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**VERBATIM REPORT**

**WEDNESDAY, JUNE 18, 1975**

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

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please! I understand we have in the galleries today a delegation from the Town of Bonavista and, of course, from the district of Bonavista South; Mayor Gordon Bradley and Councillor Fred Gosling and the Town Manager Calvin Rose. On behalf of all the honourable members I welcome you here today and trust that your visit is most interesting.

STATEMENTS BY MINISTERS

MR. SPEAKER: The Hon. the Premier.

HON. F. D. MOORES (PREMIER): Mr. Speaker, last evening I was contacted by the CBC regarding the layoff of some 800 personnel, civil personnel, at Goose Bay. The story out of CBC at that time was, as I said, confirmed by a source in Ottawa was that the Americans were withdrawing from the Base as of June 1976, and that people would be phased out from now until then accordingly. Now at that time that was totally new to me, I have found out since then that the minister responsible for Intergovernmental Affairs, the minister responsible for Industrial Development, who would normally be contacted in this matter, also had not heard anything about it whatsoever. With that in mind I contacted the Prime Minister this morning, I talked to him about the subject, and when I had told him of the story he said, and I at that time intimated that it had been confirmed by External Affairs,

his remark was that "I cannot believe it." And he knew nothing about it whatsoever. Now since then he has contacted Mr. MacEachern the Minister of External Affairs, and he will be talking to the minister, our minister responsible for Intergovernmental Affairs later this afternoon. But to our knowledge or to his knowledge there is nothing being planned now or until the end of this year in that regard.

Now there may be negotiations going on whether the lease will be renewed for another year or not, but External Affairs have not advised us in any capacity nor have they advised the Prime Minister to that respect.

The fact is, Mr. Speaker, I want to go on record at this time to illustrate and to declare how concerned we would be if that had been the case, and it still may be the case. It still has to be confirmed one way or the other, and until we hear from Ottawa we do not know. Because whether it be a Whalesback Mine closing or whether it be a much more serious situation such as the Goose Bay area, if this is going to happen, a provincial-federal and local group of people, task force, if you like, should be set up at the moment it is known to try to create alternative employment and make the phasing down, if it is going to happen, or the closing or whatever it is going to be as easy as possible.

But at this point in time, Sir, I would like to say that we have not had confirmation from External Affairs. We have asked. They said there is no confirmation to be made at this time. The Minister of Intergovernmental Affairs will be talking to Mr. MacEachern this afternoon. I talked to the Prime Minister actually himself in his office twice this morning. The first time the Prime Minister had heard nothing about it, On the second occasion they said there was no truth to the fact that it was now or up until the end of the year. I asked the who called, does that apply to June, 1976? He said, well I did not ask about June, 1976, I only asked about now. I said, okay fine. When Mr. MacEachern phones back would you be good enough to let us know exactly what the story is and if there is any truth in

it, let the two groups get together.

Also at this time, Mr. Speaker, I would like to say that - and as I have mentioned just a moment ago, it is absolutely unforgivable if this has happened and the provincial government and the municipal authorities and the other concerned groups have not been advised, But before saying too much in that regard I think it is only fair we wait to get the official Ottawa position.

MR. SPEAKER: The Hon. Member for Fogo.

CAPT. E. WINSOR: Mr. Speaker, I am sure we were all as shocked as the Premier was on last evening when we heard this horrifying news that there was a possibility of this Base being closed down, and we are very pleased that the Premier is keeping on top of it. Because, in my opinion, having served that district for fifteen years, it is a very serious thing if that Base should close, you have the Town of Happy Valley and Goose Bay itself. It should not be permitted to close without a two year, the minimum notice in order to give this government a chance to try and relocate or try to provide alternate employment for the people of that area. I am sure they are very distressed people today. And I am very pleased to know that the Premier is keeping on top of it, and we would appreciate any further information. Thank you.

MR. NEARY: Hear, hear!

MR. SPEAKER: Are there any other statements by ministers?

#### PRESENTING PETITIONS

MR. SPEAKER: The Hon. Member for Bell Island.

MR. S.A. NEARY: Mr. Speaker, I beg leave to present a petition on behalf of a large number of interested citizens in the district of Bell Island who are very concerned, Sir, about the inadequacy of the ferry service and who are looking for improvements in ferry service. I will read the prayer of the petition, Sir, and then I will make a few brief comments after. "To the honourable House of Assembly of Newfoundland and Labrador. The humble petition of the undersigned residents of Bell Island showeth that the ferry service between Bell Island and Portugal Cove is vital to the social and economic survival of the community of Bell Island and its people; that the Government of Canada

has fulfilled its obligation through heavy financial investment in the ferry service; that even with heavy federal involvement the Newfoundland Transportation Company have failed to keep in service at periods of peak traffic both ferries, the M.V. John Guy and the M.V. Catherine; that such failure causes frustration to prospective ferry users especially those who commute to work daily and loss of revenue to the operators of the service; that it is essential for the very existence of the people of Bell Island that the ferry service be made a part of our provincial highways system immediately and that the two ferries be put into operation to provide a shuttle service between Bell Island and Portugal Cove.

" Therefore the undersigned humbly beseech the honourable House of Assembly to give consideration of this petition and your petitioners as in duty bound now prayeth and will ever pray." I might point out, Sir, that this is one of the few petitions where the wording of the petition is in order.

Now, Mr. Speaker, this petition is signed by over 1,000 residents of Bell Island including at least one of the doctors, Dr. Tucker who is, I suppose, the gentleman who took the initiative in circulating this petition and he and his committee are to be congratulated. Some of the signatures represent members of the town council, businessmen, all the commuters, students who go back and forth to the College of Trades and Technology and the university and the general public at large, and some signatures of users of the ferry service who live on the mainland but commute back and forth to Bell Island almost daily.

Now, Mr. Speaker, I might say that some time ago the Government of Canada approved a hefty increase in the subsidy that the Newfoundland Transportation Company was receiving to help the company to acquire a new ferry. Members will remember that the Transportation Company went to Europe and brought a new ferry called the, the original name was The Romeo and she was later renamed The Catherine. My understanding, Sir, is that the Government of Canada is now putting almost \$900,000 a year subsidy into that company in order for the company to get on a good financial footing and to

maintain the service and purchase that second ferry that was supposed to take the place of the Kipawo, almost \$900,000, and they have a ten year contract.

Now, Sir, that boat, that new ferry is useless and will only benefit the owners of the Newfoundland Transportation Company and not the people of Bell Island unless it is used at peak periods, say from June 1 to the middle of September as a shuttle service between Bell Island and the local mainland. I did a little rough calculation myself, Sir, and I think it would cost somewhere in the vicinity of \$10,000 a week or a paltry \$100,000 a year to put two ferries in service from June 1 say up to the first week in September, a paltry \$100,000.

Now, Sir, the Government of Canada have indicated recently in a wire to the Reverend Father McHugh, who heads another group on the Island trying to get improvements in the service, the Government of Canada have indicated to Mr. Campbell, the Chairman of the Water Transport Committee that the Government of Canada is not going to put one more penny into the service. So, Sir, if we are to get two ferries operating and get improvements in the service it is going to have to be done by the provincial government, and members of the House will recall in 1971 and again in 1972 the Premier of this Province indicated to the people of Bell Island that if he was elected, formed the government, that the ferry service would be made a part of the provincial highways system. Here is an opportunity now for the administration and the Premier to show their sincerity in this regard. Although this may not satisfy the people of Bell Island as far as making it a part of the provincial highways system, at least it will show that the administration is sincere in their commitment.

So, Sir, I support the prayer of the petition and I do hope, Sir, that the provincial government will be able to find that paltry \$100,000 this year and make sure that the people of Bell Island, especially those who commute back and forth, who are trying to earn a living for themselves and their family, that the government will be able to find that paltry \$100,000 to improve the service and provide a shuttle service with two ferries operating say from now up until

about the middle of September. It gives me great pleasure, Sir, to present this petition and ask that it be forwarded to the department to which it relates.

MR. SPEAKER: The honourable Member for Harbour Grace.

MR. YOUNG: Mr. Speaker, I would like to support that petition on behalf of those people on Bell Island. I know, Sir, how frustrating it is sometimes to be waiting for hours on both sides, on both Portugal Cove and on the Beach side trying to get back and forth. I know that the boats

will come in. They will tie up there for hours and I am sure, Sir, there is an inconvenience to everyone travelling to Bell Island. Once again, Sir, I would like to support that petition. I am not indicating that I am supporting the honourable member.

MR. SPEAKER: The honourable Minister of Industrial Development.

HON. W. DOODY: Mr. Speaker, like most people in this House, indeed probably all people in this House, I must rise and support the petition presented by my friend from Bell Island.

MR. NEARY: I wonder why! I wonder why!

MR. DOODY: Why do you wonder? Most people are aware that there has been a redistribution act passed. But it takes a little longer to penetrate some of the more or less nimble skulls in the House.

SOME HON. MEMBERS: Oh! Oh!

MR. DOODY: Mr. Speaker, the -

MR. SPEAKER: Order, please!

MR. DOODY: Down, down, down, down! The feeding time is not for another hour. As I was saying, Your Honour, the sentiments of this House and indeed of everybody in Newfoundland are certainly toward the improvement of the ferry service to Bell Island. We are all very aware of the problems that the people on the Island have encountered during the past years. Certainly the closing of the mines was a tremendous shock, both economically and socially. Since that time everybody has been concerned with the plight over there, nobody more than the people on this side of the House who, as we have indicated during the past few days, are currently carrying on negotiations to improve the economic and social conditions on the Island.

I should also say that I think it would be inopportune for the Province of Newfoundland to take on the responsibilities which have been shouldered by the Federal Government. The transportation system between here and the Island is a Federal Government responsibility, and where the Province can help it certainly will but it will help in pressing and pushing and forcing the Federal Government to do the things which it has said that it would do. I remember a



little while ago the now Minister of Tourism, the Minister of Transportation and Communications, then Mr. T.V. Hickey who worked so hard and so long to get the Catherine in service and I remember at the time the plaudits and the great glee and great enthusiasm that it was greeted with by the member, Mr. -

MR. NEARY: He came to Bell Island to a public meeting.

MR. DOODY: Came to Bell Island to a public meeting and everybody over there was very enthusiastic and the honourable member over there accepted great credit for having done it and I will say without reservation that he did do a great deal of, put in a great deal of effort in getting the ferry in service. I think he deserves great credit for that. The honourable minister at the time, as I remember, worked long and hard also. I am sorry to hear him say now that the ferry is useless. I do not think that that is so.

MR. NEARY: It is useless tied up, tied up for eleven months out of a year.

MR. DOODY: That is right. Now we hope to improve the conditions there and to make it economically feasible to get that ferry in operation on a reasonable basis, Not eleven months of the year. It has not been there for eleven months yet.

MR. NEARY: No, but it will be.

MR. DOODY: But according to the prognostications and prophesies of the honourable member, this is what is going to happen. The difficulty is that the honourable member works on the assumption that things on Bell Island are going to be as they have been during his tenure of office and that is extremely unlikely. So, nevertheless, Sir, I say without reservation that we on the government side of the House support that petition and we will do everything we possibly can to improve the communications between the mainland and the Island of Bell Island.

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

MR. J. ROUSSEAU: I would just like to make two points on this, Mr.

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Speaker. Last month or month and a half ago I did receive a communication from Mr. Campbell, the Chairman of the Water Transport Committee, who wanted to speak to me here in St. John's on the question of the Bell Island ferry. There was some report in the papers at that time that the Province would be taking it over, which I did not say. All I said was I assume that when Mr. Campbell wanted to meet with me on the Bell Island ferry I presumed he wanted to discuss matters such as are contained in the petition today. So at that time he cancelled the meeting which was to be within the next couple of weeks, and he wanted to take six or eight weeks longer to tie down some facts, which I anticipate he will be tying down. When these are tied down to his satisfaction I

presume he will be in contact with us and certainly I have indicated and I am more than willing to meet with Mr. Campbell on the question of the Bell Island ferry. I might also mention that during the meeting we had last week with Mr. Marchand in Ontario on Friday, the ten provincial ministers of transportation, when we talked about the new transportation policy our position provincially was, and I think it is fair to say that the other three Atlantic Ministers, and all the ministers indeed, would support the concept that while this new, envisioned transportation policy is something that will be very desirable in the next five, ten, twenty years or whatever the pattern is, that we in Newfoundland and Labrador, and I guess we in Atlantic Canada and in other isolated areas of the country feel that we cannot wait for the great plan to come. We still have immediate problems, such as the Bell Island ferry, such as problems on the South Coast of Newfoundland in respect to the Canadian National, plus the Coast of Labrador and other areas in respect to transportation, and that our position is that while they are unveiling this plan, and while they are working towards what looks to us on principle, although we do not have details, to be a good plan in the field of transportation, until we get the details we are withholding comment, but we know these problems are there now and our position was that these problems have to be looked at, have to be remedied at this point in time, not the hope that in two years or five years or ten years when the transportation policy covers that specific point that it would be handled. So we want to be very, while accepting the theoretical benefits of the major new thrust in transportation and the welcome news that now the Ministry of Transport is going to take it over rather than give it to the Crown Corporations to run as they wish, that we have immediate needs, that these immediate needs would be looked at, there would be improvements to them in the interim while they are unveiling this new concept in transportation. So we are prepared to meet with Mr. Campbell on that question and I just wanted to put that on record as to our feelings in respect to not only the Bell Island ferry but other ferry systems in the Province and

Coastal Labrador and the South Coast of Newfoundland and other areas and we will keep pressing the federal government on these points.

MR. SPEAKER: Are there any other petitions?

ORAL QUESTIONS:

MR. SPEAKER: The honourable Member for Bell Island.

MR. NEARY: Mr. Speaker, the Minister of Finance, Sir, promised to get me yesterday, or the President of Treasury Board, either one, I think it was the President of Treasury Board, promised to get me an account, an updating of the loss of revenue to the Province as a result of the liquor store strike, Has the minister got that information today?

MR. SPEAKER: The honourable Minister of Industrial Development.

