand and on the other hand the Light and Power Company.

The Power Corporation, as I understand it, wished to revise that contract. They did not break it. Nobody could be heard to say they broke it. As far as I know, Mr. Chairman, they were ready, willing and able to perform their side of the contract to supply power in the quantities set forth in the contract and to supply it for the price set forth in the contract.

The Power Corporation apparently though, Sir, and I say apparently because in a legal sense what I am saying would be hearsay, but I believe it to be correct and indeed I do not see how it cannot be correct or how it can be incorrect, the Power Corporation, the government, the Crown agency, went to the private agency, the wholesaler went to the retailer, and said that we wish to end the contract and enter into a new one, and the new one, of course, involved a considerably higher price for power. The Power Company, the retailer, may or may not have liked it but that is essentially irrelevant, because they had no choice. The bargaining weapon of the wholesaler, the government, as I understand it, was the position that look, unless you agree to pay more now for the power that we would have had to supply under this contract, and unless you agree to pay a higher price for the power which we will supply to you after 1977, because nobody foresees and nobody wishes to have a situation whereby the Power Corporation are not the wholesale supplier of power to the Light and Power Limited, to the retailer, but unless you agree to pay the higher price, unless you agree now to abrogate your contract, we will not be able to guarantee you an adequate supply of power in 1977.

Again I know the minister is following me. That is essentially the situation. And I do not propose at this point to debate the rights and wrongs of that.

The Power Company, again the retailer, and the terms are confusing - let us call it the retailer, the Newfoundland Light and Power Company Limited, a private investor owned company and Mr. Bailey of Port Union, I think, is chairman of the board and Mr. David Templeton is the president - the retailer, of course, did not propose and presumably was not able to absorb these increases and certainly was not able to absorb them without very much impairing their profits. So the retailer did the only thing it could do. It immediately sat down and banged off an application to the Board of Commissioners of Public Utilities. The board in turn did the only thing they could do, and the thing which they are required to do under their legislative charter, they heard the application.

Now, Mr. Chairman, the hearing was conducted properly and the board acted properly. The hearing essentially was a farce. The board approved the rate increases. Now as Your Honour knows, but it may be worth drawing to the attention of the committee, there are essentially only two questions that are relevant in a hearing before the Board of Commissioners, a hearing of this nature. The first is the rate of return on invested capital: What percentage of invested capital the utility is able to recover each year. That was not an issue here, it has been said, I am not sure what the figure is, it is ten or eleven per cent. Whatever it is, that has been set and the board can change it from time to time, and they do when circumstances change. I mean, there you are. Once that figure is arrived at the only other issue that is relevant is what is called, in a more usual case, the rate base, the amount of capital that the company is recognized as having invested in the facilities which produce the service, in this case the distribution and sale of power, for which the company is being paid. That was the weakness, Sir, and that is why the hearing was a farce. The Board of Commissioners,



and I do not have Mr. Powell's opinion and his reasons for judgment before me - Mr. Powell, the chairman - but I believe I am quoting him accurately when he said - well, I will come to what he said, but the hearing was a farce because the Board of Commissioners could not effectively go into the rate base. Why not? Because this element of the rate base, the other elements did not change, the amount of capital the retailer has invested in distribution systems and in transformers and one thing or another did not change - the only thing that changed, the only reason they were before the board looking for for an increase was the wholesale price of the power to them would be increased or the supplier, the government, through the Power Corporation, wished to increase it.

Mr. Powell, if I recall him correctly, said in his judgment, in approving the request, the board's decision to approve the request, he said something like, there were attempts made before the board to question the necessity or otherwise of the Power Corporation, the wholesaler, setting their rates, their price for power at the level they did.

Now that is obviously a very pertinent comment. Because once the wholesale price was determined the rest was the mere mathematical application of the rate of return formula and out of that would come the amount of money that the company could get each year, the retailer could get, and then it is merely a matter of dividing it up among the various customers, tacking on so many mils a kilowatt hour, in this case a fifteen per cent increase, where one paid \$100 before over a period of time, one now pays \$115. It is a substantial increase.

I believe I am quoting the chairman accurately when I say that he said that those who wish to question the wholesale price must seek another forum. I think he used that phrase, another forum.

MR. BARRY: It is not exactly a decision, because I do not have the decision -

MR. ROBERTS: Well I do not have the decision before me.

But I think I am reproducing the gist of it accurately and, you know, I

am not attempting to debate the decision or anything else. My point is that the board did all they could do. The board's hands were bound. Once the board accepted, as they had to accept, the fact that the price of power, and Mr. Reid, and maybe one or two other spokesmen for the wholesaler, the corporation, appeared and gave evidence and said, yes, we are going to charge X mils per kilowatt hour, and we have to charge that, well and good. But I think I am reproducing the gist of it accurately and, you know, I am not attempting to debate the decision or anything else.

