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SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

Visitors are always welcome to this gallery and all hon. members are always pleased to welcome people from different parts of Newfoundland. This is the peoples' House and the people are always welcome here. There is a rule which all visitors are required to observe and which I, as Speaker, am required to enforce. That is that all citizens who come are entirely welcome but they are not allowed to participate in the debate or to make any noise showing approval or disapproval. That rests with the people who are elected in this House.

I must point out once again - order, please! I will repeat it again that visitors are always welcome in the House. There is a rule of parliamentary procedure which is binding on all people who visit the House and that is that they may not take part in the proceedings, they may not make any noise and that is absolutely binding on all people who come. It is equally binding on this House and on me to observe and to enforce that rule.

PRESENTING PETITIONS:

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: I have a petition to present, Sir, from forty-nine residents in the district of Carbonear, no particular section of Carbonear district, Sir, just a petition that was circulated amongst a group of people in the Carbonear district. The prayer of the petition, Mr. Speaker, is that, "We, the undersigned, protest the continued rise in the cost of light and heat as required by the Newfoundland Light and Power Company Limited. Our

MR. NEARY: protest is based on the belief that the cost of service and fuel adjustment charges are beyond the wage and price controls of the federal government. The charges are also beyond necessity in maintaining reasonable profits.

"We ask (1) a freeze be placed, continued on all types of increases sought by Newfoundland Light and Power Company; and (2) the provincial tax be dropped from all light and heat bills." It gives me great pleasure, Sir, to support the prayer of this petition and in so doing, Mr. Speaker, I would like to point out to hon. members of this House that the 125,000 customers of Newfoundland Light and Power Company can ill afford another increase in electricity rates at this time.

I do not have to remind hon. member of this House, Mr. Speaker, that we have the second lowest personal per capita income in the whole of Canada. We have record unemployment. We have a bleak outlook for the future and now we have a disaster at Come By Chance. So how can, Mr. Speaker, how can the consumer cope with this kind of situation? I beg and beseech and pray that the government will recognize the fact that at least 40,000 signatures over the last week or so, signatures and addresses of irate, frustrated, bewildered, hopping-mad Newfoundlanders have been presented in this House, and unless the government are completely insensitive to the real wants and needs of the people of this Province they will recognize these petitions and not grant any more increases to Newfoundland Light and Power Company or allow their own creature, for that matter, Newfoundland Hydro, to increase its rates by forty per cent.

So, Mr. Speaker, I present this petition and ask that it be placed upon the table of the House and referred to the department to which it relates, in this particular case the department headed by my hon. and learned friend, the Minister of Mines and Energy.

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

MR. CROSBIE: Mr. Speaker, with respect to this petition, of course it refers to the customers of Newfoundland Light and Power. As the hon. member for LaPoile (Mr. Neary) knows, the Newfoundland Light and Power Company can only receive a rate increase if the Board of Commissioners of Public Utilities, an independent and semi-judicial body, authorizes such an increase.

MR. NEARY: Do not try to weasel out!

MR. CROSBIE: And, Mr. Speaker, they only do that on the basis of the law as it applies to them, and the precedents. They have to allow Newfoundland Light and Power Company a certain return on investment. If they do not allow a certain return on investment it cannot raise funds to expand service or improve service, and the principles are well known not only in this Province but in others as to what the law is with respect to such public utilities.

That has been all explained of course in letters to the press by the Chairman of the Board. We have every confidence in the Chairman, Mr. C.W. Powell, and every confidence in the Board and we have every confidence that they will only allow any such increases as are reasonable and proper under the legislation and under the law of this Province which has not been changed since 1972, which is the same law and regulations that were in force from - probably from 1949 to 1972. It is the same system exactly as was in effect when the last administration was in office, and it is still in effect now. And I feel sure that if there is any application for an increase by Newfoundland Light it will get the same careful attention as it has done previously.

As to what will be done will happen with Newfoundland Hydro, a statement will be made in the House shortly on that, Mr. Speaker. I should also point out to the House what is already well known, and that is that there have been extensive increases in every province of Canada in the rates charged for energy in the last year, in the last two or three years, and this Province is certainly not among the top of those who have had increases.

MR. SPEAKER: The hon. member for Terra Nova (Mr. Lush).

MR. LUSH: I wish to support the petition presented by the hon. member for LaPoile (Mr. Neary). The minister mentioned the fact that Newfoundland Light and Power prices that they charge for electricity is controlled, and our stand on this is that that is so to an extent, but as long as Newfoundland Hydro increase their prices, obviously Newfoundland Light and Power have to as well. This was certainly proven in the event when the Newfoundland Hydro were granted an increase of 40 per cent. We were then told that this would be a 14 per cent passed on to the customers of Newfoundland. In addition this was, of course, to the 35 per cent that we had already received throughout the year. Possibly by the time that this 14 per cent was put on to these electricity prices that I think the price might very well have meant probably 60 per cent increase to Newfoundland, because remember these costs of service adjustments were still being enforced even though they were cancelled for some months, but we are not sure they would have been had certain circumstances not arisen.

So we believe that until the Newfoundland Hydro has certain controls on them, until they have to justify their prices, then Newfoundland Light and Power is in a very ineffective position, or certainly the Public Utilities Board, because the minute Newfoundland Hydro increases their prices it is only obvious to expect that Newfoundland Light and Power will do the same.