HON. C.W. DOODY, MINISTER OF INDUSTRIAL DEVELOPMENT: It was I who gave that undertaking, Sir, and the information has not reached me yet, I have asked for it but I have not received it as yet. It will be presented.

MR. NEARY: Mr. Speaker, could the Minister of Manpower and Industrial Relations tell us why Alcan has refused to accept a board of arbitration or conciliation board to try to settle the dispute at St. Lawrence, the labour dispute? Has the minister tried to persuade them to change their mind?

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

HON. E. MAYNARD, MINISTER OF MANPOWER AND INDUSTRIAL RELATIONS:

Mr. Speaker, I do not know the exact reasons why they have refused either the options that we have presented to them. I would assume that this is an internal company matter but they have told me that from the company point of view that they have made an offer, but they do not feel they can revise or increase in any way. If they agreed to conciliation they would automatically be saying that there is more money there to be - or more leeway than they can give, and if they go to arbitration they feel that they would as well end up by providing more monetary benefits to the union, and I assume that is the reason they have turned down both options.

MR. NEARY: Mr. Speaker, I have a question for the Minister of Municipal Affairs and Housing, Sir. Would the minister care to tell the House if the dispute between the residents of the Conception Bay community of South River and the member of the House of Assembly for Port de Grave has been resolved?

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

HON. B. PECKFORD, MINISTER OF MUNICIPAL AFFAIRS AND HOUSING: Mr. Speaker, you will have to ask the council concerned and the member.

MR. NEARY: Well, Mr. Speaker, I put the question to the member, Would the member tell the House if the dispute between he and the town council -

MR. SPEAKER: Order, please!

MR. NEARY: - has been straightened out?

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

AN HON. MEMBER: Point of order, Mr. Speaker.

MR. SPEAKER: Order, please! That question is out of order as the honourable member should know. Questions are directed to the Ministers of the Crown and not backbenchers.

MR. SPEAKER: The honourable the Member for Twillingate.

MR. GILLETT: Mr. Speaker, I have a question for the Minister of Justice. I wonder if the minister can tell the House what is the status, I suppose, of the case concerning that ship that is tied up in Twillingate, that vessel. It must have cost somebody, the courts, I understand, which in turn is the taxpayer, it must have cost to date thousands and thousands and thousands of dollars in watchman's fees only -

MR. NEARY: You know the one. You said you were putting "Mr. Aylward" on the case.

MR. GILLETT: How long is it going to continue? She has been there now for -

MR. NEARY: When is it going to be returned to its rightful owner?

MR. DOODY: Good question!

MR. SPEAKER: Order, please!

The honourable the Minister of Justice.

MR. HICKMAN: Mr. Speaker, the question is somewhat vague, but if the ship that the honourable gentleman is referring to is the one that I think it is, my advice is that it does involve a matter that is before the court and obviously I have not the right nor should I comment on it other than to say that the advice I received from the Director of the Public Prosecutions is that the case comes before the Grand Jury this month, I think it is the 26th. of June. It is sometime toward the end of June.

MR. GILLETT: A supplementary, Mr. Speaker. Who in the end, regardless of the results of the judgement, who in the end pays the watchman's fees all these months? Does the Department of Justice pay it? Does the court pay it? Or what? They are paying it now.

MR. HICKMAN: Assuming that the matter is placed in custody, as I understand this was, custody is the word, or in the care of the Crown by the magistrate following a preliminary hearing, which again I understand is the case, regrettably the Crown has to absorb the cost.

MR. NEARY: And write it off as a loss?

MR. SPEAKER: Order, please!

The honourable Member for St. George's.

MR. DUNPHY: Mr. Speaker, I would like to direct a question to the honourable Minister of Forestry and Agriculture. Will the minister please indicate to the House whether or not any consideration has been given to the farmers in Western Newfoundland in regards to a subsidy requested by me in a petition just recently?

MR. NEARY: Are you not speaking to each other outside the House?

HON. H. COLLINS (MINISTER OF FORESTRY AND AGRICULTURE): Mr. Speaker -

MR. NEARY: Put it on the Order Paper.

MR. COLLINS: - the petition was presented, as I recall it, four or five days ago. I think everybody is aware of the fact that we have been anything but idle in the past few days but certainly it is being considered.

MR. SPEAKER: The honourable Member for Hermitage.

MR. SIMMONS: Mr. Speaker, I wonder if the Minister of Finance has the answers to the question I raised a few days ago, questions relating to any amount of money that might have been paid to the former Deputy Minister of Finance upon his retirement from that position, whether in the form of severance pay or any amount over and above what would have been his normal wages and also the further question I raised on the four deputy ministers who had retired on full salary. I asked the minister to determine whether any of these were receiving any amounts now from the treasury and if so, what amounts.

HON. H.R.V. EARLE (MINISTER OF FINANCE): Mr. Speaker, I am sorry, but apparently the honourable member's colleagues are not speaking to him because I gave that answer a few days ago and nobody informed him.

MR. SIMMONS: I was not here.

MR. MURPHY: Catch up on your reading!

MR. DOODY: Go read Hansard.

MR. SPEAKER: Order, please!

MR. NEARY: Mr. Speaker, a supplementary question. A supplementary

question to the minister, Sir, Would the minister indicate to the House if these four gentlemen who have been retired on full salary will receive any increments or increases as a result of negotiations now between Treasury Board and the various groups involved in collective bargaining.

MR. EARLE: I also gave that answer the other day. The answer is no.

MR. NEARY: Mr. Speaker, I have a question for the Minister of Justice. Sir, will the Minister of Justice clear up the confusion that exists in the Province as to the policy or any agreement between the provinces concerning bringing liquor in to Newfoundland from other Provinces of Canada. What is the policy? Would the minister clear up



this situation, Everybody seems to be confused. What is the policy?

MR. HICKMAN: Order Paper.

MR. SPEAKER: The question will be placed on the Order Paper.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. NEARY: Mr. Speaker, would the Minister of Transportation and Communications tell the House whether he will table a letter he referred to yesterday from one of the management employees at the Health Science Complex concerning the diversion of material and labour to help build a private home or put a basement in a house, will the minister table that letter?

MR. ROUSSEAU: The Minister of Transportation and Communications has no jurisdiction in that matter.

MR. NEARY: Well, the Acting Minister of Public Works?

MR. ROUSSEAU: No, Mr. Speaker, not at this point in time any way. You know, these were private allegations that were made at a private meeting and I was to have received an affidavit to the allegations made and unofficially I was in contact with the person involved and I was given a letter but until - I intend to investigate the matter certainly, and have the department investigate the matter. But until I get the affidavit or the charge officially I would rather not do it at this point in time. But an investigation will be carried out and the results of which will be tabled.

MR. NEARY: Mr. Speaker, a supplementary. Do I assume then from the minister's answer that he may or may not table the letter at a later date?

MR. ROUSSEAU: That may or may not be so. In respect to tabling the letter that is correct. It depends on the outcome, maybe the report itself of just what happened would be sufficient without the letters. You know, there is nothing to hide actually. If the honourable member would like to see it privately and confidentially he may do so. I may or may not - I would like to keep that under advisement. If you want to see it confidentially you are welcome to see it.

MR. NEARY: Then, Mr. Speaker, would the same minister tell us whether he is going to table the report that I asked for, for the month of February to the minister's department concerning an unjustified and unwarranted attack on Newfoundland workmen by Scrivener management?

MR. ROUSSEAU: I am sorry, I forgot. I have not had a chance to look into it, you know. I did not. I will look into it, yes.

MR. SPEAKER: The Hon. Member for Hermitage.

MR. R. SIMMONS: Mr. Speaker, I have a question for the Minister of Mines and Energy. I wonder would the minister confirm whether there is going to be a change-over in the billing methods? I understand now that the Power Commission reads the meters, and the same individual who reads the meters actually collects the amount. Is it true that this method is to be changed, there is to be central billing, and if so, and more important, does it have any job implications for the persons who are involved right now? Will there be any layoffs in other words?

MR. BARRY: Is that the Power Commission or the Newfoundland Hydro or the Newfoundland Light and Power?

MR. SIMMONS: Well the Power Commission. The Power Commission is what I said, and that is what I meant. But I think the minister knows what I am talking about -

MR. BARRY: Do not be so foolish!

MR. SIMMONS: - what was the Power Commission. They change the name every day, Mr. Speaker. I mean Newfoundland and Labrador Hydro or whatever agency is collecting in those areas formerly served by the Power Commission, in terms of retail utility.

MR. BARRY: Mr. Speaker, the honourable member was not very clear. I assume that the honourable member is referring to those areas of the Province that are served by diesel generators, where Newfoundland Hydro is supplying electricity directly -

MR. SIMMONS: That is what I said.

MR. BARRY: That is not what you said.

MR. SIMMONS: Tell me what I said.

MR. BARRY: Mr. Speaker, the honourable member has raised a point that I will check into, and I will get the information for him. But I would appreciate if he would be a little more clear when he asks the questions so that I can know what information he is referring to. I will find out if Newfoundland Hydro is changing their billing procedures, and I will so inform the honourable member.

MR. SIMMONS: Maybe a supplementary, I will be as clear as I can, but how many outfits does he have under his wing that collects bills for utility purposes? There is only one. And I think if he is wide awake at all today he knows what one I am talking about.

HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. SIMMONS: I have a supplementary.

MR. SPEAKER: Order, please!

MR. SIMMONS: I have a supplementary.

MR. SPEAKER: Order, please!

MR. BARRY: That is a foolish question, Sit down!

MR. SPEAKER: Order, please!

MR. SIMMONS: That was a comment.

MR. SPEAKER: Order, please!

MR. SIMMONS: The minister is getting smarter every day.

MR. BARRY: .... sit down.

MR. SIMMONS: A supplementary.

MR. SPEAKER: The Question Period seems to be getting a little bit out of hand, and maybe the Chair may be a little touchy as well, but

MR. SIMMONS: Bully boy!

MR. SPEAKER: I would request the honourable Member for Hermitage to remain silent while the Chair is trying to make a ruling. The honourable Member for

Hermitage was proceeding at some length to get into a long preamble to a question. Again I would say that the questions, as well as the answers, should be very precise.

MR. SIMMONS: A supplementary. Is the minister saying he does not know whether there is going to be a change-over or not? Is that the essence of what I understand from him?

MR. BARRY: What do you want me to do, go over there -

MR. SIMMONS: The minister does not know whether there is going to be -

MR. SPEAKER: Order, please!

MR. BARRY: Do you want an answer to the question?

MR. SIMMONS: Mr. Speaker, I understand -

MR. SPEAKER: Order, please!

MR. F. ROWE: Wait for the question, boy.

MR. SIMMONS: The rules apply to all "Leo".

MR. ROWE: What happened?

MR. SIMMONS: Nobody told him yet. Mr. Speaker, a supplementary for the minister. Do I understand from what the minister said in reply to my earlier question that he does not yet know whether there is to be a change-over from their present billing and collection process to central billing? Does he know whether there is to be that change-over or not?

MR. SPEAKER: The honourable Minister of Mines and Energy.

MR. BARRY: Mr. Speaker, I will attempt to repeat again for the honourable member.

MR. SIMMONS: Insane! Insane!

MR. BARRY: If he wishes I can write it out for him, if he is having a little difficulty understanding.

MR. SIMMONS: Answer the question, boy.

MR. SPEAKER: Order, please!

MR. SIMMONS: Do not be so juvenile.

MR. BARRY: Mr. Speaker, as I have pointed out -

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

The Chair has just said and the honourable member to my right indicated that the same rules apply to each side. Certainly the Chair must agree with that statement. The honourable Minister of Mines and

Energy is attempting to answer a question. Certainly he has the right to be heard in silence as well as members to my right.

MR. BARRY: Mr. Speaker, I will repeat what I said in answer the first time, that I will obtain the information for the honourable member with respect to any changes in the billing procedures being implemented by Newfoundland Hydro. Now, if that does not answer his question, then I suggest he rephrase it.

MR. SIMMONS: It does now, Mr. Speaker. I understand that the minister does not know.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. BARRY: Mr. Speaker, the honourable member can make any inferences that he wishes.

MR. PECKFORD: That is not a question.

MR. SPEAKER: Order, please!

The honourable Member for Hermitage was not entitled to rise. He did not ask a question. He made a statement and thus the honourable Minister of Mines and Energy is not entitled to reply to the statement and not a question made by the Member for Hermitage.

The honourable Member for Fogo.

CAPT. WINSOR: Mr. Speaker, may I direct a question to the honourable Minister of Fisheries: Could the minister inform the House if officials of his department have completed the assessment of the storm damage and ice damage caused to fishermen's gear along the Northeast Coast by the storm of May 17, and while he is answering, if not when does he expect it to be completed?

MR. SPEAKER: The honourable Minister of Fisheries.

MR. CROSBIE: Mr. Speaker, I have tried to explain the situation several times and I will try to explain it again. Until such time as the ice moves off so the fishermen involved can ascertain what gear they have lost or what gear they have not lost, we cannot complete the investigation. As soon as the ice moves off and we are able to get an accurate report and people know what gear they have lost, then

we will know what the situation is and we will discuss it with the federal authorities to decide whether there should be some kind of gear replacement programme. If there is a gear replacement programme, it will have a lot of safeguards attached to it. So, that investigation is not completed.

I have the latest updated report which I have not had a chance to read yet. It is here in this file. As far as the Government of Canada is concerned there is no reason whatsoever - if they feel a special programme is required to assist the Northeast Coast, if they should not do so, they do not have to wait for our invitation. They have constitutional jurisdiction in the fishery. It is very likely that I will be contacting Ottawa in the next several days in that connection. So, that is all I can tell the honourable gentleman at the present time.

When the ice moves off, which we hope will be soon now, then we will be able to get an accurate story on what the losses are. The losses are mostly lobster pots and some salmon nets and some lump fish gear. So, it is impossible to get the full story until the ice is gone.

MR. SPEAKER: The honourable Member for Fogo.

CAPT. WINSOR: A supplementary, Mr. Speaker. Is the investigation continuing right now?

MR. CROSBIE: Yes.

MR. SPEAKER: The honourable Member for Bell Island.