It was just routine from then on in. A clerk could have done it with a little pencil. If the rate of return was ten per cent, then it was just a matter of computing it and distributing it at so many mils per kilowatt hour, you know, high school mathematics or even grade school mathematics, and one would not even need the new math, Sir.

Now my point is that there is no forum, there is no way, and this is a very serious defect in the whole administration of energy policy. It really strikes at the very heart of the whole concept of regulation in the public interest of investor owned utilities. That is a concept that was controversial fifty or sixty years ago with those who were on the then political left pressed for it and, you know, it is universally accepted. It would be unthinkable to have a private utility in a monopoly situation, a phone company or a light company, that was not regulated. Insurance companies are regulated, and they are not in monopoly positions, and we will see more and more of that in the years to come.

But, Sir, that whole concept will be destroyed if some changes are not made, because more and more the retailer are going to draw their power. Whatever percentage of their total sales they now

get from the wholesaler, from the government agency, that percentage will increase in the years ahead, and it is not entirely impossible and indeed I am told by some that it is quite likely that within the quite foreseeable future, just about one hundred per cent of the power that the Newfoundland Light and Power Company sell they will purchase from the government, particularly when the Lower Churchill power comes on stream. The facilities the Light and Power have are old, antiquated, they are expensive, they are inefficient, you know, they are not desirable in this day and age. I am not even sure how many of them they are using. I know the thermal plant across the Narrows is used only as a support plant, as a back-up system, as a sort of stopgap, for an emergency.

So I ask the minister, I am sure he has put his mind to the problem, I ask him what is going to be done about this? Is there any reason why the Power Corporation cannot be made subject to exactly the same type of scrutiny that any other regulated corporation is? Now, it is an new idea. It is a new principle. It is a new problem. It did not exist in Newfoundland until very, very recently. I think this is probably the first time it has ever materially and publicly affected a decision.

The fact remains that today, and I guess the current month bills from the Light and Power Company will bear this out, our bills have gone up and everybody in Newfoundland with the exception of St. Carols and Bristol's Hope and the Ridge Road and two or three other places, everybody in Newfoundland uses power which means once a month a nice little postman brings a billet-doux in the form of a bill. Those bills for everybody on the Newfoundland Light and Power system have gone up roughly fifteen per cent. The public body, the regulatory agency - and I could hymn the praises of Mr. Powell and I could hymn the praises of the whole system and the way in which Mr. Powell has served as Chairman. Clarence Powell is one of the great public servants of Newfoundland. If we had twenty like him we would be a lot better off - but, Sir, that whole system is being attacked at the very root, Not being attacked purposefully or deliberately, I do not think that the government or anybody else set out to destroy the whole concept of public regulation, but they are, That is the effect of, It is a side effect. It is not enough to vitiate the concept by any means of the government being the only generator and provider of new power in the Province. That is more and more going to mean the only generator of power in this Province.

If from now on the Power Corporation merely say to Light and Power all right, you are now paying two cents a kilowatt hour, you are going to be paying twenty cents a kilowatt hour, the Public Utilities Board as it now stands have no option except to pass an increase and to allow the retailer, the Light and Power Company to increase their bills by whatever amount is necessary to enable them to recoup that loss.

Now if the extra cost is necessary then one cannot question it. You might not like it but you have got to accept it. But if it is not necessary then one should not have to accept it. The problem is there is no way to know if it is necessary or not. The Power Corporation is a great monster, and I do not say that in a pejorative phrase. It is one of the largest businesses in this Province. It is owned by the public. Every nickel of investment in it has come out of the public Treasury, here or at Ottawa, and yet essentially it answers to nobody. It is one of the great phenomenons of our age in a public administration sense, and I think the minister would probably concur with this, one of the great phenomenons is the growth of Air Canada, CNR, the CBC, Ontario Hydro, Newfoundland Hydro and all these vast monsters of organizations that essentially answer to nobody. They do not answer to a House of Assembly.

This vote before us now is the only vote, I venture to say, anywhere in these estimates that bears directly upon the Power Corporation. Unless there is some legislation brought before the House, and there was this year and there may be another year, but unless, there is no opportunity to debate it. Oh! A member can make a crack at it or make a point about it in the Throne Speech debate or in the debate upon the budget. There is no regulation. The minister can say, in theory it is correct, that ministerial control, but I say to him - and I have been a minister, shall be again - but I have been a minister, there is no effective ministerial control over these particular, and I say the term 'monster' because that is the way Hobbs used the term leviathan.