Another point of the petition, of course, was the taxes on electric heat. I think this is a very important issue. Many of our people in Newfoundland went to electric heat because they thought this was going to be a cheap form of heat and of course what has happened in the last year, the prices have just escalated to a price that is unreasonable, and in addition to this of course they have to pay a tax, which in our opinion is very unjust and very unfair. Again I support the petition so ably presented to the House by the member for LaPoile (Mr. Neary).

MR. SPEAKER: The hon. member for Carbonear.

MR. R. MOOPES: Mr. Speaker, I rise to support the petition primarily I think because the petition comes from constituents of Carbonear district. I do not think to augment debate on this because I believe for two full days last week this topic was given reasonable, considerable and full coverage. I think it is only reasonable to assume that the government, following a logistic method of approaching this matter, will come to some solution to the problem. If they do not then I suspect that more hon. members on both sides of the House will have more to say. Thank you.

MR. SPEAKER: Are there any further petitions?

The hon. member for Conception Bay South.

MR. NOLAN: I have a petition similar to the one presented yesterday by the hon. member for LaPoile (Mr. Neary) for the Anglican Church Women's Association of Newfoundland to the Canadian Radio and Television Commission. At the October biennial meeting a resolution apparently was made that each primary branch was expected to act upon, either on an individual basis or by groups.

"Whereas alcoholism is becoming an increasing problem in our country, be it resolved that the diocesan council write the Canadian Radio and Television Commission protesting the extensive showing of scenes on television involving social drinking and the serving of alcoholic beverages, and further that each branch and individual write their member of parliament expressing this viewpoint." Below is a form which the people concerned have signed their names to to support the resolution of the Anglican Church Women's Association of Newfoundland to the Canadian Radio and Television Commission protesting the extensive showing of scenes on television involving social drinking and the serving of alcoholic beverages.

Like my hon. friend to my far right I would like to table this petition, certainly supporting it, and I would hope that the minister concerned perhaps in this case the Minister of Transportation

MP. NOLAN:

and Communications would forward it on hopefully with the support of the members of this House, perhaps on both sides, to the radio or the Canadian Radio and Television Commission. Thank you.

Mr. Smallwood.

Before the hon. member sits down, does he realize that he is the first and only person in history ever to describe the hon. gentleman, as "on the far right?"

MR. NOLAN: I am aware of my omission in that regard, Mr. Speaker.

MR. NEARY: Mr. Speaker, I have a great deal of pleasure to support the petition so ably presented by my hon. friend to the left, the member for Conception Bay South (Mr. Nolan). I would assume, Sir, that this is a form that has been sent out all across Newfoundland and Labrador, and we will probably be getting more of these petitions in the House. It is a good petition, and, as I said yesterday, I want to congratulate the Anglican Women's Association for taking the initiative in this matter of alcoholism, which is becoming a very, very serious problem, not only in Newfoundland but in Canada as a whole.

Mr. Speaker, we always felt in this hon. House that ninety-five per cent of the highway accidents, injury and accidental death and property damage, was caused by drinking, that drinking was involved in just about ninety-five per cent of the accidents that took place on our highways. And I asked the Minister of Justice a question yesterday, if he could get me some statistics on what has happened since the RCMP implemented roadblocks. I believe we will be astounded, Sir, astonished to find out the improvements that have taken place in highway accidents in this Province since the roadblocks have been set up and there has been a reduction in drunken driving. So, Sir, this is a good petition. I whole-heartedly support the prayer of the petition and congratulate again the Anglican Women's Association for taking the initiative in this matter.

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. ROUSSEAU: Mr. Speaker, I would like to add my support to the petition, and assure the hon. gentleman from Conception Bay South (Mr. Nolan) the same assurance that I gave to the hon. member from

Mr. Rousseau.

LaPoile (Mr. Neary) yesterday, as Acting Minister of Transportation and Communications, we will see that the petition is forwarded to the proper and appropriate federal authorities.

MR. SPEAKER: The hon. member for Naskaupi.

MR. GOUDIE: Mr. Speaker, I beg leave to present a petition on behalf of the power consumers' committee of Happy Valley - Goose Bay, North West River and Mud Lake. They have canvassed the area, Mr. Speaker, and have come up with more than 1,200 signatures here.

The prayer of the petition is that, "Although Labrador is a part of the Province of Newfoundland and Labrador, the people feel they are treated very unfairly and to a great extent are penalized in that they have to pay exceptionally high electric rates with a very poor service. The residents signed below strongly protest these high rates and poor service and request that the government remedy this unfair situation." They have also asked that I not only table but read out a couple of actual bills to reflect their attitude, if I may. One particular resident of 11 Grand Street in Happy Valley, for instance, in July paid \$26.27 that month for a light bill - and I might add that no electric heat is involved at all in any of these instances - and on January 17 the bill that particular month was \$105.82, which is a considerable jump. There are examples further down, which I will table with the petition.

MR. SMALLWOOD: Was that for the month of January?

MR. GOUDIE: One month.

There is another one in North West River, for instance, in October the bill was \$35.40; in January, for that month, it was \$109.99, and the examples go on. So I wish to table this petition, Mr. Speaker, and ask that it be directed to the Minister of Mines and Energy.

MR. SMALLWOOD: Before the hon. member sits down, is there any explanation? Is the rate increase shown just the two amounts, \$36 then \$109, one month

Mr. Smallwood.

after the other, without any explanation? Or is the metre gone on the bum or what? Is the rate gone up or what is it? I mean, this is crazy!

MR. GOUDIE: I do not think the rate has gone up, Mr. Speaker. But there is a general column here on the right hand side which has some comments on the different appliances which were used each week, and there is no other explanation than that for the increase.