MR. NEARY: Mr. Speaker, could the Minister of Transportation and Communications tell the House how the story got started on Air Canada taking over the regional route? Could the minister clarify any confusion that has gone forward as a result of these rumors? Would the minister tell us how did this come about? What happened at that meeting between the minister and Air Canada?

MR. SPEAKER: That question could be placed on the Order Paper.

MR. NEARY: Mr. Speaker, Sir, I wonder if the honourable the Premier, Sir, - this is certainly not a question for the Order Paper - could the honourable the Premier tell us if there is any truth to

the reports that Goose Bay is going to phase out in the next several months? Does the government have any emergency plans at all? Does the government have any emergency plans at all that they can implement to take care of the 800 people who will be left unemployed? If —

MR. MURPHY: Assinine!

MR. NEARY: It is not assinine, Sir.

MR. SPEAKER: Order, please!

MR. NEARY: The people in Goose Bay are very concerned about this matter.

MR. SPEAKER: Order, please!

The honourable the Premier.

MR. MOORES: Mr. Speaker, I should like to answer that. I made a statement in this House a few moments ago, and contrary to your ruling, Sir, about being brief, this does take some explanation. And according to the ruling—I said a few moments ago this government has not yet officially been notified by External Affairs or Washington that this was going to be the case. We do not make contingency plans for places that may close down. I know in the previous administration, Mr. Speaker, that may have been necessary because there was always some doubt about every project that went ahead, but that is not the case now.

The fact is, Mr. Speaker, if it is not true there is no need for it. If it is true, it means the federal government, the Liberal Government in Ottawa has been sitting on this information for many weeks without any concern about this Province of Newfoundland nor the people of Labrador. So I would suggest to our colleague, Sir, that if there is any truth to this Ottawa should be answerable. They will be asked by us and I suggest, Sir, they be asked by the Opposition as well.

SOME HON. MEMBERS: Hear! Hear!

MR. NEARY: Mr. Speaker, a supplementary question. Would the Premier tell us if — I mean, usually where there is smoke there is fire — that if something does happen at Goose Bay, will the government be setting up a corporation similar to the one that was

set up in Stephenville?

MR. ROWE: Harmon.

MR. NEARY: When the Americans pulled out of Stephenville and left the Harmon Base, similar to what happened down here at Pleasantville. I mean the government just cannot sit back and wait for this to happen.

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

The honourable the Member for Bell Island is proceeding to make a speech. His question is out of order because it is hypothetical.

MR. NEARY: Mr. Speaker, you do not have to defend the government, you know, let them defend themselves.

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

The Chair is not going to sit here and let the honourable the Member for Bell Island or any other member infer that the Chair is being partial. The Chair has ruled that the honourable member's question was hypothetical, and if the member wishes to challenge the Chair's ruling, then, of course, that is his privilege to do so.

MR. DOODY: Out!

MR. NEARY: You would like to put me out.

AN HON. MEMBER: No.

MR. NEARY: You cannot sit back and wait for something to happen. I mean, you got to move now.

MR. SPEAKER: Order, please!

MR. MOORES: We are going to move.

MR. NEARY: You would need Epsom salts.

MR. SIMMONS: Ex-lax is the only thing that would get you moving.

MR. SPEAKER: Order, please!

MR. SIMMONS: I am waiting for the Speaker to recognize me.

MR. SPEAKER: The Chair is having difficulty recognizing the honourable the Member for Hermitage, when another honourable member persists in speaking when he has no right to.

MR. SIMMONS: That is not my problem, Mr. Speaker. Is Mr. Speaker going to recognize me?

SOME HON. MEMBER: Oh, oh!



MR. MURPHY: Up she comes!

MR. PECKFORD: Pontificating! Blindness!

MR. SIMMONS: Mr. Speaker.

MR. SPEAKER: The Chair, with some reluctance, recognizes the honourable the Member for Hermitage.

MR. SIMMONS: Did you ever hear the like? Mr. Speaker, I believe that comment from the Chair was uncalled for and I believe I deserve an apology. Either I am going to be recognized or not.

SOME HDN. MEMBERS: Oh, on!

MR. SPEAKER: Order, please! The Chair recognizes the honourable the Member for Hermitage, if he has a question.

MR. ROWE: That is better.

MR. NEARY: With no strings attached.

MR. THOMS: That is better.

MR. SIMMONS: Mr. Speaker, a supplementary for the Premier: Was he aware that the contract between the American people, the American Government and Ottawa for the lease of Goose Bay expires in June of 1976, in any event? Was he aware of that?

MR. SPEAKER: The honourable the Premier.

MR. MOORES: We are totally aware of that, Mr. Speaker, and that is why the Ministry of External Affairs have been the one responsible, dealing with a foreign government, Washington in this case. These negotiations for the information of our friend, or our colleague, or the gentleman, or -

MR. P.S. THOMS: The honourable member.

MR. MOORES: - whatever. Yes, well, himself from Hermitage.

MR. THOMS: That is unparliamentary.

MR. SIMMONS: That is parliamentary. That is okay, yes.

MR. MOORES: That is not unparliamentary.-

MR. SIMMONS: It is also becoming the Premier.

MR. MOORES: - that would make two of you.

MR. SPEAKER: Order, please!

MR. MOORES: But, Sir, the fact is these negotiations have been going on for several years as this has come to a head. And of course

we have been aware that negotiations have been going on, and of course we are aware when two foreign governments are involved - or one foreign government and our own - that it has to be done through External Affairs. But we are also very aware, Mr. Speaker, that when these negotiations go on and a conclusion, if they have been arrived at - that has been the fact - then we would expect the Government of Canada, which is the government of our country of which we happen to be a Province, would involve the local authorities and local in this case meaning the Provincial Government and Municipal Governments, to come up with some solutions.

And not wanting to

deal with a hypothetical case, Sir, when we know officially we will deal with it, and for the information of the Member for Bell Island, one hell of a lot better than was done on the Island of Bell Island when he was member and when the mines closed.

MR. NEARY: Only time will tell that. Only time will tell.

MR. SPEAKER: Order, please! Orders of the Day.

PREMIER MOORES: What did you do for the people on Bell Island when the mines closed?

MR. NEARY: We certainly did quite a bit. Do you want me to -

MR. SIMMONS: Like he solved the unemployment problems.

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

AN HON. MEMBER: That is a good question for him.

MR. NEARY: Do you want me to answer it?

MR. SPEAKER: Order, please!

MR. SIMMONS: Like he solved the unemployment problem.

SOME HON. MEMBERS: Name him, name in.

MR. NEARY: Name the Premier, Sir.

MR. SPEAKER: There are three or four members that I would like to name right now and will if they persist in interrupting.

MR. CROSBIE: Orders of the Day.

MR. NEARY: No, no, Sir, we are not finished with the question period.

MR. SPEAKER: There are two minutes left in the question period, if anybody else has a question.

MR. NEARY: Mr. Speaker, I have a question for the acting Minister of Public Works. Would the Minister tell the House what action his department has taken to correct a health hazard that is being created as a result of the deterioration of the sewer line between St. John's Airport and down to Middle Cove.

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

MR. ROUSSEAU: Mr. Speaker, I would have to take that question as notice. I just have a report that is in my briefcase here. I have the

chief engineer from the Department of Public Works on standby to meet me with it, and on the situation to fill me in. I am sure the honourable Member from Bell Island, the House can accept the fact that these things come along. As an acting minister I am not aware of the background of that but I will be checking it out today. It is a jurisdictional problem, as I understand it. But I am going to have the officials try and determine just what the problem is today. I understand some improvements have been tried over the past Winter but they have deteriorated again. So, I will be filled in on the exact position of the situation this afternoon, I hope.

MR. NEARY: Mr. Speaker, I have a question for the Minister of Municipal Affairs and Housing, Sir. For the twenty-fifth time, would the minister please tell the House what has happened to the accumulated money in this fund from the disposal of the DOSCO assets and rentals on Bell Island that was supposed to be turned over to the people of Bell Island? What has happened to this fund?

MR. SPEAKER: I shall permit the honourable minister to answer the question if he so desires and that will bring an end to the question period.

MR. PECKFORD: Mr. Speaker, we have met with the Wabana Town Council and the Newfoundland and Labrador Housing Corporation and had them present to us various projects that were ongoing, as the honourable member might well know, that would be of benefit not only to the people within the municipal boundaries of the town of Wabana but which would also benefit all the people on the Island of Bell Island. To that end we will be passing the monies over to those projects.

ORDERS OF THE DAY:

On motion of the Hon. Minister of Fisheries, a bill, "An Act To Revise Existing Legislation Respecting The Fishing Industry Advisory Board," read a first time, ordered read a second time on tomorrow.

On motion of the Hon. Minister of Finance, a bill, "An Act Respecting The Awarding Of An Increase Of Pensions To Or In Respect

Of Certain Employees Of The Government Of Newfoundland, Certain Teachers And Certain Members Of The House Of Assembly," read a first time, ordered read a second time on tomorrow.

MR. CROSBIE: Mr. Speaker, I would like to move that we delete from the Order Paper Order number (25) because the bill there mentioned would be the same bill as is dealt with under motion (4) - or, I am sorry, under motion (5). So motion (5) will replace Order (25). So, I think we should correct the Order Papers so that Order (25) comes out.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion? Those in favour "aye", those against "nay", carried.

On motion of the honourable Minister of Municipal Affairs and Housing, a bill, "An Act Further To Amend The Community Councils Act, 1972," read a first time, ordered read a second time on tomorrow.

On motion of the honourable Minister of Municipal Affairs and Housing, a bill, "An Act Further To Amend The Local Government Act, 1972," read a first time, ordered read a second time on tomorrow.

Order 28, Bill No. 71.

MR. SPEAKER: This bill was in second reading last day and I think the honourable Member for St. Barbe North adjourned the debate.

I recognize the honourable Member for St. Barbe North.

MR. ROWE: Mr. Speaker, now that all the violent turbulence has subsided we can probably return to the peace and tranquility of this, consideration of this useless, worthless and meaningless bill that we have before us, Sir, "An Act To Limit The Financial Responsibility Which May Be Incurred By the Province in Respect Of Newfoundland And Labrador Hydro Without Further Reference To The Legislature."

Now, Sir, yesterday I attempted to make a number of points with continuous interruptions and badgering and snarling and snickering and snorting from the honourable the Minister of Mines and Energy, the Minister of Social Services and a number of others of his colleagues.

MR. MURPHY: If you are speaking on the bill, speak on it.

MR. ROWE: There is an example, Mr. Speaker. I hope, Sir, that today, so that I will not leave the wrong impression and I will not be drawn off course that I will not receive these or get these interruptions that I got yesterday.

Now, Sir, I speak because I might have left the wrong impression on one specific thing with respect to this bill and that is that the government or Newfoundland and Labrador Hydro could come in and borrow, and this is at the point when the minister said I was foolish and silly, could borrow in excess of \$200 million today, another \$200 million tomorrow and another \$200 million next week, and total up say, do that ten times you are the \$2 billion realm. And the impression might have been left that this could have been done without reference to the

Legislature. That certainly was not the meaning that I meant to place on it, Sir, because the bill obviously says that the aggregate of monies to be raised by way of loan by the corporation is what we are talking about. But still, Sir, the fact remains that this government, I do not know where the cut off point is, can still borrow \$199,999,999.99 without reference to the Legislature. I suppose in fact according to the bill, actually \$200 million. Is that correct? In excess of \$200 million without reference to the Legislature.

MR. MOORES: Further reference.

MR. ROWE: Further reference, right. There is a difference and that is the whole problem, Sir. There is a difference. The Cabinet can guarantee or Newfoundland and Labrador Hydro can borrow up to \$200 million without reference to this Legislature and, Sir, that is an excessive amount of money to borrow without informing the people of Newfoundland. Well, Sir, that is not the major problem. The major problem is that even when it is brought before the Legislature

an eighteen or nineteen man cabinet can soon whip the caucus into shape, and the government with its majority can disclose whatever information they wish to disclose. And it is not the reference to the legislature that we are concerned about. It is the information that we get in this legislature and the information that can be brought before the people of Newfoundland. That is the important and crucial point.

Sir, that is why I call this bill much to do about nothing. This is why I startled my friend from Bell Island when I said I do not know what all the fuss is about. Well, basically I did not know what all the fuss was about concerning nothing, because this bill represents absolutely nothing. Sir, the bill is a sham and it is a very feeble attempt on the part of this administration to take the advice of the Leader of the Opposition and the Opposition when we were debating the Hydro Bill, to bring before the House every cent that this government guarantees or the Newfoundland and Labrador Hydro borrows for expenditure.

Sir, our fears have not been dispersed and we do not look at the government as being receptive and responsive to our appeal to have such information brought before the House. Sir, Newfoundland Hydro can take this money and they can do whatever they wish to with it. They can spend it for anything. Sir, that is what all the fuss is about, our concern for the information, our concern for detailed information on how this money is being spent.

Now, Sir, just changing the subject for - not the subject, but the point, the theme for one second. Sir, this government has taken great credit, and we wish them all the success, for gaining and taking control of and gaining the ownership of our natural resources. Sir, there is nothing more sacred in this or any other Province that has natural resources that to have ownership and control of these natural resources. But, Sir, there can be nothing more damaging nor nothing more devastating than a government having to foot the bill or to have to borrow in order to develop the natural resources of this Province. This is where our major concern lies,



Sir. When the history is written, will this government be painted as one which took an educated gamble that has paid off - I sincerely hope that that will be the case - or will it be painted as a government that moved too quickly without taking all the factors into consideration with respect to the escalating costs on the development of the Lower Churchill.

Sir, I read in the press this morning that I was hinting that the Lower Churchill and the government or the development of the Lower Churchill, the government, I was hinting that the government were in trouble on the Lower Churchill development. Sir, did I dare make the suggestion in this honourable House that the government may be in trouble with respect to development of the Lower Churchill? Sir, does this require the conclusions of a genius to even dare suggest that the government may be in trouble on the development of the Lower Churchill? No, Sir. It requires the common sense that every Newfoundlander has in this Province of Newfoundland and Labrador.