MR. BARRY: You are quoting me from three weeks ago, two months ago.

MR. ROBERTS: Well, maybe I am. Maybe I am.

MR. BARRY: In the House here.

MR. ROBERTS: Yes. But I want to do something about it. The minister to date has not.

MR. BARRY: I also told you our plans for -

MR. ROBERTS: No, no, I mean there was some chatter in the House about some very vague plans but I want, Mr. Chairman, I want some specific answers with respect to this specific problem. I do not know whether

our power bills have to go up fifteen per cent or not in Eastern Newfoundland. I have no way to know, and that is the problem. Nobody knows. The minister does not know. He knows what he has been told by his officials, and competent men they are, but the whole basis of public expenditure is that there are checks and balances. I do not use that in the American sense. There are restraints. There are constraints. The Power Commission budget is not public. We had a great debate here in this House, it has gone on for years, about making the University budget public. I will wager the Power Commission's budget is probably as large as the University budget. They have probably got more employees. All we get is about a year and a half after the end of the year, the minister of the day comes in and lays upon the table of the House a very fancy, glossy, prettily illustrated report that is filled with vague generalities and a few financial statements that are, I am prepared to believe they are accurate but are so lacking in detail as to be essentially meaningless.

We have no way to know. The minister does not know. Even if he spent all of his time worrying about the Power Corporation, he would not have the least idea what is really going on. I am not talking about things which we hear from time to time and which may or may not be correct, you know, helicopters going hither and yon, that type of thing. I am talking about the whole general concept.

AN HONOURABLE MEMBER: (Inaudible.) Gander River down to the South Coast.

MR. ROBERTS: Well, they were not the Power Corporation's. That particular beast was the -

AN HONOURABLE MEMBER: Forestry.

MR. ROBERTS: Well, the forestry one is out of Gander, yes. It is like the Hubert Harnett Building in Corner Brook. I have got a copy of the letter under which the government agreed to rent, a letter of intent, \$8 a square foot on 60,000 square feet, sent over a year ago.

AN HONOURABLE MEMBER: (First part inaudible) make that statement.

MR. ROBERTS: I have a copy of the letter, simple to get. People get - If the people on the other side have not done anything wrong they are

willing to give it up. So there is no - Your Honour has not rented a building by any chance, has he not? Your Honour is smiling benevolently. Your Honour has missed out on it. Your Honour has missed out on a great deal that Brother Harnett has got in on but that is another story.

Mr. Chairman, the point, you know, it is not the sort of point that one should try to score partisan debating points on. I am not concerned with that. I am concerned with a far larger problem because it is going to get more and more important and it threatens to destroy the whole concept. I am not talking specifically about running the Power Corporation nor do I propose, unless Your Honour feels it would be appropriate in which case let us have a crack at it, to get into the great debate of public administration principles. How should we control these things. The CPA when they have their regular meetings in Malaysia and Nassau and all the places that Speakers and Deputy Speakers and Clerks get to go to out of our money here, to have learned seminars about making the House of Assembly or the House of Commons relevant and effective and all of that. That is not what I am after here. What I am after now is the specific problem of the regulatory agencies, particularly the Board of Commissioners of Public Utilities, is the one that applies here and with reference to the -

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: - to agencies such as the Power Commission. How are we going to know? What mechanism can we develop? I do not think a Standing Committee will do it. I do not think a Select Committee will do it. I do not think the House is fitted for that type of activity. I think the experience of Ottawa has shown that really legislative bodies cannot cope with this in the proper way. I think rather we are going to need a combination of two things, one of them not new and the other, as far as I know, relatively new. The first, which is not terribly new, it is not a new idea, it may be a new application of the idea, is to make the Power Corporation subject to the Board of Commissioners of Public Utilities at least insofar as it comes to the normal commercial consumer-



customer relationship. I do not think that would interfere in any way. The reason why back in the early 1960's our Power Commission was exempted from the Board and the reason why other similar agencies across Canada, I understand, have been exempted is that nobody sees of them as being directly involved in a way that would affect consumer prices. Well, they are and we have seen that in Newfoundland within the past month or two.