MR. SMALLWOOD: No heat?

MR. LUNDRIGAN: What about the number of hours. Are they given there?

MR. GOUDIE: Yes. In July, Mr. Speaker, the kilowatt-hours used were 835, and on the 17th. of January, the date of this bill, the kilowatt-hours were 2,128 hours.

MR. SPEAKER: The hon. member from LaPoile.

MR. NEARY: Mr. Speaker, I support the prayer of the petition presented by the hon. member on behalf of his constituents who reside in the Happy Valley - North West River area. The hon. member is quite correct, Sir. I have example after example in my office of bills that have doubled in the last year. What happened, you see, Mr. Speaker, was the Public Utilities Board granted a 15 per cent increase to the Newfoundland Light and Power Company in the early Spring. And then they went back looking for another 15 per cent, but this time the Public Utilities Board only granted an 8 per cent increase. But in addition to the 15 per cent plus the 8 per cent, they also authorized the Newfoundland Light and Power Company to increase their monthly rates by 1 3/4 per cent a month right up until the end of November, when the Public Utilities Board realizing the goof, the blunder that they had made, advised the Newfoundland Light and Power Company that they were to discontinue the 1 3/4 per cent monthly increases. And they have been discontinued ever since, and the Newfoundland Light and Power Company say now they will not resume the 1 3/4 per cent monthly increases until some time late Summer or early Fall, when they hope, I presume, when they think that Newfoundlanders by that time will be all on vacation, the amount of electricity being used will be down, everybody will be after forgetting about the controversy, nobody will be vexed any more, and then they think they will be able to go back and sneak the rates through again. Well, Sir, we have got news for them! Because I am sure that the message by now must have gotten through to the government and to the Public Utilities Board, because not only are members on the Opposition side of the House, Sir, presenting petitions on this serious matter but even the government backbenchers and the ministers themselves are getting all kinds of flack.

Mr. Neary:

So I hope that when the Minister of Mines and Energy comes into this House in the very near future, as he indicated a few moments ago, and makes his ministerial statement that it will be to the effect that there will be no increase in the electricity rates in this Province in the foreseeable future.

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

MR. CROSBIE: Mr. Speaker, this is a petition, of course, that we receive with great sympathy, as we have received all of these petitions, but even greater sympathy because it comes from the hon. gentleman from Naskaupi's district (Mr. Goudie).

Now the position at Goose Bay-Happy Valley has not changed in the last four years. The people in that area have always objected to the fact that they are charged higher rates in that area because their power is supplied to them by way of diesel. It is diesel power. They are not supplied with hydro power. That was the situation, Mr. Speaker, in 1971, and 1970 and 1969 and so on back into the past, and that is still the situation.

Now they are in a diesel area in Happy Valley-Goose Bay. There is a very, very considerable subsidy paid by government to support the rates that are now in effect in Goose Bay-Happy Valley.

MR. SMALLWOOD: How much?

MR. CROSBIE: I cannot give the figures right out of my head.

MR. SMALLWOOD: What proportion then?

MR. CROSBIE: Well, on the first 500 kilowatt-hours of power that is used in Happy Valley-Goose Bay, the rate charged is a hydro rate. After the use of 500 kilowatt hours per month, then the rate in effect is a higher rate than the hydro rate because it is in a diesel area and we just simply cannot afford to subsidize the rates beyond 500 kilowatt-hours of use per month -

MR. SMALLWOOD: Is that the normal usage of a house?

MR. CROSBIE: -which covers normal usage if it is not electrically heated and if you are just covering hot water and lighting purposes. Beyond that you cannot go in a diesel area, Mr. Speaker, because if

Mr. Crosbie:

the rates are entirely the same in the diesel area as in the hydro area people will go on , to have electric heating and to buy other electrical appliances and so on, and you will have to expand and expand the diesel units which we just cannot afford to do on capital account. You are supporting power at cost then that are several hundred per cent lower than your cost.

Now in the Goose Bay-Happy Valley area this government is doing something. There is now underway a transmission line from Churchill Falls to the Goose Bay-Happy Valley area.

AN HON. MEMBER: Hear, hear!

MR. CROSBIE: That project is underway.

SOME HON. MEMBERS: Hear, hear!

MR. CROSBIE: The cost of that transmission line - I am going by memory now - the cost of that transmission line is \$20 million. So the government of this Province and the people of this Province are spending, have started to spend and will spend this year and the next - I think it will be finished in 1978,

MR. CROSBIE:

it is no later than that I am sure. We are spending \$20 million to bring hydro power to the Goose Bay-Happy Valley area from Churchill Falls, power that we will recapture from the Upper Churchill. Can we do anything more? We are going to bring hydro power to Happy Valley-Goose Bay and then they will be charged the hydro rates, or it may even be a rate better than on the Island depending on the transmission costs and the like. So at that time this situation will be changed in Happy Valley-Goose Bay, but we just are unable to do anything about the rates until the hydro power comes on stream at Happy Valley-Goose Bay.

On poor service, there were representatives of the Hydro authority who attended at Happy Valley a meeting there about a month ago, and the service rates and the meters are being checked. The hon. gentleman gave an example there of a bill that had increased - and it sounded terrible - from thirty-six dollars a month it was in July and then in one month in December it became \$109, but when the kilowatt-hours are looked at you will see that in December approximately three times as much power was used in that house as in July. So naturally the bill had to go up.