Sir, we understand, and the minister has admitted, that the cost for the development of the Lower Churchill has escalated to the order of \$2 billion and escalation -

MR. SPEAKER (STAGC): Order, please!

MR. P. ROWE: Or there has not been a moratorium

placed on escalation. And before this project is completed the total cost of this project will be far in excess of \$2 billion. And the Minister of Fisheries, Sir, gets up and says that this is what the Leader of the Opposition is hoping for, hoping for an escalation in costs. Sir, what tripe and what foolishness from the Hon. Minister of Fisheries! That is one reason, Sir, that we have concern. We want information on the Lower Churchill. We want more information by a bill that for every \$5 million say that is guaranteed by the government or borrowed or spent by Newfoundland and Labrador Hydro comes before this House, and honourable members have an opportunity to ask questions about it.

MR. BARRY: Right on.

MR. HICKMAN: Will you call it six o'clock and let us all get some work done?

MR. F. ROWE: The Hon. Minister of Justice will have ample opportunity, Mr. Speaker, to make his feeble contribution in this House of Assembly if he can ever drag himself up on his two feet.

MR. HICKMAN: I will do that as soon as I can. But, you know, I am a busy man and have things to do.

MR. SPEAKER (STAGG): Order, please!

MR. F. ROWE: The second point, Sir, is that for two and a half years or three years - I do not know how much longer I am going to be, Mr. Speaker, if the minister is worried. It is his bill. He can listen to me outside of the House on the speakers if he cannot stand my face, or he can sit there and take the full works.

MR. BARRY: I was just wondering how much longer this is going to go on.

MR. F. ROWE: I only have a limit of another twenty or so minutes, so I will not be that long.

Mr. Speaker, why are we concerned, why do we have the fuss? Because of the escalating costs of the project. Also, Sir, this government kicked out a capable team of engineers, technologists, technicians and work force, experts in the area of economics and engineering, and at this present time, Sir, Newfoundland Hydro are

advertising in our daily newspapers for engineers and what have you for this Lower Churchill project. There has been no significant employment on the Lower Churchill at a time, Sir, when our unemployment rate has been the highest in our history. There is no guarantee of customers, Sir. We have been asking "Where are the customers?" And again the Hon. Minister of Fisheries gets up in the House and he is saying that the Leader of the Opposition here is praying that there are no customers. Sir, talk about attributing motives to an honourable member! It is amazing that the Hon. Minister of Fisheries was not asked to retract these statements. No Newfoundlander, Sir, is going to get up, or should have the right to get up and suggest that any honourable member in this House is hoping that the Newfoundland Government or Newfoundland and Labrador Hydro do not have the customers. We are praying and hoping that they do have the customers, and we would like to know who and where they are, and when we will have them.

We have no guarantee on when it will be completed. No guarantee, Sir, when it will be completed. We have no guarantee who will be doing the financing, who will be doing the investing, or who will be doing the borrowing. We will know who will be doing the borrowing, but we do not know the extent of the borrowing by this Province or Newfoundland and Labrador Hydro. We have no detailed information. And I sincerely hope that the honourable minister will get up and give this information to the House.

Sir, this project every week, every month, every year that it is delayed is costing this Province millions and millions of dollars because of escalating costs.

MR. NEARY: Hear, hear!

MR. F. ROWE: Millions of dollars, Sir, that in fact could be spent on the building of a transportation tunnel under the Straits of Belle Isle which would be an insignificant cost compared to the whole project. But this government says it is not economically feasible to put - it is certainly technically feasible, but it is not economically feasible to put a transportation tunnel under the

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Straits of Belle Isle along with the cable tunnel, combined, it is not economically feasible they say. Yet they let days and weeks and months and years go by with escalating costs which could be used for the building of that tunnel.

SOME HON. MEMBERS: Hear, hear!

MR. F. ROWE: Sir, another concern that we have is this,

wondering why we are worried and the Newfoundland people are worried, Sir, the government have said--and if I am incorrect the honourable Minister of Mines and Energy can correct me -- the government have said that two gas turbines will be installed, one in Stephenville and one in St. John's by the end of 1976 which will add of course to the present generating capacity.

Sir, one is led to ask the question or one should ask the question, why then do we need the additional turbines and generators at Bay D'Espoir? Why do we need them? Why do we need them? The honourable Minister of Fisheries, Sir, and the honourable Minister of Mines and Energy have stated that the customers for the Lower Churchill will be the people of Newfoundland. We have been given the reason for the extra generating capacity at Bay D'Espoir, we have been given as the reason for that that we need to supply electricity to the people of Newfoundland until the Lower Churchill comes on stream.

The next logical question, if logic is to prevail, Sir, is will the generators, will Bay D'Espoir lie idle when the Lower Churchill comes on stream if such is the case? Two generators, one in Stephenville and one in St. John's, extension of Bay D'Espoir, the reason being given to supply the customers in Newfoundland, the people of Newfoundland with electricity until the Lower Churchill comes on stream: What then happens to these projects, Sir, when the Lower Churchill comes on stream if we have no guarantee that we have customers other than the people of Newfoundland?

Sir, is this the first admission, the first public admission by this administration that the Lower Churchill may never be developed or will certainly be a long time in developing? While the minister, while the honourable my learned friend from Burin is taking down his notes he might just as well get them in context, Mr. Speaker, because if he jumps up on his two feet trying to take notes in conversation with his colleague there and quotes me out of context he will be hit with more points of order than he cares to deal with.

MR. NEARY: Gets up on his hind legs.

MR. HICKMAN: What is wrong with taking notes?

MR. NEARY: How is your blood pressure?

MR. F. ROWE: Now, Mr. Speaker, Sir, the fact of the matter is that this administration has gotten its whatnots, I suppose, for the want of a better expression so caught up in the wringer that they wish they were never in the mechanical age in this Province because they are in deep, deep trouble, Sir. It is as simple as that. If you take into consideration the situation in Bay D'Espoir, what they are planning for Stephenville and what they are planning for St. John's in the way of generating capacity and you look at the escalating costs, the lack of employment, no guarantees for completion, no guarantees for financing, advertising for engineers when we have a excellent team that we threw out of the Province, millions of dollars going down the drain every year because of the delay which could be used for the building of the tunnel, the Lloyds River diversion, take all these factors into consideration, Sir, and you will wonder why we want to know more answers when this government asks that they be allowed to build, to borrow or Newfoundland and Labrador Hydro to borrow up to \$200 million without further reference to the legislature in the total aggregate.

Sir, do you realize, Sir, that this is more money - this is perhaps significant. Not perhaps significant, it is significant-that the amount of money that we are being asked to allow Newfoundland and Labrador Hydro and this government to be responsible for in the way of borrowing or guaranteeing is in excess of the amount of money that this government will be borrowing this year as stated by the Minister of Finance in his budget speech. Is that wrong or right?

MR. BARRY: You are impossible to listen to.

MR. ROWE: Ah! I am about as difficult to listen to - the honourable minister is about as difficult to listen to as the Minister of Mines and Energy suggests that I am difficult to listen to.

MR. SPEAKER (Stagg): Order, please!

MR. ROWE: I will stand to be corrected. The honourable Minister of Mines or the Minister of Justice can get up and stand and correct me on that one. But we are being asked to allow Newfoundland and Labrador Hydro to borrow without reference to this legislature or without information an amount of money in excess of the amount that the Minister of Finance has stated that this Province would be borrowing this year. Sir, the people of Newfoundland will not know whether the money is being spent by Newfoundland and Labrador Hydro on the Bay D'Espoir development, the Lower Churchill, the Hydro jet, posh offices in Montreal, incentives for customers. Will this money be used for incentives for customers to use the electricity to be developed in the Lower Churchill? Well, that is the kind of information we are asking and it has not been answered or suggested. \$200 million is an awful lot of money, Sir. Where are the guidelines?

Sir, this government has not levelled with the people. It is a feeble bill, Sir, a very feeble bill to try and disperse the fears and the objections that the Opposition had with respect to the main bill, Newfoundland and Labrador Hydro Corporation bill, when we said that this unlimited borrowing without reference to the legislature is most unacceptable. And they come in with a bill where they can borrow up to \$200 million! They can do that without further reference to the legislature. That is correct, is it not?

MR. NEARY: That is right. First they had unlimited borrowing.

MR. ROWE: Unlimited first, now \$200 million.

MR. NEARY: Unlimited first, now \$200 million.

MR. ROWE: \$200 million.

MR. NEARY: That is still a fair amount of money to give this honourable crowd.

MR. ROWE: Sir, you signalled to me that I only have a few minutes left.

MR. DOODY: Very alert.

MR. ROWE: And I have a lot more to say, Sir. Sir, I think it was Louis Agassiz said that a picture was worth a thousand words, was it? I do not have a picture, Sir. Probably a little poem, Sir, which is worth about 500 words which I would not have an opportunity to say, Sir. Since my district has been wiped out as a result of redistribution, I have turned to poetry as a side-line in case I need to supplement my income in future years, Sir. So, I will try to wrap up what I have to say in the form of a stanza, Sir. That is that: This is the government who used to boast/ That they would do their utter most/ Another year has passed in their care/ What new bold steps did they share/ With responsibility and dear/ Sir, no, it was not the opportunity they lacked/ It is simple/ They just failed to act.

MR. PECKFORD: Boy, it is all there!

MR. ROWE: Refer me to University of London, will you? You got that, have you "Alec"?

MR. SPEAKER (Stagg): The Member for St. John's North.

MR. J. CARTER: Mr. Speaker, there are a couple of points that could perhaps be made. I would like to say at the outset, Mr. Speaker, that I intend to vote for this measure but before I do I would like to make a few points. I do not think we can afford to be dogmatic in any of our predictions about the future. I keep getting the impression from listening to this debate and reading reports of it in the press that this administration knows more about the future than it does about the past. Of course, that is an



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impossibility. I think we have to keep asking ourselves whether the power should be brought to the Island or whether the power should be sold in the Northeastern United States, and how much should be brought to the Island, how much should be sold West; whether or not this power is for domestic consumption or whether and to what extent we will be or not be subsidizing various power hungry industries that are probably eyeing us right now.

There has been some talk about cost escalation and the suggestion has been made that the escalation of cost is now under control. Well, on a personal note I understand that the minister has changed his personal residence and

bought an older house in the city and he is about to embark upon some repairs, so he is going to find out all about cost escalation. If he thinks for one moment, if anyone thinks for one moment that you can predict what the cost of some construction is going to be, not only this time next year but this time next month, I suggest that that person is very much mistaken.

Then there is the point about the tunnel across the Straits. The member for St. Barbe North suggested that a little more money could be spent and vehicles could be brought across. I would like to point out that any tunnel across the Straits in my understanding is going to be extremely expensive, a vehicular tunnel (if that is the way you pronounce it) is going to be impossibly expensive and out of the question altogether.

MR. NEARY: It would be more expensive if you just put a cable down there and then put a traffic tunnel several years later.

MR. CARTER: The point that I would like to, one other point that could be made of course is that, and this bears upon the cost of the tunnel, and that is that I am informed, and I think the minister will agree, that the cost of the transmission line, the total cost of the transmission line is about equal to the cost of the generating station. I believe that is correct.

Now I understand that Ottawa is helping with the cost of the generating - excuse me, with the cost of the transmission line on the basis of a fifty-fifty, up to a considerable amount, almost reaching \$500 million. On that very point I do not have any strong criticisms of Confederation but I do have strong criticisms of the way we view Confederation. It is felt that money from Ottawa is sort of, we should just accept it with whatever strings are attached, in other words, "Do not look a gift horse in the mouth."

Well Ottawa is not some strange foreign power. It is us. We are as much a part of Ottawa as any other part of Canada and just to

embark upon a project because Ottawa will partially or even totally fund it is not the final argument. I would hope, I certainly cannot - well, I could but I do not intend to make such a motion - but I would hope that a permanent Standing Committee of this Legislature could be formed within the next year or so to keep us all informed and to look into the Lower Churchill project as it develops. I hope, well certainly any Committee of this House should be composed of both sides of the House. We would allow the honourable Member for Bell Island a very small role in this committee. He could perhaps keep -

MR. NEARY: No. We are not allowed on sensitive committees.

MR. MURPHY: He must be acceptable.

MR. CARTER: That is right. That is right.

MR. NEARY: Well, who decides whether they are acceptable?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (STAGG): Order, please!

MR. CARTER: I am enjoying this Mr. Speaker. I do not mind at all. This is beginning to become a bit of a free-for-all. Anyway, I would hope that such a permanent committee could be established and I will let it go at that. But I do think it is a worthwhile suggestion because this Lower Churchill Project, Mr. Speaker, could be one of the most important milestones in the development of this Province and electric power has been likened to white coal. It is power in perpetuity. It is -

MR. NEARY: More so now that we have this oil crisis.

MR. CARTER: At an earlier stage in another debate we compared it with the number of barrels of oil and the amount of power that is under consideration is literally quite staggering, and therefore I think we should all be as informed as possible and it is the administration's duty to inform this House, to inform themselves, to inform the public on every step of this very worthwhile and very interesting and very vital development.

MR. SPEAKER (STAGG): If the minister speaks now he closes the debate.

MR. MURPHY: Do you want me to speak for an hour and a half or so "Leo"?

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MR. NEARY: Talking about the devil and eternity!

MR. BARRY: Mr. Speaker, we have a number of questions that have arisen out of this debate. I must say that in my opinion the most pointed and better questions are those that were raised by the Member for St. John's East. But there are one or two questions that came from the other side in the course of their diatribe and their attempt

to put down what they recognize is a great progressive -

MR. MURPHY: An imperial concept.

MR. BARRY: Not an imperial concept! No more imperial concepts, No more colonial concepts, Mr. Speaker, but a great Progressive Conservative accomplishment that will go down in the annals of Newfoundland history, Mr. Speaker -

SOME HON. MEMBER: Hear, hear!

MR. BARRY: as one of the most significant and best decisions ever made for this Province, a decision that will affect -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (STAGG): Order, please!

MR. BARRY: - in a beneficial manner -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. BARRY: - the lives of all of us.

MR. NEARY: Sit down, boy, when the Speaker rises.