The second suggestion I would put to the minister, I do not know if it is done anywhere else but it is the sort of thing that is coming, it is an idea whose time has come, and that is that the government should fund what amounts to an adversary to itself, an adversary to the Power Corporation and to the Power Company. The problem with the regulatory boards, the Board of Commissioners of Public Utilities or any other, with all the good will in the world, the CTC, the CRTC, a whole raft

of them, Mr. Chairman, is that the person who pays the shot, i.e., the consumer, just has no - he might have a right to appear. The boards tend to be very generous and in allowing status to applicants, people to appear, but he has no way, he is up against - well, the railways in Ottawa. Only now has legislation gone through to force them to reveal the basis on which they compute their rates, and it took legislation to do it. So I think the government of the Province should take - I do not know what - what would it take, a couple of hundred thousand dollars a year possibly? What is the Power Commission's budget - \$30 millions or \$40 million a year at present? The Lower Churchill will be \$1.6 billions and going up daily. Let us take \$200,000 or \$300,000 a year and use it to finance and to pay for a group of people, lawyers and economists, whose job it would be to tear the stuffings out of the Power Corporation, and for that matter the Light and Power everytime they come up for a rate increase, which it would be a fairly frequent occurrence. And everytime they come in and say, well it is necessary for us to have done this, let there be on the other side a group of men and women with the knowledge and the ability to say, now hold on, "The emperor is not wearing any clothes, that is sheer balderdash." I think that would serve the public interest. I think that what we have got now does not. I think what we have now makes a complete farce of the whole process. The Board of Commissioners of Public Utilities for these purposes might as well not exist. All you need is enough computer time to figure out the mathematics of what is going to happen.

I think it is something which should be done. I think it is something which could be done here in this Province today. The government could - I have no idea who would take it on but I am sure that people would come forward, sure that people could be found. The Board last time, to give Mr. Powell full credit, hired a professor I believe from Toronto. I am not sure where he came from - but some fellow from the Mainland who was a bit of an expert on this type of activity, and I gather he advised the Board - and I am told from people who were at the public hearing where this gentleman presented his evidence, his brief that he made a fair mishmash of many of the assumptions. I am not sure - as I say I am not sure, Mr. Chairman, whether it was the Telephone Company or the Light and Power application that was so dealt with.

AN HON. MEMBER: It think it would have been the Telephone Company.

MR. ROBERTS: It would have been the Telephone.

MR. BARRY: I am not sure.

MR. ROBERTS: Well, I am not sure.

MR. BARRY: It was not brought to my attention, let us put it that way, so -

MR. ROBERTS: Well I mean the minister - well it must have been the Telephone Company because the minister has no connection with that whereas the Light and Power application the minister does have an interest.

MR. BARRY: I may be wrong. I may have misled, Mr. Chairman.

MR. ROBERTS: I mean they did hire some professor. I do not recall the gentleman's name, nor was I familiar with what said in detail. I rely upon the press reports and upon what I am told by some friends of mine, and some associates who were there. But I think it is a good idea. We have seen it happen now, and we are going to see it happen more and more often because the Power Corporation will be in every - I do not even know what the contract is - and leaving aside the fuel adjustment clause, I am willing to bet that no matter what contract there is between the wholesaler and the retailer now, we are going to see a steady escalation in the price of power in this Province at least until Lower Churchill comes on stream, and that is five or six or seven years away at best, and I do not know what will happen after that, I have not seen all of the studies. We were told in this Province ten years ago by the experts that, you know, we would look at half mil power and one mil power and that there would be unlimited electric heat and on, and on, and on, and on. And that was all said in good faith. Yet today we are at the place where we have lots of power we know, and we have great potential in the Labrador to develop power, but what is the Churchill Power going to be when it gets to this Island, twenty-two mils? twenty-four mils? These are the sorts of figures I hear quoted now. You know, considering that not a spade has yet turned a shovel of earth.

AN HON. MEMBER: Inaudible.

MR. BARRY: That is probably a bit high.

MR. ROBERTS: Well, you know, it is gone from \$1.1 billion to \$1.6 billion while the government sort of fiddled over a year, and gosh knows how much it goes up each day as we talk, you know, and I have no idea what it will be. You know, the minister knows more than I do but I do not think the minister is in any position to say what the price of Churchill power delivered to any point on this Island will be.

MR. BARRY: I am not prepared to sign contracts....

MR. ROBERTS: No. I mean that is part of the minister's dilemma, or a part of the administration's dilemma, you know, it is a chicken and egg.

But the point I am making is that the power is going to be expensive, it may be relatively cheap but we are going to be faced with it so it is not a one shot deal.

I think the problem is a very real one, the problem of controlling the, not in the parliamentary sense controlling, Mr. Chairman, but in the economic sense, controlling these utilities is very much with us.

Fifty years ago, forty years ago the public men of the day fought out the issue of should there be regulations and many people said there should not, well you do not want to pay whatever the Telephone Company wants to charge, then that is fine, you do not have a telephone. Today that would be unthinkable, just as it would be unthinkable to go back and say we do not need Workmen's Compensation, the legal defence of common employment, is sufficient to enable us to adjudicate problems arising. And when Mr. Justice Middleton - was it? - in Ontario in 1915 brought in his report on which all our Workmen's Compensation schemes are founded. He was decried as being a rank socialist and a complete revolutionary, which in the case of a judge is either libelous or the most flattering thing that could be said about a man.