Now, I have had complaints, Mr. Speaker, of the same sort of thing happening. One particular case I remember within the last two months was a resident of, I think, Botwood or some area like that, who wrote me to protest the tremendous increase that had occurred in her bill from one month to the other. When I had my assistant check it out with Newfoundland Light they discovered it was a mistake, and they had already discovered the mistake, and told us that she was being given a credit on her next bill to make up for this mistake that they had discovered in the billing. If she had contacted them herself, of course, they would have been able to tell her that this had already been adjusted.

So anyone that has a sudden increase that does not seem to jibe with the usage can call Newfoundland Light or Newfoundland Hydro

MR. CROSBIE:

and have it checked. There is always possible, there are the odd cases where a meter goes wrong or is improperly read or the computers that send out the bills get peculiar or do not do the proper job. So that can always be checked.

With respect to what was being said by the member for LaPoile (Mr. Meary), Mr. Speaker, in Newfoundland Light and Power's area - and they are not in the Happy Valley-Goose Bay area - the increase in the rates charged by Newfoundland Light and Power in the last year is thirty-three and a third per cent, 15 per cent caused by the increase in the wholesale price of power sold to them by Newfoundland Hydro, which went from six mills per kilowatt hour to nine point seven - that gave a 15 per cent increase at the retail level - the rest, 18.5 per cent, they got themselves on application to the Board of Commissioners of Public Utilities and which is for their own account for increases in costs that they have had or increases in the cost of the price of fuel oil or whatever.

So the total increase in the Hydro area where Newfoundland Light and Power operates in the last year has been thirty-three and a third per cent to the retail customer. That is what it has been. When you go across Canada, Mr. Speaker, you will see the increases. Some are above and some are below that in the various provinces, and we are around the medium range of the various provinces. Everyone regrets it, but the fact is that the cost of borrowing money, the cost of construction is climbing every year as we all know from the inflation, the cost of oil is going up and therefore these rates had to go up. We certainly do not expect there to be any increase like that this year.

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

MR. ROBERTS: Mr. Speaker, if I may say a word or two in support of the petition presented by the gentleman from Naskaupi (Mr. Coudie), and for that matter what I have to say relates to the petition from

MR. ROBERTS:

the district of Carbonear that was presented a moment or so ago by the gentleman from the district of LaPoile (Mr. Neary).

Mr. Speaker, the government seem unable or unwilling - and I would prefer to believe unable - to understand exactly the feeling and the point which these petitions try to convey and I believe do convey to those who will listen. I have never heard of a petition as widespread, representing as many people in all parts of this Province as these series of petitions which have been presented here in the House recently.

MR. CROSBIE: Which you organized.

MR. ROBERTS: The hon. gentleman says I organized them. Mr. Speaker, I most certainly did and his colleague and friend from Naskaupi (Mr. Goudie) said, and I quote him, that a petition had been taken around in the area by people who felt concerned, and so they should. Mr. Speaker, I say again that I will gladly organize another petition if it is needed, and I would be proud and happy to do so. If the hon.

MR. ROBERTS: Minister of Mines and Energy with his cold, callous bookkeeper's mentality does not understand how people feel about these things then maybe he should listen to some of these petitions because the point is, Mr. Speaker -

MR. NEARY: He is going to run in St. John's West.

MR. SMALLWOOD: He is hoping to run in St. John's West.

MR. ROBERTS: I hope he does run in St. John's West, Mr. Speaker, Then he will find out what running is like. Now, Mr. Speaker, the point of these petitions is that people have come to the end of the road with electricity increases, they have come above all to the end of the road with power increases in respect of which the government have not made the least iota of effort to justify them, a contemptuous and a coldly contemptuous attitude shown by the government.

Mr. Speaker, with a special reference to the people who get their power from diesel electricity, and that includes all of the people in my constituency as well as the people in all of Labrador, East of the Churchill Falls and -

MR. NEARY: Three communities in my district.

MR. ROBERTS: - and three communities down in LaPoile district and many others throughout this Province, the government have not made anything like the progress which the hon. minister would hold. The 500 per kilowatt-hour per hour level is meaningless because the average home, even a phone call to the Light and Power will tell him, uses at least 1,000 hours a month and that is not for electric heat, that is for the normal appliances, the normal utilities and normal usage of those. That home in Happy Valley that had 2,100 kilowatt-hours in a month was not using electric heat or electric anything except the normal and appropriate appliances.

Mr. Speaker, the hon. Minister of Mines and Energy is trying to blindfold the devil in the dark when he speaks of the fact that government are not forcing up the costs, and he talks to the Public Utilities Commission hearing rate increase applications by the Light and Power Company, a privately owned utility.

MR. ROBERTS: The fact remains, Mr. Speaker, that if the costs go up to the Light and Power Company then they must get a rate increase, that is inevitable. But what the minister did not say was that the costs go up in large measure and the point of these petitions is that they are going up entirely and solely because of the government's action and the government intend to drive up - I think we have stopped them at least in part - but they intended to drive it up by forty per cent which would have meant fourteen or fifteen per cent on the retail bills immediately and the government would have caused that as directly and as completely as anything could have been caused by any group of men.

Mr. Speaker, this government are callous. They do not care about the problems which ordinary people face and that is the point of these petitions, and all of the pedantic and unfeeling and bookkeeper talk by hon. gentlemen opposite will not convince people. And I say to them now, let them listen. People will appreciate the truth, they will deal with the truth, and they will accept the truth. But they will not accept the sort of contemptuous gobbledygook which we are getting in this House and outside on this question and many other from the Minister of Mines and Energy and other spokesmen for the ministry. Let them listen, Sir. I am not worried about the politics of it, but let them listen. Let them listen because it is the ordinary people who are being hurt, not those of us who are making \$20,000 or \$30,000 a year as ministers are or as members of the House, but it is the man who is trying to make it on \$5,000 or \$6,000 or \$10,000 a year and is faced with these power increases. All through the North they have faced them, bills have doubled and tripled and no apparent explanation.