MR. BARRY: It is awfully hard to carry on an ordinary -

MR. SPEAKER (STAGG): The minister is closing the debate in the proper manner, and he has the right to speak to the principle of the bill. Other honourable members have had a chance to speak and they are not to interrupt. And this has been brought to honourable members' attention. One honourable this afternoon has seen fit to interrupt quite a bit. So I suggest that interruptions be as few and far between as possible, or the Chair will reluctantly enforce some of its residual power.

MR. BARRY: Now, Mr. Speaker, I would like to get down to some hard facts and information just to show the degree of distortion that the Opposition has engaged in in discussing this project. If I could just have a moment to get my books open here. Mr. Speaker, I think one of the most significant points that should be brought out in connection with this project, and one that may be overlooked when we discuss the new figure that is set out as the cost of the project, namely, \$1.8 billion. Fantastic sums! And I could not

agree more with the Leader of the Opposition when he says that the \$45 million that are being spent this year is in itself a very large sum, and that we can lose perspective by looking at the \$1.8 billion, the \$1,800,000,000 that are involved in the total cost of the project, actually \$1,842.39 million, we can lose sight of just how much is involved in a million dollars or, as the Member for Bell Island or the Member for St. Barbe North apparently say, a mere \$45 million. They dismiss that, Mr. Speaker. That is nothing. It is nothing that this Province, that this government is going to spend \$45 million by the end of 1975 on the Gull Island project.

MR. F. ROWE: That is nothing.

MR. BARRY: That is nothing? What did the Medical Complex cost over here? What is the total cost of that?

MR. NEARY: It will cost about \$70 or \$80 million by the time it is finished.

MR. BARRY: The initial projected cost of that was around \$50 million.

MR. NEARY: You never did anything to put it there.

MR. BARRY: Fifty million. The equivalent - the amount that will be spent this year is the equivalent of a medical complex at the University. It is approximately twice the amount available for water and sewer facilities. It is more than the cost of meeting the water supply needs of the St. John's area. What is that? \$30 million, if I remember correctly, was one figure that appears to have been thrown out.

MR. PECKFORD: Around there.

MR. BARRY: And yet we have - the Leader of the Opposition apparently recognizes that this is a significant, a very large expenditure. But we have the Member for Bell Island and the Member for St. Barbe North getting up and talking about this bill as being a sham because there is nothing happening, there is nothing going to happen with respect to the Gull Island project, with respect to the Lower Churchill project. And they attempt, Mr. Speaker, because I spoke of a final project release of late Fall this year - the Hon. Minister of Intergovernmental Affairs

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Tape 2425 (Afternoon)

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and Fisheries mentioned October 1. There may be some flexibility there- but it will be some time between October 1 and January 1 that the final project release will have to be made in order to meet the schedule of bringing power on stream by early 1981.

Now you could postpone the decision, but by doing so you would also postpone the

date of completion. But, Mr. Speaker, I also said and made it quite clear that this government had approved an initial project release as of June 1, 1975, an initial project release that will see by the end of 1975 some \$42 million, \$43 million spent that will see government engaging in other commitments during that period that will require further expenditures, and that will see the work being done this year that will be necessary to keep us on schedule for getting power on stream and the Gull Island project completed by early 1981. The project is started. The Gull Island project is now started.

MR. NEARY: Do not be foolish, boy.

MR. BARRY: Now, I - the honourable Member for St. Barbe North is agreeing and the honourable Member for Bell Island is apparently disagreeing.

MR. NEARY: No, I am not.

MR. BARRY: Is there any unity on the other side of the House?

MR. MURPHY: None.

MR. BARRY: Is there any consensus?

MR. MURPHY: The leader is not in, the co-ordinator.

MR. BARRY: When the Leader of the Opposition leaves does it fall apart over there?

MR. MURPHY: Where is the co-ordinator?

MR. BARRY: Is there no party discipline left in the Liberal Party in this Province?

MR. NEARY: Wait until you are kicked out and we are put back in!

MR. BARRY: We have seen the effect of Mr. Smallwood, the disasterous effect he had on party discipline. But surely -

MR. SPEAKER: Order, please!

MR. BARRY: A little relevant, yes, Mr. -

MR. SPEAKER (STACC): I think the honourable minister knows why I have risen and I do not think I need to go into a lengthy discourse on it.

MR. BARRY: Mr. Speaker, okay I will try and keep to cold, hard facts. Mr. Speaker, out of that \$1,242,390,000 estimated as the base cost for this - sorry, the total cost for this Gull Island project at the present time, we have the base cost, excluding escalation



and interest, of \$1,023,000,000. We have an amount included for escalation. This is worked out at different rates for different components of the project as anybody who took the trouble to read the initial feasibility study would know, because it is thoroughly explained in this, and this report has been distributed and released.

There is an amount calculated for escalation. That figure has had to be changed because of the dramatic and drastic inflation rate that we have experienced all around the world in the last two years since this initial feasibility study was done. But, escalation, the amount included for escalation in this \$1.8 billion is \$407 million. The amount included for interest during construction - again we have seen interest rates escalate from seven and a half, which was the assumption in this booklet as funds that we would obtain from the federal government, eight and a half provincial funds, we have seen the interest rate escalate to now where we have to assume ten and a half and eleven and a half per cent interest rate. Interest rates have gone up three per cent since this feasibility study was completed.

Interest during construction constitutes another \$411 million. So, this \$1,842,000,000, over \$800 million of that, \$818 million of that is to cover escalation and to cover interest during construction. The base cost that we now estimate the project to be is \$1,023,000,000. So, I think that is a factor that may not have been clearly enough understood before.

There is no question, it is a fact that the project has escalated, the cost of the project has escalated since the initial feasibility study was done. You will all recall that the initial feasibility study, and this is including interest during construction and escalation, the initial feasibility study had the cost of the Gull Island hydro development as \$494 million; the cost of the transmission line, the high voltage direct current system, \$499 million, and the Churchill Falls intertie at

\$48 million for a total of \$1,042,000,000. Today, and this is including the \$800 million I just discussed for escalation and interest during construction, today the figures break down as the cost of the Gull Island hydro plant, \$762 million; the high voltage direct current system and the Gull Island facilities necessary to hook into the transmission system, \$974 million; the Churchill Falls inter-tie, \$94 million; and the - and this figure I have mentioned before, the 230 k.v. line to Happy Valley-Goose Bay, North West River area- \$11 million, for a total of \$1,842,000,000.

Now, Mr. Speaker, in addition to changes necessary to take note of the increased rate of inflation, the increased interest rates in the money markets of the world, there have been some changes in design. There have been, for example, some decisions made such as with respect to the Straits of Bell Isle crossing where the decision was made to go with the tunnel instead of the submarine cables and that alone, under the initial feasibility study, if I can remember correctly, that alone was a decision that added some \$38 million to the cost of the project. That is on the basis of the old feasibility study. It would be more than that with today's escalation. But we have reached a stage, Mr. Speaker, where we have firmer figures. There has been more detailed design done. There has been more information obtained. And the figures that I am giving to you now are the best figures that we can come up with. Now, when I say that we can come up with, I mean not just government and not just myself as Minister of Mines and Energy, not just the officials of Newfoundland and Labrador Hydro Corporation. I mean, in addition to this, the people, the companies who have been retained as consultants, as project managers and consultants for this Gull Island project. These companies are the best companies in Canada and probably in the world with respect to the construction of hydro facilities and high voltage transmission lines.

We only several weeks ago requested and obtained a letter

from the officials, from these companies, and the companies I refer to are Acres Consulting Services Limited, Shawinigan Engineering Company Limited, Montreal Engineering Company Limited with respect to the Gull Island dam site, and with respect to the transmission line system, Montreal Engineering, Shawinigan Engineering and Templeton Engineering.

Now, Mr. Speaker, we have requested certain assurances from these companies and these companies have put their reputations on the line, as they do when they get involved in any project. They have given us certain assurances with respect to the Gull Island project. If I could just summarize briefly some of the points made in this letter, the teams, and these are the teams set up by these companies in conjunction with Newfoundland Hydro officials in completing an updated review of this project leading to this new \$1.8 billion figure, it says, "The teams reviewed the design aspects, schedules and costs as well as the major risks involved in each of the projects in as much detail as the time available allowed. The findings of the teams have been reported to us and we would advise you as follows: First, design, the design of the power project is sound and contains little scope on the basis of technical reasons for major changes in size, engineering provisions and costs. The design of the transmission system provides a reliable facility for the transfer of the large block of power involved to the Island as well as a strong connection West to Churchill Falls."

Now, schedule: "The critical paths through both the power project and the transmission system have virtually no float times." In other words, we are working on a tight schedule. "However, we are satisfied that the schedules are realizable and that power will be available

from the project on January 1, 1981, provided that, first, provisional project release is given early in June 1975 and full project release on October 1, 1975 and, secondly, that approvals are given and funds committed expeditiously as requested by Lower Churchill consultants and Teshmont throughout the project to ensure that the project schedule is maintained."

Third with respect to costs, it says, "In your letter you have asked us to report on whether the cost making up the estimated total cost of \$1.8 billion are realistic and whether the definitive cost estimates are likely to differ significantly from these," and they go on to say about the understanding of the make up of the \$1.85 billion as I just read out to you, \$975 million for the transmission lines, \$762 million for the hydro site and \$94 million for the Churchill Falls intertie, the Upper Churchill intertie, and \$11 million for the line to Happy Valley. And they refer to the fact that these estimates include interest during construction to December 31, 1980 and they indicate that in their opinion the overall accuracy of this estimate - and you have to do this, and the way companies do it, the way anybody in the world who addresses themselves to the question of how firm these figures are, how reliable these figures are, you have to talk in terms of probabilities, in terms of the estimating accuracy. And they talk about this project, the cost of this project as far as the \$1.8 billion are concerned, as ranging anywhere from five per cent less than that to twelve and a half per cent more than that. In other words the project could cost less than the \$1.8 billion referred to, could cost up to five per cent less than that or it could cost, if the worst happen in the opinion of these gentlemen, it could cost an additional twelve and a half per cent which would be what, approximately \$2 billion, \$2.1 billion.

We just heard the honourable Leader of the Opposition yesterday set out that, first of all, he did not have enough information, that government had not supplied enough information on this project, and he harangued and complained for a while about that. And then he went on

to say however, Mr. Speaker, he cannot accept this figure of \$1.8 billion, \$2 billion referred to by government or referred to in the feasibility study, he cannot accept those figures, because his information, his information is that the project is going to cost \$2.5 billion.

MR. ROBERTS: Pretty close.

MR. BARRY: That is his information.

MR. ROBERTS: Yes.

MR. BARRY: Now, Mr. Speaker, how inconsistent can you get? On the one hand he attacks government savagely for not supplying him with information to enable him to evaluate the project, and on the other hand he purports to put forward that he has got all the information he needs to set out his accurate cost estimate of this project.

MR. NEARY: He got them through the back door, perhaps from the C.I.A.

MR. BARRY: What nonsense! Yes, I would not be surprised but it was C.I.A. tactics! I am glad that you admit that you have a tendency to engage in C.I.A. tactics.

MR. NEARY: You will have to get guards around there.

MR. SPEAKER: Order, please!

MR. BARRY: Mr. Speaker, that statement by the Leader of the Opposition was irresponsible. It had no other purpose than to attempt to downgrade this project and to attempt to embarrass this government. It was a cheap political shot. It was a figure hauled out of the air by the Leader of the Opposition and thrown out in an attempt to try and cause additional difficulties to this government in commencing with this project, in carrying out this project. It was a mischievous act, a deliberately mischievous act by the Leader of the

Opposition in an attempt to scupper the Gull Island project. And it is an indication of our callous, how callous, Mr. Speaker, the Leader of the Opposition and I suggest some of his colleagues can be in trying to satisfy their bottomless pit of ambition, their unquenching thirst for power. They will do anything, Mr. Speaker, they will attack any programme of this government however beneficial it might be to the people of this Province. They will attempt to do anything, Mr. Speaker, to sabotage projects of this government that might meet with the approval of this Province. I have to -

MR. NEARY: What bunkum!

MR. SPEAKER: Order, please!

MR. BARRY: - I have to thank the honourable Member for Bell Island before he leaves for the few kind words that he gave me last day, Mr. Speaker. Before he leaves I would like to acknowledge with appreciation a few kind words that he gave, and I am just sorry that he could not prevail upon his Leader and his colleagues to continue in that great spirit of statesmanship that he exhibited momentarily yesterday.

MR. NEARY: Do not go too hard on me now while I am gone.

MR. BARRY: No, we will forget about the honourable Member for Bell Island, Out of sight out of mind.

Mr. Speaker, if I could go on briefly and continue reading from this letter that we have from the consultanting engineers in connection with the Gull Island project. They have given that their best estimate with an accuracy of minus five per cent plus twelve and a half per cent, that their best estimate is a cost of \$1.842 million.

Now they say they have arranged for an independent review of the escalation indices that were used to estimate the probable cost of inflation to the project. And the independent review that was done confirms the indices that were used for escalation in computing this figure. They say with respect to major risks that they are satisfied that all normal risks associated with every large project of this type have been adequately provided for in the schedule and unit costs, and that those not identified at this time will be taken

care of by the contingency allowance. In addition to a provision for escalation, Mr. Speaker, this figure of \$1.842 million contains a sum for contingencies to meet unexpected costs that may arise. But they point out the major risks, and these are worth noting, Mr. Speaker, worth noting by all of the people of this Province, the major risks which could affect the schedule and/or costs are the following, (a) greater escalation of prices or higher interest during construction than assumed. And again, Mr. Speaker, these consultants, as our government is doing, is attempting to operate with respect to certain assumptions as to how world prices are going to go, as to how world interest rates are going to go. We have to do this just like every businessman in this Province has to do this, Mr. Speaker, when he engages in a project, a construction project. He has to make certain assumptions as to how the economy is going to develop, what the prices are going to be -

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: - a few years down the road, what interest rates are going to be. And, Mr. Speaker, there could be unforeseen developments. Let nobody say that this government is attempting to paint a nice security blanket around this project. We are not. This project, like every other project of any magnitude that is commenced, will be subject to certain risks and one of the major risks will be the possibility of greater escalation of cost or higher interest.