You know, we are now at the point where that entire concept of regulation of public utilities stand threatened insofar as Newfoundland is concerned and I do not the problem is unique to us.

There are a number of other points I want to make on this subhead, Mr. Chairman, but perhaps the minister might want to deal with this one. It is a little beyond the ordinary and I would like to hear what he had to say on it and then we could go on from there, Sir.

MR. AYLWARD: Mr. Chairman, before the minister -

MR. BARRY: Is the honourable member directing himself to this point? I would like to -

MR. AYLWARD: Yes, exactly to the point. I will only take a few moments, Mr. Chairman, but if I understood the Leader of the Opposition, he was suggesting the appointment of some board that will act as a watchdog or to keep an eye on these increases on behalf of the consumer. I see the problem and I will certainly appreciate it because -

MR. ROBERTS: He is acting like a lawyer.

MR. BARRY: -of setting up a Newfoundland Energy Board.

MR. AYLWARD: I am quite aware of that problem, Mr. Chairman, because I had occasion some years ago to act on behalf of the joint councils I think it was of Conception Bay at that time who were trying to oppose one of the applications for a rate increase by either the Telephone Company or the -

MR. ROBERTS: And you literally had no idea what you were doing.

MR. AYLWARD: Or the Light and Power Company and as you would in any particular case, what I suggested to that council was that, I mean lawyers can only present the facts and this board was acting as any judicial tribunal and on the evidence presented to them would decide whether or not the rate increase requested was justifiable or not.

Now they had a complete factory of top notch economists and engineers and every type of expert that, you know, you would expect them to have on presenting an application of that nature. Or as lawyers representing these municipalities or individuals opposing -

MR. ROBERTS: Who had the experts? The Power Company had the experts.

MR. AYLWARD: The Power Company had engineers, experts, economists and everyone else.

MR. ROBERTS: Then built that into the rate base.

MR. AYLWARD: Exactly, and the point I am making, a very, very good point here, Mr. Chairman, because it is impossible to expect that board to give a proper decision because they really only hear one side - properly prepared by the companies. So I suggested to the councils that in order for us to present a proper case what we needed was an expert in this field. In fact we could not find one in Newfoundland. And they had to have several meetings. We obtained the services of a cost-accountant who was specialized in this utility field in Nova Scotia. He was retired. So we brought him down here and the cost to the council I think was \$1,200 or \$1,500 and we had to have him prepare a case within the confines of the financial resources available

from the joint council for witnesses of that nature. So you would see in a case like that that we could not properly prepare a proper case to oppose that rate increase.

So what I would suggest to the minister that I do not know whether this board as the Leader of the Opposition suggested is feasible. I do not entirely agree with that. But I will certainly agree with the point he makes and the point he makes is that there should be somebody with the proper resources available to properly place before the Board of Public Utilities the other side of the coin. And in order to do that that costs money. So I think certainly that provincial funds should be provided either to the Federation of Municipalities or to some such organization who are opposing that increase because they do not have the finances available to hire the engineers, the economists, and everybody to present the case.

MR. ROBERTS: That could then be built into the cost, you know as in any court or adversary proceeding it is proper to assess that against -

MR. AYLWARD: Because here you have a board in this case acting just like a judge deciding on the evidence and the people on the other -

MR. ROBERTS: Really they are acting on ex parte evidence because as the honourable member says, you know, it is not the board's fault.

MR. AYLWARD: Right.

MR. ROBERTS: Inaudible.

MR. AYLWARD: There is just no evidence. Nobody can afford to put the evidence. Say if I decide I think my light bill is too high, or my phone bill is too high, I cannot afford, nor can any individual to hire -

MR. ROBERTS: I would not underestimate the case of the honourable gentleman but speaking -

MR. AYLWARD: Well the Leader of the Opposition or anyone like that,

But if they decide, the cost of hiring these experts is just astronomical. But in order to



present the board with a proper case the opponents of the increase must have the proper evidence. If not the board is sat there with all the engineering data, all the economic data, and they cannot on the evidence presented before them come to any other conclusion than that the rate is justifiable. But if these funds were available, and perhaps we need some change in our legislation so that, you know, where somebody could represent a class and provincial funds could be made available to some individual on behalf of all consumers or to oppose this increase. And I certainly agree with the Leader of the Opposition that there should be public funds set aside. Not that everybody could hire a slew of experts but somebody representing the consumer -

MR. ROBERTS: Maybe the Federation of Municipalities.

MR. AYLWARD: I say the Federation of Municipalities because I acted for the joint municipalities, and they just could not afford the resources.