Mr. Speaker, it has gone on long enough. Let the government show that at least they care. At least they are concerned. Then let them act.

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

MR. PECKFORD: Mr. Speaker, I would like to support the petition presented by the hon. member for Naskaupi (Mr. Goudie) and to point out for the

MR. PECKFORD: benefit of the Leader of the Opposition that the members on this side of the House do care about bills that go up, and that we are all not millionaires or wealthy people on this side of the House, that we have very real concerns about the people of this Province and the increase in power rates, in Green Bay, and in Naskaup1 and in the Straits of Belle Isle and everywhere else in this Province. And it is irresponsible for the hon. Leader of the Opposition to try to pretend that the only people who are concerned in this hon. House happen to sit to the right of the hon. Speaker. Well I want to point out to the Leader of the Opposition that every single individual on this side also cares and are concerned about the people of this Province and that we all do not have the income and the financial wealth of the Leader of the Opposition either, and that we know what it is like to carry water around this Province in small communities and that we have not all been born with a silver spoon in our mouth like the Leader of the Opposition.

MR. ROBERTS: This is a personal attack.

MR. PECKFORD: Why did you not let me speak? I let you speak.

MR. SPEAKER: Order, please! Order!

Before recognizing the hon. Minister of Forestry and Agriculture I wish to point out to hon. members on both sides that with respect to the petitions obviously there can be no debate, certainly it has come very close to debate, and perhaps has been. What hon. members are permitted to speak on are the material allegations in the petition, the material allegations, what the petition states and what redress it asks for.

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. ROUSSEAU: Mr. Speaker, I should like to add my voice of support to the petition presented by my fellow colleague from Labrador. I spent some time over in the Happy Valley-Goose Bay area, the Mud Lake and North West River area and I know the problems that they have. As I mentioned many times here, Mr. Speaker, there is one problem we always have to notice and in talking about prices we often forget. I brought up up in the House before in talking about air fares, for example, out of Labrador, out of my particular area of Wabush down to St. John's which is two hundred and some odd dollars return. Or an electricity bill of that cost - it is the take-home pay. When you are talking about a cost of \$100 you are talking about a gross pay of maybe \$120 or \$130 or \$140. A \$200 travel bill is a \$240 or \$260 gross income and it is very difficult on the people who have to pay this amount.

So with my knowledge of the situation in the Happy Valley-Goose Bay and Mud Lake-North West River areas and other areas along the Labrador Coast in respect to the cost of diesel electricity I would like to lend my very strong and enthusiastic support to the petition presented by my fellow colleague from Naskaupi.

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

MR. CALLAN: Mr. Speaker, I beg leave to present a petition on behalf of the people of Markland. I realize probably this is not the best time to present such a petition. I am aware of the gentlemen in the galleries from Come By Chance. This petition could very well get lost among the others. However this petition on behalf of the 166 voters at Markland is very straightforward. The prayer of the petition says, "We request that every consideration be given to upgrading and paving the road from the Markland Hospital to the end of the Markland settlement, approximately six miles."

Now I am aware, of course, as all Newfoundlanders are of the cutbacks in government spending and I am sure that the people of Markland will understand if, when the budget is brought down next week, there is no allowance for any paving in the Province.

MR. CALLAN: I am sure that the people of Markland will accept that, as all Newfoundlanders will, if the retrenchment and so on is suited to the whole Province.

MR. SMALLWOOD: If it is fair and square.

MR. CALLAN: If it is fair and square. However, I do not have to go into detail about the problems of the road in Markland. Every year, every Spring especially, it is in the news, on open line programmes and what have you.

A month or so ago several ministers travelled to Europe and they discussed various possibilities for industry. Markland, as most people are aware, of course, was founded many years ago as a farming community. I have been told - whether it is true or false is probably immaterial - but I have been told that an unsuccessful candidate in last Fall's election is planning to start a sheep farm at Markland. Whether or not that is true I do not know. However, if there are plans for farming and so on at Markland, of course this is another reason why the road should be upgraded and paved as soon as possible.

As I said, Mr. Speaker, I need not elaborate on the need for pavement and if there is any paving done I am sure that here is one of the areas of the Province where it is badly needed. Mr. Speaker, I thoroughly support the prayer of this petition and I ask that this petition be referred to the department to which it relates.

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

MR. WHITE: Mr. Speaker, I would like to rise, Sir, to support the petition presented by my hon. friend from Bellevue. I realize the difficulties that the people in the Markland area have with respect to gravel roads. I have the same kinds of problems in my district. There are a number of roads there that are not paved and I express the same fear, Mr. Speaker, that the member for Bellevue (Mr. Callan) has expressed with respect to paving this coming year. I too

MR. WHITE:

hope that if there is some money allocated for paving in Newfoundland and for upgrading roads that all districts are treated fairly. I hope, Mr. Speaker, that that is done and not just paved and roads upgraded in districts that are represented on the other side of this House. I would just once again, Sir, like to say that I support this petition.

MR. SPEAKER: The hon. member for Bay of Islands.