Another major risk that could be involved is any unfavourable movement in the exchange rate of the Canadian dollar, Again this is a factor that can affect the cost of the projects since some of the equipment will have to be purchased outside of the country. Another major risk is the possibility of prolong strikes in the equipment suppliers and/or the transportation system. again areas where we have little or no

control. Another possibility where major risk exists is with respect to prolonged strikes or other labour unrest on the site itself. Here it is more within our control and hopefully we can work out with the various unions concerned and with Newfoundland Hydro an arrangement that will see this project, this project which is of great importance to this Province, proceed without interruption.

We have the model of the Churchill Falls project which was very successful with respect to labour relations. We are not saying that conditions are the same now as they were then, but we are saying that we can learn from the way the Upper Churchill project was carried out.

Another possibility or area where a major risk could be involved is the absence of really competitive bidding, if we find that as bidding proceeds on this project that we are not having competitive bidding, that we have companies that are either getting together to set prices or are in a monopolistic situation with respect to supply of materials. And of course we always have the final area of exceptional physical circumstances and acts of God.

Now, Mr. Speaker, all of these items have been considered in determining the feasibility of this project. This was gone over again over the last several months in the review of the initial feasibility study to take light of the changing situation, changing conditions that have occurred in the last year and a half since the first study was done. But if I could just read out for you the conclusion from the summary of findings and conclusions from this new feasibility study.

It says that: "It is the finding of this study that the Gull Island project is technically feasible and financially sound. From an economic viewpoint the development of the project will utilize a renewable resource at a reasonable and stable cost and is superior to all available alternatives." That, Mr. Speaker, is significant. It is superior to all available alternatives. And if I could - I do not see it here right in front of me now - but there is another clause that indicates that the Gull Island project is looking better in comparison with the alternatives that we have in this Province,



nuclear, thermal plant, gas turbines or whatever, that the Gull Island project is looking better today in comparison with those than any other alternatives. It is looking better than it did when the initial feasibility study was carried out, because even though the cost of Gull Island has escalated, the cost of these alternatives has escalated more, Mr. Speaker, so that the Gull Island project, this feasibility study indicates, is even more viable in comparison to the alternatives that it was when the initial feasibility study was carried out in 1972.

Now, Mr. Speaker, we have to look at that. We have to look at what our alternatives are. We are talking here, Mr. Speaker, about meeting the needs of our Province not just for one or two or three years. It is anticipated that when this comes on stream in 1981 that the needs of our Province will be met until approximately 1989. By 1989 the Province will be taking up all of the power of Gull Island, in a fairly brief period, over an eight year period. I will go into that in a moment and explain. This deals with the need for customers and where the customers are going to come from and so on.

First, Mr. Speaker, if I could I would like to just talk about the 1975 programme of work, summary of work that will be undertaken in respect of the Gull Island project during 1975.

I have already mentioned the provisional project release was given on June 1, 1975. This is a statement of intent on the part of the owner that enables all concerned to proceed in the knowledge that the project will go ahead, and it also indicates when the Province must begin getting involved with respect to commitments for contracts and so on. This project, you have to look at it as having three distinct areas of activity. First, the Churchill Falls-St. John's transmission systems; secondly, the Strait of Belle Isle Crossing; and third, the Gull Island hydro electric power site - three distinct areas.

Now, with respect to the Churchill Falls to St. John's transmission system, the 1975 expenditure on this programme will amount to \$10.41 million of which \$6.36 million is for contracts in the field. The major contracts are for transmission line surveys, \$2.61 million; transmission line clearing, \$1.6 million; helicopter support, \$920,000; fuel supply and distribution, \$260,000. The contracts, and this is the contracts involving the transmission line, involve a manpower component peaking at 345 in July and above 200 through the months of June to November. The high labour component is in the line survey and clearing contracts where skilled woodsmen and survey crews will make up sixty-five per cent of this requirement, the rest being mainly engineering and air support services personnel. That is with respect to the transmission line.

Next with respect to the Strait of Belle Isle Crossing, this work consists of first, the construction camp and the support facilities on either side of the Strait of Belle Isle near Savage Cove and Point Amour; secondly, the driving of a vertical shaft, approximately twenty-one feet in diameter to a depth of 1,800 feet on either side; third, the driving of a tunnel approximately seventeen feet by fourteen feet, a distance of twelve miles under the Strait. Now, this is the total project here, by the way. This is not just what is being done this year. I will mention what is being done this year in a moment. Fourth, the installation of four

cables for the total capacity of 1,600 megawatts in the tunnel and terminating on either side of the Strait.

Now, in 1975 the expenditure associated with this work will amount to \$13.15 million of which \$8.13 million is for field contracts, the major ones being, first, shaft, headframes and hoists, \$2.93 million; secondly, shaft, steel and ropes, \$0.67 million; third, diesel plant, \$1.21 million; fourth, trailer camps, \$0.17 million; fifth, site services and fuel, \$2.52 million; sixth, pre-grouting for shafts, \$0.60 million; seven, seismic and drilling, \$0.16 million.

Now, as most of these, the large expenditures here involve the purchase and delivery of materials to the site, the labour component is relatively small through the summer months and does not really show up until September through to December when it will be in excess of 250, peaking in November at 322. Most of these people will be general labourers, carpenters, electricians, plumbers, etc., who will be involved with setting up the site camps and support facilities along with the drill crews and the engineering support team.

The third area of activity is the Gull Island hydro site and this work constitutes the construction of the dam, power house, spillway, etc. In 1975 the expenditure will amount to \$12.04 million

of which site contracts will account for \$4.6 million. Major contracts are for road improvements to Churchill Falls-Goose Bay, \$3 million; foundation investigation, \$1 million; catering, \$200,000; camp construction, \$300,000. The manpower requirements peak at 285 in September and October and are above 200 from July through to November. A good part of the work is in the road upgrading and the usual skills of heavy equipment operators and labourers will be required.

At the site there will be mainly drill crews, engineering services and limited requirements for the building trades to establish camp facilities.

SOME HON. MEMBERS: Hear! Hear!

MR. BARRY: Now, in summary we are looking at an expenditure totalling from now to the end of the year another \$35 million. Some \$8 million has been spent up to now. That will mean a total expenditure by the end of the year of a little over \$43 million. The manpower requirements I have already mentioned with respect to each of the components of the project. As we see it at the present time, as of May there should have been 151 employed on the site, by the end of June 387, by the end of July 648, August 646, September 824, October 868 and so on.

The recruitment policy, there were some questions raised with respect to this. In order to prepare for the manpower requirements of the project the Hydro staff have been geared up and there has been a recruitment officer designated on the staff of Newfoundland Hydro. This person has the sole responsibility to co-ordinate, contract or request for manpower with the market. This gentleman is Mr. Henry Janes who is operating from the offices of Gull Island Power Corporation at the Donovans Industrial Park. This gentleman - I think it should be pointed out, that a lot of the employment is with sub-contractors, contractors doing the work for Newfoundland Hydro and not necessarily with Newfoundland Hydro directly. But Newfoundland Hydro will have this individual co-ordinate the manpower requirements. He will also work through Canada Manpower, deal directly with Canada Manpower and there will be owners' representatives established in the

Coose Bay-Happy Valley area and on either side of the Strait of Belle Isle to accommodate the employment of residents from the local area.

Now, Mr. Speaker, I am running out of time here. I understand.

I have a limited time to -

MR. PECKFORD: No. Carry on.

MR. SPEAKER: The honourable member has forty-five minutes, of course, in summing up the bill. But not when he is introducing it except by leave naturally. His time expires at five minutes after five.

MR. BARRY: Pardon?

MR. PECKFORD: I thought you had unlimited time.

MR. BARRY: Just on introduction of the bill it is unlimited time, I gather. Anyhow, Mr. Speaker, a lot of these points I think I have covered, a lot of the points that have been raised. The transit tunnel has been discussed before. The actual cost in the preliminary feasibility study, the cost of enlarging the tunnel to make it large enough to accommodate vehicle or traffic was some-just under \$50 million. I call upon every

honourable member of the House to support the project.

On motion second reading of a bill, "An Act To Limit The Financial Responsibility Which May Be Incurred By The Province In Respect Of Newfoundland And Labrador Hydro Without Further Reference To The Legislature," read a second time, ordered referred to a Committee of the Whole House on tomorrow.

MR. CROSBIE: Mr. Speaker, I would like to give notice that when the House rises at six o'clock, I will move that the House adjourn until eleven tomorrow morning.

MR. SPEAKER: It is moved and seconded that when the House does adjourn, it will adjourn until tomorrow, Thursday, at eleven of the clock. Those in favour "aye", those against "nay", carried.

On motion second reading of a bill, "An Act To Ratify, Confirm And Adopt A Guarantee Agreement Made Between RoyMarine Leasing Limited And The Government And Fishery Products Limited."

MR. SPEAKER: The honourable Minister of Fisheries.

MR. CROSBIE: Mr. Speaker, this is a piece of legislation to do, as the title says, to ratify, confirm and adopt a guarantee agreement which was entered into between RoyMarine Leasing Limited and Fishery Products Limited. There is nothing new in the bill. At the time that the government entered into this arrangement an announcement was made and the bill has to do with the fact that in July, 1973 Fishery Products Limited wanted to acquire three further trawlers from a Norwegian shipyard, to have three further trawlers constructed in a Norwegian shipyard. The shipyard in question had constructed four stern trawlers for Fishery Products Limited which they finance themselves without assistance and they wanted to have three more constructed. But in order to have them constructed they could only do the financing for them if government assisted. So, government negotiated with them and the government eventually agreed that we would make it possible for them to have these three trawlers constructed by guaranteeing fifty per cent of the amount of the financing.

Now, the trawlers were financed by RoyMarine Limited, which is

a leasing and finance institution. So, the way the arrangement works was that the three trawlers were built for RoyMarine Leasing who provided the interim financing and the long term financing. They were built for Fishery Products but transferred, the trawlers, ownerships of the trawlers was transferred to RoyMarine Leasing who then leases the three trawlers to Fishery Products Limited for sixteen years. So long as Fishery Products Limited pays the lease payments for sixteen years, then at the end of the sixteen years they become the owners of the three trawlers.

The government has guaranteed to RoyMarine Leasing the repayment of fifty per cent of the lease payments. The effect of that is, of course, that if for some reason Fishery Products Limited defaulted and did not make all the payments required during the sixteen year period, the Newfoundland Government would be responsible to see that that fifty per cent, that RoyMarine Leasing got at least fifty per cent of those payments because they would be guaranteed by the government.

So, it is a sixteen year financial transaction and the interest rate is eight and three quarter per cent. The three trawlers in question and the other four trawlers that Fishery Products had constructed themselves, had built themselves are now fishing in the Catalina. And they are responsible, of course, for insuring that the fish plant at Catalina operates on an all year round basis because they have these seven trawlers fishing. The three trawlers in which the government is involved in the financing under this agreement, those three trawlers have now all been delivered. The last two were delivered within the last several months and all three of those trawlers are equipped for Spanish pair trawling. The last two of them are now involved in Spanish pair trawling for codfish and off the Coast of Newfoundland with Spanish personnel assisting Fishery Products in this experiment to see whether or not that we should adopt, or if our crews and captains can catch on to the technique or feel that it is worthwhile to adopt the technique of

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Spanish pair trawling which is a method of fishing where two trawlers together fish as a pair, and where apparently the Spanish get very large catches of cod in their fishing efforts. So, that is what the last two of them are now doing. But all seven of these trawlers, including the last three, fish into Catalina. Fishery Products Limited now has a total of twenty-two trawlers. These seven Norwegian trawlers built in Norway on the Zaragoza fish into Catalina. Five stern trawlers fish into Trepassey.



Six stern trawlers fish into Burin. That is a total of nineteen stern trawlers. They also have three side trawlers of which one is fishing and two are not, two of the side trawlers are not fishing, for a total of twenty-two trawlers.

Now the arrangement was with Fishery Products at that time when this was discussed with them - by the way, the price of those trawlers was a very good price as the honourable gentlemen will see from the bill. The price was 8,300,000-odd Norwegian krone. That price translated into dollars is \$1.6 million, an excellent price for a stern trawler. And, of course, they would today be much more expensive than that.

The maximum liability of the government under this guarantee would be \$2.4 million. In other words, if they had to pay off the guarantee in year one it would involve the government in the payment of \$2.4 million. On the other hand if government was ever called upon to pay off under the guarantee we will have three options; we could take over the lease from Fishery Products ourselves, and assume the obligations to pay IMB leasing - it was then - or Roymarine all of the lease payments and either fish the ships ourselves or sublease them to other operators to fish. And, of course, you would get payment back from the operators to pay off the lease. That would be one option. Or if we are ever called on our guarantee we could pay Roymarine a sum equal to the calculated value of the vessel at that particular time, whenever that time might be, including recapture depreciation and take over the mortgage ourselves. In other words, buy the vessel from them for then value of the vessel, or we could arrange with the leasing company to have the ship sold and if the sale price did not cover what they were owed at that time we would be responsible for fifty per cent of the value of the difference.

So under this arrangement it would be very difficult to see, Mr. Speaker, how government could suffer any loss through its guarantee. Now this was not a policy that would just apply to Fishery Products Limited. We said then and I say now that any fish company

operating in Newfoundland that wants to acquire trawlers, and has the necessary licences and needs financial assistance that we are equally prepared to do the same kind of arrangement with them, in other words to guarantee fifty per cent of their financing in the same manner as was done for Fishery Products Limited. There has not been any other company to date that has wanted to proceed on that basis, but that is the standing policy which is open to all of them.