MR. ROBERTS: Or the Consumers Association of Canada, you know, any

MR. AYLWARD: Right, or the Consumers Group or somebody representing all the consumers who could present the same type of statistical data and economic data as presented by the companies. And then I really feel that in many cases the decision of these boards could certainly vary. I think it is a very, very good point. It was always a point that disturbed me ever since I appeared on that and every time I see now where there is an application and even the city of St. John's when they send in Mr. Lang, I mean, it is only a token, really, resistance.

MR. ROBERTS: - against it.

MR. AYLWARD: Right, exactly. You stand up and say you oppose the increase. But that is not enough for the Board because they have all the data saying that we are entitled to a fair rate. But there are myriads of questions that arise that a proper expert can knock down. As I said before, all a lawyer can do is just present the case. But if he does not have proper data, he cannot do it. These municipalities and none of the individual consumers can afford it. So I certainly subscribe to

the idea that there should be public funds made available to either consumers or to the Federation of Municipalities to oppose applications for rate increases by either the Telephone Company or the Newfoundland Light and Power.

MR. ROBERTS: What about the further point in bringing the Power Corporation under the jurisdiction of the board?

MR. AYLWARD: I was not following that too closely, Mr. Chairman, I have to in all honesty say. But, you know, off the top of my head, I say that it has some merit. You know, I was not following that aspect as much as I was the other. Well certainly, if it is -

AN HON. MEMBER: (Inaudible).

MR. AYLWARD: - an item that the public are using for consumption, then we should have proper control.

MR. ROBERTS: We are now.

MR. AYLWARD: Yes.

MR. BARRY: Mr. Chairman, I have to agree with many of the comments made by the Hon. Leader of the Opposition and by my honourable colleague from Placentia East with respect to the desirability of both government getting more control over the operations of the Power Corporation or for that matter any Crown Corporation, and also the need to grant the public more ability to inquire into the operations of the Corporation, and I, during the course, I think, on the introduction of the Newfoundland Hydro Bill, went into some details with respect to my thoughts in this area, and I am of the belief that Newfoundland Hydro, the former Power Corporation, should be subjected to some form of public scrutiny. And the suggestion that I made and the indication I gave was that government appeared to be favouring the setting up of an energy board such as they have in Ontario where you do not have the utility subject to the jurisdiction of the Utilities Board, because I suspect that there may be certain - the Leader of the Opposition may disagree with me here - but I think there may be certain problems with respect to the need for government to retain control over the purse strings. If you put a corporation, which is, incidentally, running at a deficit and requires the infusion of the taxpayers' dollars annually, I suspect that

April 17, 1975

Tape no. 1562

Page 3 - mw

you would be interfering with this principle that government must retain the final decision as to the disposition of the taxpayers' dollars and that to give the Public Utilities Board jurisdiction over a Crown Corporation, the

decisions of which the Board could determine the ultimate deficit and the ultimate quantity of taxpayers' dollars required for that Corporation. I think that may be anathema. Now I have not reached a firm conclusion on this but that is a concern that I had that I think would have to be investigated. But I would submit that you might gain what you are looking for to a great extent by doing as they are now doing in Ontario having an Energy Board that would require the Corporation to come before it, that would give the public an opportunity to make a cross-examination of the officials of the Corporation, to go into the efficiency, the costs of various aspects of the Corporation's operations. That to me is a desirable thing to work for, something that would keep the Corporation on its toes -

AN HON. MEMBER: The point what we were making was not enough.

MR. BARRY: I know - I was going to - and I accept the idea of making available the necessary experts to sort of match the ability of the Corporation. Now, of course, it gets down to the resources that you have to make available, whether it be to special interest groups or to the public generally to, you know, how much money are we going to spend in hiring experts, you know, to investigate the Corporation. The idea has merit to me. And what I propose is that within a year, approximately, I would like to see the setting up of this Newfoundland Energy Board. I have already put Newfoundland Hydro on notice that that is likely to occur so that they can start thinking and start directing their affairs, ordering their affairs along those lines. You know, we could not do it tomorrow and expect them to be in a position to respond usefully to the demands of the Board.

AN HON. MEMBER: Inaudible.

MR. BARRY: We have to remember there are limited resources. They have a lot on their plates right at this time with Gull Island and so on. They are stretched, you know, almost to the breaking point, I suppose, in terms of reserves both human and monetary and so on.