MR. L. WOODROW: Mr. Speaker, I would like to present a petition on behalf of 190 residents of the community of York Harbour. The wish of the petition is: "We, the undersigned citizens of the community of York Harbour wish to submit to our member this petition protesting the poor reception of television viewing being received through CBC and CJWN, the latter station not even being seen in the community."

Mr. Speaker, I think perhaps that this petition would go to the Department of Transportation and Communication. I hope that as a result of this petition we will be able to bring to the viewing public of that part of my district better reception of television on both stations.

While, Mr. Speaker, I am on my feet I understood that when we are presenting petitions we would merely give the number on the petition and the prayer of the petition. But I noticed that from the other side of the House what is being done, there is a sermon being preached rather than a petition being given which is really certainly taking away from the valuable time that we are using in this House. I also feel, Mr. -

MR. SMALLWOOD: Are you going to preach a sermon?

MR. WOODROW: I can, yes. I have done it lots of times, as you know. I also feel, Mr. Speaker, that members of the Opposition as well, which I think is grossly unfair, have been taking advantage of the people who are in the galleries today. This is certainly unfair of this hon. House. I thank you, Mr. Speaker.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I want to assure the hon. member, Sir, in supporting his petition that I am not taking advantage of anybody in the gallery. But I am merely pointing out to the House, Sir, that television reception in York Harbour is not merely common to the Bay of Islands area. I have the

MR. NEARY:

same problem in my own district where people are forced through no choice of their own to watch The Edge of Night. They cannot watch Another World because they can only get one channel. They can only get the CBC station. I presume the same thing is happening in my hon. friend's district. But, Sir, I just point that out as an example. But, Mr. Speaker, what irritates me about the whole thing is that back in September one of the first things that I did after I was elected in LaPoile district on the advice of the regional manager of the CBC, he gave me the name of the regional engineer for CBC in Newfoundland. I wrote the hon. gentleman, the regional engineer for the CBC, and I asked him what plans CBC had to improve television reception in Newfoundland, especially in my own district, and I got no reply. About a month and a half ago, Sir, in complete frustration I dug out the letter, I had the secretary dig out the letter, scribble a note across it, "Would you please reply to this letter?" To this moment, Mr. Speaker, I have not had the courtesy of a reply from the regional engineer of the CBC. They are being paid by the taxpayers.

MR. SMALLWOOD: Give us his name. Where does he belong to?

MR. NEARY: Well I have not got the letter with me. I do not know his name but he is presumably over here on University Avenue.

MR. SMALLWOOD: But where is he from?

MR. NEARY: We are paying his salary, the taxpayers.

MR. SMALLWOOD: Where is he from?

MR. NEARY: I do not know where he is from, Sir.

AN HON. MEMBER: His name is Nicholson.

MR. NEARY: Nicholson, is it? Well, I got the letter inside. I wish I had it with me. If I had known my hon. friend was going to present a petition today I would have brought the letter in just to show him the kind of treatment that Newfoundlanders get from the Canadian Broadcasting. I am not talking about the news media now. I am talking about the television reception in certain parts of Newfoundland. I think it is a shame, Sir,

MR. NEARY:

and I think that the people are entitled to better reception than they are getting. I also checked, by the way, with Mr. Colin Jamieson a few weeks ago as far as my own district is concerned, and I have been told that they have no plans to expand or to improve the television reception in the Rose Blanche-Burnt Island area in the foreseeable future. I was grossly disappointed to hear this. I do not know, Mr. Speaker, what cable television is going to do for the areas that are affected now by poor television.

Mr. Neary.

I do not know if it will improve the facilities. I have no idea at the moment what it will do for my own district. Probably the hon. member does not know what it will do for his. This is a matter that is under negotiation at the present time. But, Sir, in all fairness I think that the people of this Province, all over the Province, should be treated, as my hon. friend from Belleuve (Mr. Callan) said a few moments ago, should be treated fairly and squarely and that everybody should be able to tune into two television channels at least in this Province at the present time, and that they should be able to get good reception.

MR. SPEAKER: The hon. member for Conception Bay South.

MR. NOLAN: Mr. Speaker, I rise to support the prayer of the petition from the residents of York Harbour as presented by our hon. friend from Bay of Islands, the member for Bay of Islands (Mr. Woodrow). I do not know how many of you follow closely or even casually some of the legal changes in regard to television sets and repossessions. But in the State of New York now, I believe, recently it has been decided that the one thing you cannot repossess - you can move in, you can take the tables, the chairs, the bed, the bath and everything - but the one thing you cannot touch now is the television set, and perhaps this is some indication of the value that our society places upon the colourful or black and white thing that stands in the living room that we have all grown to depend upon so much. We certainly support the prayer of the petition. I share the concern of the member for LaPoile (Mr. Neary) on not having the decency of a reply from the engineer from the concern mentioned. Surely, especially if this were to happen, for example, to any department in this House of Assembly, where the ministers are responsible, we would go to the minister if necessary, and I am sure that the matter would be

Mr. Nolan.

corrected almost immediately. At least, that has been my experience with the ministers that I have dealt with or the officials for that matter. So I do hope that before we sit again that the hon. member will have a reply, and not only that if he does not have a reply I hope he will get up and say so, so we can support him once more.