In addition, Mr. Speaker, to the three alternatives we have if there ever was any default, which I am sure there would not be, but if there was, we did in checking the main agreements between Fishery Products Limited in the Province, which covers \$4.8 million that was advanced some many years ago, and which does not have to be repaid until starting in 1980 under an arrangement entered into some years ago, in checking that we discovered that the fish plant located at Port au Choix was not covered in the government mortgage. So we said that as a condition of our doing this the fish plant at Port au Choix would have to be covered under our first mortgage. And we discovered that three of their trawlers were not covered under government's mortgage, and we said that those three trawlers will have to be mortgaged to the government, that is, three trawlers that they then had. So that we also have gotten a mortgage on the Zebrula, Zelury, and the Zaley. And in addition to that we wanted two government directors appointed to the Board of Fishery Products Limited, and I think the old agreement said one director, and that they must hold directors meetings at least every three months during the year. And we wanted it made clear that all their audited statements of themselves and all their associated companies would be provided to the government upon request. And these were other points that we had them agreed to in return for our guaranteeing of fifty per cent of these lease payments.

So I think it was a very good arrangement, Mr. Speaker. The price of the trawlers was an excellent one. The trawlers that fish in Catalina which is now a year around plant. They were the last three

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of seven built for Fishery Products in Norway of which they paid for the first four from their own financial resources or arranged their own financing.

MR. CROSBIE: We were also able to get more security under the original government mortgage with Fishery Products Limited. And of course the financial terms are good because an interest rate of eight and three-quarters per cent is certainly a good rate when you consider what rates are today. Our maximum liability is \$2.4 million, but if we were ever called to pay we have the security of the trawlers and so on and so forth as I have explained.

Now originally, Mr. Speaker, this agreement was entered into between RoyMarine, Fishery Products and N.I.D.C., Newfoundland Industrial Development Corporation, a government Crown Corporation, because in order for the transaction to proceed then there has to be an agreement entered into and since the House was not opened we could not adopt the route we are now adopting. But we told them at that time, RoyMarine, that if they wished to have the government replace N.I.D.C. as the guarantor, we would agree to do that and at their request present a bill to the House providing for that. So the bill that is now before the House is to carry out this transaction where government will make this guarantee and the agreement is attached to the bill as a schedule, and I have no hesitation in recommending it to honourable members, Mr. Speaker. I think it is a very valuable device that we should use again if there are other companies that need assistance in having trawlers built, this is a way that we can do it, and that we should utilize and it has a lot of advantages to us. So I therefore move second reading of the bill.

MR. SPEAKER: The honourable Member for Fogo.

CAPT. WINSOR: Mr. Speaker, really I do not see too much wrong with this bill although I must admit the honourable the Leader made it known yesterday that he would like to have a few comments on it and I do not know whether the minister would like to hold it over until the Leader of the Opposition gets back. He is going to be back, I think tomorrow morning, for tomorrow morning's session. However, there is one thing I see. There is a weakness here. I do not see why the government should depend wholly and solely on the security of the trawlers. Cannot the government get security in other assets of that company? Fishery Products, it is a known fact that Fishery Products has been operating, as a matter of

fact I suppose they are one of the first fresh fish processing plants to operate in Newfoundland and they have done a very good job and they have also given a lot of employment. However, they have done very well at the profit end of it too, and I do not know at the moment how much they paid back on the original loans. Fishery Products is one company which has gotten a great sum of money from the provincial government, from the previous one and now again from this government.

But if we are to provide the capabilities to catch our quotas then of course I do not see any other way out. The government must step in and assist not only Fishery Products but other companies as well to obtain more capability in order to get out and let us not be put in the position where we can be accused of not taking our quotas from the Hamilton Bank or on any other bank. So in that light I think the government - except for the fact I do not think our security is firm enough because if the fishery should fail, God forbid, and then we are left with three, four trawlers, obsolete maybe by then, what security do the government have? So with the assets such as Fishery Products has then I do not see why the government should not demand security in other forms rather than the draggers themselves.

So, Mr. Speaker, that is the only point I have at this time except the fact that it is providing a source of continuous employment for the people of the Catalina area and if these trawlers are specifically for that area then of course the only way that that plant can operate is through having trawlers with that capability and with that diversification to enable them to keep that plant operating most of

the year but I cannot see how it can keep it operating for the whole twelve months of the year because as we all know very often that particular part of the Island is going to be blocked with ice anyway from January to February and March. But, Mr. Speaker, these are the only points that I have but the Leader of the Opposition did make it known to me yesterday that he would like to speak on the bill and I do not know whether the Minister of Fisheries would oblige and hold it over until tomorrow morning until the leader arrives back.

MR. SPEAKER: If the honourable minister speaks now he closes the debate.

MR. CROSBIE: Mr. Speaker, I did tell the Leader of the Opposition the order we were going to call the bills and he did not object then. Now, of course we have no objection when this goes into Committee stage if he wants to raise questions or ask for any detail. That is, you know, quite in order. We have no hesitation in trying to answer any questions he has.

So, just to conclude second reading: Perhaps I did not make myself clear, Mr. Speaker. The security that we would have, of course, is not only these three trawlers. If the government was called upon to meet any part of this guarantee, Fishery Products would be responsible to us for the part that we had to meet. Our security with Fishery Products is a mortgage on all the plants and equipment and vessels owned by the company. The government has had that security since the previous government entered into an arrangement with them ten or twelve years ago. And as I explained to the House, of course, we have improved that security, as I said just a few minutes ago, because we discovered that under the original government's first mortgage there was not included the Port au Choix fish plant. We have now got a mortgage on the Port au Choix fish plant that we did not have before because of this arrangement. So, there is additional security there.

We also discovered there were three trawlers on which the government did not have a mortgage. And we said, "all right, we want those too as additional security." We now have a mortgage on Zebrula

Zelury and Zaley. So, you know, the first mortgage that the government already had on Fishery Products assets has been expanded to include the Port au Choix fish plant, worth several millions of dollars, and these trawlers. In addition to that, of course, we would also have the three trawlers that are covered under this arrangement. So there is certainly more than adequate security. Now, as far as Fishery Products is concerned, that company has not received any more financial assistance from this government than it has received and it had received when we came into office from the previous administration with one exception. There is another loan guarantee bill and you will see in that when we come to it now that there is a guarantee of \$2 million working capital loan which has become necessary because of the state of the industry and the strike and so on in the last few months.

But under the original arrangement with the government of which the honourable gentleman opposite was a member, the original amount of \$4.8 million roughly, the interest rate on that loan is very low as you know. It is three and a half per cent. But that is fixed and that is set with them. They do not have to pay back anything on principal until commencing in 1980 and that is still the case.

So, as part of this deal we have increased the government's security and assets owned by Fishery Products. We also - of course Fishery Products would be liable to us if we had to pay anything on this and the three vessels are security for the guarantee.

I also just wanted to stress again, Mr. Speaker, that this is not an arrangement that we are just prepared to do with Fishery Products. We are prepared to do it with any company operating a fish plant in Newfoundland that has a license for trawlers and that needs them. That is an enterprise that is viable and should be assisted or even if it is not viable should be assisted. Any fish company operating in Newfoundland that needs trawlers and should have them can have the same kind of an arrangement if they want to pursue it with us. So, it is not just for Fishery Products but they are the only ones who have taken it up. In fact, in 1973 when we did this we sent out

a release saying that the government is prepared to do this for any fishing company that operates in the Province. But so far it has only been Fishery Products and no one else has asked for assistance.

Not only that, Mr. Speaker, but we have assisted other companies. National Sea was assisted and several trawlers have been built under another arrangement, of course, as the House knows. So, this is open to anyone who wants to take advantage of it. It may be that some companies would have difficulty in arranging even fifty per cent of the financing themselves. So, in any event then, Mr. Speaker, I move second reading. If the Leader of the Opposition wants to ask some questions in the Committee stage that is quite in order.

On motion a bill, "An Act To Ratify, Confirm And Adopt A Guarantee Agreement Made Between PoyMarine Leasing Limited And The Government And Fishery Products Limited," read a second time, ordered referred to a Committee of the Whole House to tomorrow.

On motion that the House go into Committee of the Whole, Mr. Speaker left the Chair.



Resolution: That it is expedient to bring in a measure further to amend the Loan and Guarantee Act, 1957, the Act number 70 of 1957, to provide for the advance or guarantee of a loan to a certain individual and for the advance of loans to and the guarantee of the repayment of bonds or debentures issued by or loans advanced to certain corporations.

On motion resolution carried.

MR: CHAIRMAN: The honourable the Minister of Finance.

MR. EARLE: Clause (1) Mr. Speaker, as is shown in the context of this bill, this is just to amend the Loan and Guarantee Act, 1957, to add to the schedule of that act the loans which were guaranteed to some six companies, six private companies during the past year. They are the Burgeo Fish Industries Limited for \$1,200,000; Fishery Products Limited \$2 million; Fogo Island Ship Building and Producers Co-operatives Society \$200,000; Ronald Higdon \$75,000; George Sexton Limited \$100,000; and Sunshine Dairy Company Limited \$100,000.

The explanations pertain to these loans are as follows; the Burgeo Fish Industries Limited \$1,200,000, Order-in-Council authorized a guaranteed bank loan of \$1,200,000 to Burgeo Fish Industries Limited, a Crown Corporation. This bank loan replaces two other guaranteed bank loans of \$500,000 and \$700,000. These loans were issued October 16, 1972 and May 2, 1973 respectively and were issued as a revolving line of credit to assist the company's working capital position under government take-over of the plant. The \$1,200,000 guaranteed bank loan was issued on July 26, 1974 and is due to expire on July 31, 1977. As of March 31, 1974 the outstanding balance of this loan was \$1,200,000. There are no other loans to this company which are guaranteed by the government.

In the case of Fishery Product Limited the guarantee is for \$2 million. This is for the purpose of supplying working capital to that company. Under the particularly stringent and difficult conditions which prevailed on the fishing industry last year, the company needed assistance and came to the government and after considerable discussion we agreed to advance

working capital under guarantee to the extent of \$2 million.

I might say in passing that that particular company employs some 1500 workers, both in its shore plant and on its draggers and has an annual payroll of approximately \$9 million.

Of course it is well known to the House that the government has been for many years very heavily involved in the finances of that company and it is an absolutely essential industry in Newfoundland which has to be kept afloat at all costs and to assist them in this very difficult period the government did agree to advance this additional \$2 million working capital by way of guarantee.

The Fogo Island Ship Builders Producers Co-operative Society Limited had a guaranteed loan of \$200,000. Order-in-Council 528 authorized a guaranteed bank loan of \$200,000 to be issued to Fogo Island Ship Builders Producers Co-operative Society Limited. This loan is to be used for working capital purposes and is divided into two \$100,000 amounts. One loan has a term of two years and expires on June 25, 1976 and has terms of \$50,000 per annum plus accrued interest. As of March 31, 1975 all of the accrued interest had been paid and \$20,000 has been applied to the principal. The other \$100,000 loan is for a ten year period and expires on June 25, 1984. The payment terms are for an annual payment of \$10,000 plus accrued interest. As at

March 31, 1975 all the accrued interest had been paid but there had been no payments as yet on principal. These guarantees were issued on June 17, 1974 and no other guaranteed loans exist for this business. Ronald Higdon had a \$75,000 guaranteed loan. Order in Council 1585 authorized a guaranteed bank loan of \$75,000 to be issued to Ronald Higdon. This guarantee is to replace a guarantee of \$26,500 authorized by Order in Council 853 and is to be used to purchase two plate freezers and to pay off the \$26,500 guarantee. This guarantee was issued on June 7, 1974 and will expire on December 13, 1983. The terms for the loan call for ten annual instalments of \$7,500 each plus accrued interest. As of March 31, 1975 all the accrued interest had been paid and \$1,875 had been paid on principal. There are no other guaranteed loans for Ronald Higdon.

George Sexton Limited, guarantee of \$100,000, This was authorized by Order in Council number 1259. This loan will consolidate three previous loans of \$20,000 as authorized by orders in councils, the numbers are given here, and \$50,000 as authorized by another Order in Council, which were used to assist in the establishment of a logging and sawmill operation at Lake Kepenkeck, Terra Nova. This guaranteed loan was issued on January 13, 1975 and expires on December 31, 1979 and calls for forty equal instalments of \$2,500 over the five year period to be guaranteed. The first payment was made on May 31. No other government guaranteed bank loans exist for this company.

The Sunshine Dairy Limited had a guaranteed loan of \$100,000 authorized by Order in Council number 285. This guarantee is to be used to retire a short term bank loan and to improve production facilities and to make the plant more efficient. As of this date the actual guarantee has not been issued and there are no other government guaranteed loans existing for the firm

Mr. Chairman, this is the pertinent information covering these particular guarantees.

MR. CROSBIE: Mr. Chairman, I would like to move, just to correct the bill here that the Fishery Products Limited is listed for \$2,477,590,076. I move that it be deleted because that is the same amount that is involved in the guarantee bill we just discussed. That is the exact mathematical liability from the guaranteed bill that was just discussed here a few minutes ago and it is not necessary in the Loan and Guarantee Act. So, I move that be deleted from the bill.

On motion Clause (1) carried.

On motion Clause (2) as amended, carried.

Motion that the Committee report having passed the bill and resolution with amendment, carried.

On motion that the Committee rise, report having passed a resolution and a bill to give effect to the same and ask leave to sit again. Mr. Speaker returned to the Chair.

MR. CHAIRMAN (STAGG): Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed a certain resolution, and a bill to give effect to this resolution and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of the Whole reports that they have considered the matters to them referred and report having passed a certain resolution and recommend that a bill be introduced, first reading to give effect of the same.

On motion report received and adopted.

On motion a bill, "An Act Further To Amend The Loan And Guarantee Act, 1957", read a first time, read a second time, ordered referred to a Committee of the Whole House now by leave.

On motion that the House resolve itself into Committee of the Whole on said bill, Mr. Speaker, left the Chair.

COMMITTEE OF THE WHOLE

A bill, "An Act To Amend The Loan And Guarantee (Amendment) Act, 1975". (Bill No. 35).

Motion that the committee report having passed the bill with amendment, and ask leave to sit again.

On motion that the committee rise and report having passed Bill No. 35 with amendment thereto, and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bill No. 35 with amendment and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of the Whole reports that they have considered the matters to them referred and report having passed Bill No. 35 with amendment and ask leave to sit again.

On motion report received and adopted, carried.

Motion that the said amendments be now read a first time, second time, read a third time now by leave.