But just before eleven, Mr. Chairman, if I could move on briefly to another point, or another point that came out of this discussion - with respect to the rate increase, and the amount of the recent rate

increase, without getting into a great debate on that. I have a few figures here that might be of interest to honourable members. This is a survey done in The Globe and Mail on April 9 of this which reviewed the rates existing now in various provinces, and indicated some of the increases. I was interested to see, for example, that Nova Scotia took a thirty-four per cent jump the 1st. of April. And we find that for the residential rate for 1,000 kilowatt hours of electrical power is less in St. John's than any other Atlantic Province at the present time, and it is also less than Vancouver, this is the other city we have - I am sorry, I say provinces, we have cities here. We have Charlottetown being the highest at \$25.89 per 1,000 kilowatt hours, Halifax \$21.57 Vancouver \$19.90, Fredericton \$18.10, St. John's \$16.85,

AN HON. MEMBER: Inaudible.

MR. BARRY: Calgary \$16.31 - that is - I am not sure if it is before or after the fifteen per cent increase.

AN HON. MEMBER: Inaudible.

MR. BARRY: It is the 9th., so I assume it is after the increase.

AN HON. MEMBER: Shall the Committee rise?

MR. BARRY: But because they have the - I am sorry because they have the Nova Scotia increase in there of April 1, so I assume that they have ours.

AN HON. MEMBER: Shall the Committee rise?

MR. BARRY: I am sorry?

AN HON. MEMBER: Shall the Committee rise and report progress?

MR. BARRY: Okay you want to go home now. Just before -

MR. WOODWARD: I do not want to go home, I just want to leave.

MR. BARRY: Just another little gem. Just as an indication of the rates of increase. The fifty largest electrical utilities in the U.S. increased their rates by an average of 55.4 per cent during the first six months of 1974, some of them increased by up to eighty-nine per cent, ninety per cent.

AN HON. MEMBER: Inaudible.

MR. BARRY: Just as an indication, you know, of -

AN HON. MEMBER: Inaudible.

MR. BARRY: Pardon?

AN HON. MEMBER: (Inaudible) Will the Committee rise and -

MR. BARRY: I have other comments to make.

HON. MEMBERS: Inaudible.

MR. CHAIRMAN (STAGG): It is moved and seconded that the Committee rise report progress and ask leave to sit again.

On motion that the Committee rise, report progress and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. CHAIRMAN: Mr. Speaker, the Committee of Supply have considered the matters to them referred and have directed me to report having made progress and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of Supply reports that they have considered the matters to them referred and report having made progress and ask leave to sit again.

On motion report received and adopted, Committee ordered to sit again on tomorrow.

MR. OTTENHEIMER: Mr. Speaker, I move that the remaining Orders stand deferred and that the House at its rising do stand adjourned until tomorrow, Friday, April 18, at 11:00 A.M.

MR. SPEAKER: It is moved and seconded that the House do now adjourn until tomorrow, Friday, April 18, at 11:00 A.M.

CONTENTS

| April 17, 1975  | Page |
|---|------|
| <b>Statements by Ministers</b>  |      |
| Premier Moores asked the House to join with him in an expression of sympathy on the death of Percy M. Crosbie. Joined in by Mr. Woodward, Mr. Earle, Mr. Murphy.  | 4474 |
| Mr. Murphy reported to the House on the donation and distribution of free food by McCain's Frozen Food Limited to some 20,000 low income families throughout the Province.  | 4475 |
| Mr. Murphy also announced extra financial assistance for welfare recipients taking upgrading, training and retraining courses.  | 4478 |
| Mr. Simmons replied to both Mr. Murphy's ministerial statements.  | 4479 |
| Mr. Crosbie reported on problems raised by herring seiner activity in the Hermitage-Bay D'Espoir area.  | 4480 |
| Mr. Simmons responded.  | 4482 |
| <b>Presenting Petitions</b>   |      |
| By Mr. Aylward on behalf of residents of Come By Chance asking that a water and sewer system be installed in the community. Supported by Mr. Rowe, Mr. Reid, Mr. Peckford.  | 4483 |
| <b>Notice of Motion</b>   |      |
| Dr. Rowe gave notice that he would on tomorrow ask leave to introduce a bill, "An Act Further To Amend The Medical Act."  | 4487 |
| <b>Oral Questions</b>   |      |
| Request by representatives of the Newfoundland Teachers' Association for appointment of a conciliation officer to assist in contract negotiations with Treasury Board. Mr. Rowe, Mr. Maynard.                             | 4487 |
| Date of receipt of the request. Mr. Rowe, Mr. Maynard.  | 4487 |
| Query as to who acts on such a request. Mr. Rowe, Mr. Maynard.  | 4487 |
| Query as to when and if the Chairman of the Labour Relations Board will act on the request. Mr. Rowe, Mr. Maynard.  | 4487 |
| Query as to why the Whalen Royal Commission was established since the Speech from the Throne of January, 1973 said government had laid the framework for a whole new concept in local government. Mr. Rowe, Mr. Peckford. | 4488 |
| Query when the contract for work on Highway 320 will be called. Mr. Thoms, Mr. Rousseau.  | 4488 |
| Indication sought on when the DREE agreement may be signed. Mr. Simmons, Mr. Rousseau.  | 4489 |
| Fate of tenders accepted prior to signing of DREE agreement. Mr. Simmons, Mr. Rousseau.   | 4490 |