Now while I support the prayer of the petition for the residents of York Harbour - and I hope they get the television reception that they crave and desire, and I hope they do get it - I must say I do not agree with his remarks concerning those on this side of the House and the people in the galleries. It was a cheap shot, and I think that he should apologize. Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. ROUSSEAU: Mr. Speaker, I would like to heartily endorse the petition presented by my colleague from the Bay of Islands (Mr. Woodrow). I think it is a shame that a community like York Harbour, which is so close to two centres of television in the city of Corner Brook, would not be able to receive adequately the television signal from these two outlets. So certainly I would heartily endorse it. I might say by the way in reply to the hon. member for LaPoile (Mr. Neary), I can tell him now what his answer is going to be from the CBC. I had occasion during my year in that ministry to write on a number of occasions, especially in one instance for my colleague, the member for St. Barbe (Mr. Maynard), the Minister of Manpower and Industrial Relations, who was, before he became a member of the House of Assembly, a technician who has some knowledge of the telecommunications field. A cost of about \$10,000 or \$12,000 would certainly rectify a problem in one of these small towns in his district, and we wrote on that, and the normal pat answer of the CBC - if it was from the president down, no matter where you got it from - was that they had their accelerated coverage

Mr. Rousseau.

plan and Hell nor high water were going to move them from that plan.

MR. NEARY: At least you got an answer. I cannot get an answer.

MR. ROUSSEAU: Well we had quite an answer. The Premier finally had to take it up with the president of CBC, and finally, after a second letter, I think, we finally got an answer. It took something. But their answer will be to the effect that the accelerated coverage plan is their plan for development of the outports - that is anything east of Quebec - and they are not prepared to accept any advice from anybody in the area.

I might also like to add one other thing, if I might. The suggestion that cable television, how it relates to either CBC or the CTV network - when this government supported cable television in this Province, it did not support it to the exclusion of either one of the private companies. People have to pay for that. That is a luxury that if people want, they pay for it. That does not mean, at least from government's point of view, that that means that either or the other station, be it the private or publicly owned station, should not go into that area. This is an added luxury for people who wish to pay the \$7 or \$8 or \$9 for it, and it should have no relationship whatsoever to the provision of service by either the publicly owned CBC or the privately owned CTV network in the Province.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Ferryland.

MR. C. POWER: I would like to heartily endorse the prayer of the petition presented by the member for Bay of Islands (Mr. Woodrow) because I am very familiar with the problems of T.V. reception, and that T.V. reception are always not a problem of areas such as LaPoile or places far from centers of T.V. distribution. In one large community of Petty Harbour which is a very short distance, less than seven miles, six miles from St. John's, T.V. reception is so poor on one side of the Harbour that it is almost totally nonsensical to own a television at all. When the people or a committee of people contacted the radio and T.V. stations from St. John's they were told that reception could be improved but only if the residents of that area were to form together and to collect something in the vicinity of \$5,000 to put in a reflector of some nature which would reflect the beam back to the Northern side of the harbour, which to me seems that these radio and television stations, certainly the national television station of CBC, which is a government owned and government subsidized company, that it should not be the responsibility of a small number of citizens in a small area to supply something like a \$5,000 antenna.

Now, when these people - and the Minister of Transportation possibly could contact the CRTC when these licenses are being renewed, that these responsibilities for improvement of television reception are the responsibility of those companies and not of small citizens' committees in certain smaller areas. Thank you, Mr. Speaker.

NOTICES OF MOTION:

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: I give notice that I will on tomorrow move that a committee be appointed pursuant to Standing Order (84) to prepare and report lists of members to compose the various Standing Committees of the House.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN:

MR. SPEAKER: The hon. Minister of Fisheries.

MR. CARTER: Mr. Speaker, I want to provide answers to questions that appeared on the Order Paper, Question Nos. 351, 356, 325, 342 submitted by the hon. member for Twillingate (Mr. Smallwood); question No. 708 by the former member for Exploits (Mr. Mulrooney); question 623 by the hon. member for Fogo (Capt. E. Winsor); question 624 by the hon. member for Carbonear (Mr. P. Moores).

OPAL QUESTIONS:

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

MR. ROBERTS: Mr. Speaker, in the continued absence of the Premier from the House of Assembly, may I direct a question to the Minister of Manpower and Industrial Relations? Would the minister tell the House, Sir, why the Termination of Employment Act which was given Royal Assent on March 29, 1973 nearly three years ago, has never been proclaimed?

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

MR. MAYNARD: Mr. Speaker, that question was answered yesterday by the Premier and I do not see that it is necessary to add anything to what the Premier has already said.

MR. SPEAKER: The hon. member for LaPoile

MR. NEADY: Mr. Speaker, I have a question for the Minister of Mines and Energy. Would the Minister of Mines and Energy indicate to the House whether or not he has received a letter from Mr. Leo Barry, lawyer, solicitor for the workers at Come By Chance, in connection with severance pay for the workers at Come By Chance? If so, if the minister has received the letter, would he indicate to the House what action the government have taken on that letter?

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

MR. CROSBIE: Mr. Speaker, all ministers received a copy of a letter from Mr. Leo M. Barry.

AN HON. MEMBER: Leo D. Barry.

MR. CROSBIE: Leo D. Barry or whatever his name is, Leo D. Barry, acting on behalf of the International Brotherhood of Electrical Workers, Local 2330 and the Oil, Chemical and Atomic Workers International Union Local 9908, dated March 8. I assume the members of the Opposition may

MR. GOSBIE:

also have gotten it. The answer to the question that the hon. gentleman asked is, yes, we have received such a letter and our response was given in the House yesterday to the same question.