On motion a bill, "An Act Further To Amend The Loan and Guarantee Act, 1957, " read a third time, ordered passed and title be as on the Order Paper.

MR. CROSBIE: Order No. 26.

MR. SPEAKER: Motion second reading of a bill, "An Act Further To Amend The Department of Municipal Affairs and Housing Act, 1973".  
The Hon. Minister of Municipal Affairs and Housing.

HON. A. B. PECKFORD (MINISTER OF MUNICIPAL AFFAIRS AND HOUSING):

Mr. Speaker, this is a very short amendment to the Department of Municipal Affairs and Housing Act, 1973 dealing with the dismissal of councillors under the Act as it now exists - any councillor who is dismissed

because of improper, imprudent behavior as defined in the act, that by a by-election being held that councillor or councillors who were dismissed have the right to run again in a by-election for that council. And it is felt that this kind of procedure is not proper and that we should further amend the act whereby such a councillor would not be permitted to run for re-election in that municipality for a period of two years, after which he then would be eligible or she would then be eligible to run again for that council.

As, Mr. Speaker, most honourable members are aware we have had a number of incidents occur in the last few months relating to councils around the Province where it had been necessary to dismiss a number of councillors. It is felt that in order to safeguard the interests of the council and of the Province, considering primarily that the provincial government is involved with public funds in such municipalities, that this kind of an amendment is necessary. On that basis, Mr. Speaker, I move second reading.

MR. SIMMONS: Would the minister oblige us concerning that a question or two? Perhaps before he is finished his opening the debate would he indicate what kinds of reasons a person might be dismissed for, and what procedure is used in dismissing them, and what recourse he might have? You know, take the instance of a person who may well be innocent of any wrongdoing, what kind of recourse would he have in that situation?

MR. PECKFORD: Mr. Speaker, the main recourse would be through the courts. But, in the case that has currently occurred in the last three or four months this was done as a result of a report from the Auditor General indicating financial mismanagement and so on. If in the opinion of the minister of the department an improper or imprudent behavior has occurred by councillors, they can be dismissed.

Now, usually it does not never come to that. But, in the cases where finances, you know, and it has been categorically defined and made clear by the Auditor General, by inspectors from the department that in actual fact this has occurred, well then I

do not think the minister has any right but to go ahead and use the dismissal procedure. But, it is one of last resort and it was done and is always done after the proper auditing of the books by the Auditor General's department and based upon his report of the situation in that particular council.

MR. SPEAKER (STAGG): The Member for St. Barbe North.

MR. F. ROWE: Mr. Speaker, this, you know, to me appears to be a very oppressive amendment, a dictatorial amendment or bill that says that this bill would amend the principle act to provide that no dismissed member of a municipal authority is qualified to be elected as a member of the old or new council or municipal authority if the election is held within two years of the dismissal.

Sir, you know, I probably should have done a little bit more research on that for purposes of argument. But, I would like to know exactly and specifically for what reasons a councillor or mayor could be dismissed and who could do the dismissing because we could have innocent parties, as the minister well knows, be dismissed under certain circumstances. Now, I have a feeling that I know why this particular amendment is being brought before the House here. I think it would be safe to say it is because of a particular situation. It is because of a particular situation that this amendment is being brought before the House but it has very broad implications. I think we are getting into the whole area of human rights in this particular thing.

Surely, Sir, it is up to the people in a certain jurisdiction to decide whether or not they want to elect, or should I say re-elect, a



certain member who has been doing peculiar things or abusing his office during his term of office. I would rather see here, Sir, something a little more specific -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. ROWE: - like if a member is, or a councillor is convicted of a criminal act, or something like that. And even then I would question it, Sir, because if a person is convicted, tried and convicted of a criminal act, he has to pay some form of a penalty, jail or fine or otherwise is served on him by the courts of this land. Then surely, Sir, it is up to the electorate as to whether or not they want to re-elect a person, whether he was a criminal and had served his penalty or not. Here we are saying a person - I think this is a very serious amendment, Sir, and is very dictatorial and very oppressive that a person who has been dismissed, a dismissed member of a municipal authority can no longer be or stand for election within two years of his dismissal.

Supposing a person, Sir, was caught - let us take a hypothetical example - supposing a person was caught with his hand in the jam jar and had to serve six months, six months. He has eighteen months, is it? left, say, you know, to serve his term before he can stand for re-election. Supposing this gentleman or lady is completely reformed, our courts, our jails or our -

MR. THOMS: Rehabilitation institutes.

MR. ROWE: Yes, right. The law is supposed to be helping in rehabilitation now. Supposing a person is completely rehabilitated and he wants to serve his community or his Province or his country, he has been denied that right to serve -

MR. SIMMONS: For two years.

MR. ROWE: - and he is being denied for two years and the electorate is being denied to judge upon that individual. Sir, this amendment comes as a result of a specific case.

MR. PECKFORD: Which one?

MR. ROWE: This here. I am not going to name names in this Assembly, Sir. I do not even know if it is before the courts or if it is to go before the courts or anything else. It is very significant that the honourable minister just asked that question because he knows full well what I am talking about.

MR. PECKFORD: Oh, no!

MR. ROWE: "Oh, no," the minister says, which one. He would love for me to name which one, which council, which member. But I know of one example, and there may be others, and if this amendment is coming as a result of that one example, that is a pretty poor way to draft up laws for this land, Sir. If rehabilitation is supposed to mean anything, this takes it all away, Sir. This takes it all away. And I am talking about, I am talking about a criminal act. If there was a criminal act committed and the person served his term and he is rehabilitated and he wishes to serve in public office of some type again, surely, Sir, it is up to the electorate to judge the capabilities, the honesty and the integrity of anybody standing for public office. Even Profumo, Sir, managed to get the - what: He got the royal boot a few years ago, but he got some award from Her Majesty recently for public service and by tradition in the United Kingdom he got - well, I do not know whether he was relieved of his post or he just resigned - if I remember correctly the man by tradition resigned his post. But that was by tradition because of the scandal he got caught up in.

I do not know, Sir, I doubt very much whether there are on the statute books that the man was not allowed to run again in another election. I very much doubt it. Sir, this is striking at the very democracy of

our whole system when a man who has been dismissed for even a criminal charge cannot have the opportunity after reform, after rehabilitation to serve in public life and the electorate does not have the opportunity to reject or accept this gentleman or lady if he or she wishes to again serve in public life. Sir, that - and I have used the most extreme example. We do not have the reasons for dismissal. We do not have the criteria for dismissal.

While I am on my feet, would the minister indicate who does the dismissing? Presumably the minister, the crown does the dismissing. Sir, I mean there are all sorts of political ramifications. I am not suggesting that the minister would do it on political motives, but it is possible, it is quite possible to find some little teeny-weeny bit of evidence on a guy or a woman and use it and dismiss the person, get rid of him. But even in the case of a criminal act, Sir, he is tried and he is convicted and he is penalized and hopefully reformed and rehabilitated. I think this is most oppressive, most dictatorial, most undemocratic to bring this amendment into the House of Assembly and ask the members therein to vote for it.

If people have been dismissed from council, Sir, if they have been dismissed there must be good reason for it. There must be good reason for it. If it is brought before the courts, the courts are not private, Sir.

MR. MORGAN: Give an example!

MR. F. ROWE: No, let us not talk about an example. I know of the example and I can support the situation, the example to give the situation that I am thinking of and the minister knows what I am thinking about. But, I cannot see -

MR. MORGAN: Let us hear it all.

MR. F. ROWE: Do not be so foolish and stupid.

MR. SPEAKER: Order, please!

MR. PECKFORD: Do not lose your temper.

MR. SPEAKER: Order, please!

MR. MORGAN: We all know what you are talking about.

MR. F. ROWE: Okay, if you all know, you get up and let the honourable

Member for Bonavista South get up and start slashing around names under the protection of the House.

MR. THOMS: He is the human rights expert.

MR. F. ROWE: Come to think of it, Mr. Speaker, the honourable member is -

MR. SPEAKER: Order, Please!

MR. F. ROWE: - the human rights spokesman in this House. Let us hear what he has to say about this. If I got caught robbing fifty bucks out of the council's jar and had to serve three or four or five or six months, I would prefer that the people of the jurisdiction that I serve judge me if I wish to rerun, not be flicked out by the crown or the government or by the minister and told that I have to stay out of this business for two years.

MR. MORGAN: Do you need an excuse to get out?

MR. F. ROWE: I am not - see, there you go, Mr. Speaker, He cannot take anything seriously.

This, Sir, is oppressive, dictatorial and I appeal to the government to withdraw this amendment completely, withdraw it completely because I suspect, Sir, that it is based upon one particular case. If I am wrong, I will accept the minister's word. If I am wrong, I still reject this bill in principle because as I say it does not make any sense whatsoever. The honourable Minister of Justice should get up and speak on this amendment because the honourable Minister of Justice, Sir, is deeply concerned about the rehabilitation and the reform of individuals who break the law in this land. If he is not, he should be. But I think he, in his own mind, he is. He is concerned. He is sincere. What he is doing about it is another matter.

But this is a case in point, Sir. This is a case in point where if any regard at all is to be given to reform, rehabilitation that this strikes at the very principle of reform and rehabilitation of anybody who has stepped outside of the confines of the law, federal or provincial laws of this country. I cannot see it, Sir. I just cannot see the government, the minister and the government being given the power, number one, to dismiss a person. That has been there, it might have been there, you know, it obviously was there during

the good old days, Sir, the good old days, the wonderful old years.

MR. NEARY: They will be back shortly.

MR. ROWE: Sir, it was probably in the act then. I would say, Sir, to leave the whole thing to tradition and to the democratic process. If a person is stepping outside the confines of the law the courts will take care of it. We do not need an Order-in-Council. We do not need the minister to flick, impose a penalty or flick a guy out. Let the judges of the Province, let the courts of the Province determine a penalty or determine whether a person should be convicted, determine the guilt or innocence of an individual. Then if the people want to elect a convicted person that is their own business, that is their own business.

It would be interesting to know, I am not a parliamentary expert, I do not think you can serve in the House of Assembly if you have been - what is it? bankruptcy, convicted of a crime, a criminal offence or something like that. But Sir, you know this has very broad implications. Why should not a guy, for example, in the House of Assembly, why should not an individual, I am sorry, who has been convicted of a crime and who served his penalty -

MR. HICKMAN: He can.

MR. ROWE: Well, this is what I am asking - be elected to the House of Assembly. Is there any dismissal period? Is there any period for which he cannot stand for re-election.

MR. HICKMAN: It depends on things, depending on how you look at it and the various factors.

MR. ROWE: Well, I confess to the House, Mr. Speaker, that I am not an expert in parliamentary law as far as this sort of thing is concerned, but surely if what the minister is saying is true, that a person who has been convicted and served his term or served his penalty can run for public office as far as the Provincial Legislature is concerned, if that is so surely we should have the same thing for local government, municipal government. If such is not the case it should be changed and put real substance into the minister's feeling as far as reform and rehabilitation of people who were convicted of crimes are concerned.

June 18, 1975

Tape No. 2443

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MR. HICKMAN: Hear! Hear!

MR. ROWE: So, Sir, I cannot see, I just cannot see this particular bill -

MR. PECKFORD: Two years to reform, what is wrong with that?

MR. ROWE: That is not true, Mr. Speaker. Supposing a guy is convicted of murder and he is released on parole. He has two years of reform, the honourable minister says. Another guy convicted of stealing \$50 has the same two years. Is that reasonable? Does that make sense? \$50, the same penalty as murder.

MR. SPEAKER: Order, please

MR. ROWE: Do you wish me to adjourn the debate, Mr. Speaker?

MR. SPEAKER: The honourable member for St. Barbe North has adjourned the debate. The motion I think has already been put, really, that the House adjourn until tomorrow, Thursday, at eleven of the clock.

I do now leave the Chair until tomorrow, Thursday, at eleven o'clock.

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Query as to what has become of the special funds supposed to accrue to the people of Bell Island from the disposition of DOSCO assets there. Mr. Neary, Mr. Peckford.	7105
 Orders of the Day	
On motion the following bills were read a first time and ordered read a second time on tomorrow:	
"An Act To Revise Existing Legislation Respecting The Fishing Industry Advisory Board." (Bill No. 88).	7105
"An Act Respecting The Awarding Of An Increase Of Pensions To Or In Respect Of Certain Members Of The Government Of Newfoundland, Certain Teachers and Certain Members Of The House Of Assembly"(Bill No.89)	7106
"An Act Further To Amend The Community Councils Act, 1972." (Bill No. 90).	7107
"An Act Further To Amend The Local Government Act, 1972." (Bill No. 91).	7107
Second reading of Bill No. 71, "An Act To Limit The Financial Responsibility Which May Be Incurred By The Province In Respect Of Newfoundland And Labrador Hydro Without Further Reference To The Legislature." (continued).	7107
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Bill No. 71 read a second time ordered referred to a Committee of the Whole House on tomorrow.	7139
Second reading of Bill No. 67, "An Act To Ratify, Confirm and Adopt A Guarantee Agreement Made Between RoyMarine Leasing Limited And The Government And Fishery Products Limited.	7139
Mr. Crosbie	7139
Mr. Winsor	7145
Mr. Crosbie	7147
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 Committee of the Whole	
Resolution: That it is expedient to bring in a measure further to amend the Loan And Guarantee Act, 1957, the Act Number 70 of 1957, to provide for the advance or guarantee of a loan to a certain individual and for the advance of loans to and the guarantee of the repayment of bonds or debentures issued by or loans advanced to certain corporations.	7150
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Amendments moved by Mr. Crosbie and carried.	7153
On motion the Committee rose, reported having passed a resolution and a bill to give effect to the same and asked leave to sit again.	7153

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On motion Bill No. 35, "An Act Further To Amend The Loan And Guarantee Act, 1957," read a first and second time, ordered referred to a Committee of the Whole House now by leave.	7154
Committee of the Whole on Bill No. 35.	7154
The Committee rose, reported having passed Bill No.35 with amendment.	
On motion, report received and adopted.	7154
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On motion Bill No. 35 read a third time, ordered passed and its title be as on the Order Paper.	7154
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