CONTENTS - 2

| Oral Questions (continued)   | Page |
|--|------|
| Information sought on whether the DREE agreement to be signed will contain funds for upgrading of the Trans-Canada Highway which have not already been improved. Mr. Thoms, Mr. Rousseau.                            | 4491 |
| Query as to whether any of the tenders called for road upgrading and paving are solely the responsibility of the Government of Newfoundland. Mr. Gillett, Mr. Rousseau.  | 4493 |
| Information sought as to whether bids have been called before the Estimates have been brought down and before the actual road work determined. Mr. Gillett, Mr. Rousseau.  | 4494 |
| Promised reduction in cabinet size dating back to 1971. Mr. Rowe, Premier Moores.  | 4495 |
| Query as to whether Premier Moores has abandoned the principle of a permanent Independent Redistribution Commission since it was raised in the 1972 Throne Speech. Mr. Rowe, Premier Moores.                         | 4495 |
| Query as to government action regarding appointment of such a Commission. Mr. Rowe, Premier Moores.  | 4495 |
| Query as to when such a Commission will be established. Mr. Rowe, Premier Moores.  | 4497 |
| Query as to whether government would be bound by the recommendations of such a Commission. Mr. Rowe, Premier Moores.   | 4497 |
| Query as to whether the government will change the electoral boundaries in Labrador prior to the next Provincial General Election. Mr. Woodward, Premier Moores.   | 4498 |
| Information sought as to government plans to bring the ferry service on the Strait of Belle Isle under Provincial jurisdiction as opposed to the prevailing Federal jurisdiction. Mr. Martin, Mr. Rousseau.          | 4499 |
| Query as to whether representation has been made to the Department of Transportation and Communications on the availability of a vessel to serve as a ferry on that run. Mr. Martin, Mr. Rousseau.                   | 4499 |
| Query as to whether the reports of the nineteen subcommittees of the Task Force appointed in 1972 will be made public as only the report of the subcommittee on forestry has been so made. Mr. Rowe, Premier Moores. | 4500 |
| Investigations of acts of vandalism in St. John's. Mr. Thoms, Mr. Crosbie (Acting Minister of Justice).  | 4501 |
| Query as to any special investigations. Mr. Thoms, Mr. Crosbie.  | 4501 |
| Possibility of a public enquiry into vandalism. Mr. Thoms, Mr. Crosbie.  | 4501 |
| Representation to government on a ferry service operating between Lewisporte and Happy Valley-Goose Bay. Mr. Woodward, Mr. Rousseau.   | 4502 |

CONTENTS - 3

Orders of the Day (continued)

Committee of Supply

Mines and Energy Estimates  
Head 1101-01

|             |      |
|-------------|------|
| Mr. Crosbie | 4503 |
| Mr. Barry   | 4512 |
| Mr. Rowe    | 4530 |
| Mr. Barry   | 4541 |

The Committee rose at 6:00 P.M. 4555

Committee of Supply resumed at 8:00 P.M.

Mines and Energy Estimates

Heads 1101-01-1102-08 carried 4556

Head 1103-01

|              |      |
|--------------|------|
| Mr. Woodward | 4556 |
| Mr. Barry    | 4556 |
| Mr. Woodward | 4559 |
| Mr. Barry    | 4560 |
| Mr. Woodward | 4563 |
| Mr. Barry    | 4564 |
| Mr. Woodward | 4565 |
| Mr. Barry    | 4568 |
| Mr. Woodward | 4589 |
| Mr. Barry    | 4590 |

Head 1103-03-04

|           |      |
|-----------|------|
| Mr. Barry | 4592 |
| Carried   | 4597 |

Head 1104-01

|             |      |
|-------------|------|
| Mr. Roberts | 4597 |
| Mr. Barry   | 4598 |
| Mr. Roberts | 4603 |
| Mr. Barry   | 4610 |
| Mr. Rowe    | 4613 |
| Mr. Barry   | 4614 |
| Mr. Rowe    | 4616 |
| Mr. Barry   | 4618 |
| Mr. Roberts | 4620 |
| Mr. Aylward | 4635 |
| Mr. Barry   | 4639 |

The Committee of Supply rose, reported having made progress and asked leave to sit again. 4643

The House adjourned. 4643