MR. NEARY: A supplementary question, Your Honour. Would the minister indicate whether or not one of the recommendations made in Mr. Barry's letter in behalf of the workers was that special legislation be brought into the House to grant the severance pay and then recover it at a later date in the event that the oil refinery should be sold or start up operation again? If that is one of the suggestions, does the minister or the government intend to take advantage of that suggestion made by the gentleman who is a former minister of Mines and Energy in the P.C. Administration?

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

HON. J. CROSBIE: Mr. Speaker, who Mr. Barry is or was is not relevant to this matter at all. Mr. Barry is acting as a lawyer and is acting for these two unions that I mentioned and their employees. The position is that the Termination of Employment, 1973 has never been proclaimed and, as was explained to the House yesterday, if it had been proclaimed it would still have no application unfortunately for the present situation at Come Ry Chance. The situation at Come By Chance is that Provincial Refining Company and Newfoundland Refining Company Limited are insolvent or are alleged to be insolvent, that there is now before the Supreme Court a hearing on the question of whether or not they are insolvent. If Chief Justice Mifflin of the Newfoundland Supreme Court finds that they are insolvent that finding will relate back to February 13, 1976 when the petition for bankruptcy was placed before the court and they would have been found to be insolvent from that date. We are advised that the legal position is that whether or not there was such legislation would have no bearing on the situation because the situation will be governed by the bankruptcy legislation of the parliament of Canada, that under the British North -

MR. NEARY: We know all that.

MR. CROSBIE: Mr. Speaker, I have been asked a question. I presume I have the right to answer it in my own way, not as guided by the member for LaPoile (Mr. Neary) from whom I need no guidance. I might need his help from time to time, but no guidance. Under the British North America Act the question of bankruptcy is solely and wholly within the constitutional jurisdiction of the Parliament of Canada who have passed legislation called the Bankruptcy Act. That act governs what a receiver must do in bankruptcy or trustee in bankruptcy. It deals with what creditors are preferred and what creditors are secured and it deals with wages of the people involved in the enterprise. It gives a priority to the wages of the people working in the enterprise up to the time that they cease work. They come first.

MR. CROSBIE:

When the assets of the bankrupt or the bankrupt company are sold off, if anything is gained from them, then workman's wages come first. After that there are other priorities, mortgagees of the Federal Government.

MR. NEARY: That is a red herring!

MR. CROSBIE: The Federal Government is a preferred creditor, Provincial Government, the S.S.A. tax, Workmen's Compensation, amounts like that are preferred and then the ordinary creditor. So, Mr. Speaker, it is quite irrelevant whether or not this legislation had been passed, or if it was proclaimed it would not apply in this situation.

MR. ROBERTS: Says who?

MR. CROSBIE: That is the legal opinion.

MR. ROBERTS: Table it.

MR. CROSBIE: We are not tabling legal opinions, Mr. Speaker. We never do and we are not going to now. So that is the position, Mr. Speaker. Now, the receiver has to act in accordance with the law, and he is responsible to the court and he is responsible to the creditors for whom he acts. He will have to make his own decision. He will have to make his own decision on matters put before him by Mr. Barry and representatives of the employees. We have urged them to be as generous as possible and will continue to.

On the question of whether government should make some payment and then attempt to get it back from the bankrupt estate, Mr. Speaker, if we made such a payment we could not get it back from the bankrupt estate. It would have no preference. If we were anything we would be unsecured creditors at the end of the \$600 million of debt that applies to the refinery. The unfortunate situation is, Mr. Speaker, that the difference between this situation, this unfortunate situation, caused not by the government, caused by the people who owned and managed it-

MR. HICKMAN: That is right.

MR. CROSBIE: -- that is who were in charge when this operation became insolvent as it appears to be. It is not the government's fault nor are the other bankruptcies that occur during the year the fault of the government. There

MR. CROSBIE:

are dozens, Mr. Speaker, in Newfoundland during the year. If government were to say that some special arrangement is to be made to pay workers involved with P.E.C. and N.R.C. more than is required by the law or more than the Bankruptcy Act permits, then how could the government not apply that same policy to any bankruptcy that ever occurs in the Province no matter how large or how small? That is the situation.

Now, Mr. Speaker, the government is prepared to do everything it can to assist the people unfortunately laid off at Come By Chance, caused in no way by the government of this Province and caused, Mr. Speaker, by no one in this House. The government has set up a task force to assist those who want to try and find other employment.

(Noise from the galleries)

MR. SPEAKER: Order, please!

MR. CROSBIE: The government has met with representatives -

MR. SPEAKER: Order, please!

I wish to interrupt the hon. minister for a moment and to draw to the attention of the people in the galleries that it is not permitted to participate when an hon. member is speaking through any kind of noise or participation of any kind. That is a strict rule of this House and of every House.

The hon. Minister of Mines and Energy.

MR. CROSBIE: I did not realize I said anything amusing, Mr. Speaker. We are not amused by the situation at Come By Chance. We have set up a task force to try and assist people who are unemployed if they had to find other jobs.

MR. NEARY: Send them all off to industrialized Canada!

MR. CROSBIE: The government have met with representatives of the people who are in the galleries and of the workers at Come By Chance to discuss with them other problems that they have in the area, such as what will they do in connection with homes they own or mortgages. And it is the first priority of the government to attempt to see if this refinery cannot operate under the present management, and it appears to be pretty obvious it cannot, to attempt to see how quickly a sale might be arranged to some other stronger organization that can operate it. Because the most desirable solution is to have it reoperate. We cannot say when such a sale might be brought about because we are not the kind of people who attempt to bluff the public, Mr. Speaker,

MR. NEARY: Oh, no, no!

MR. SIMMONS: Oh everything all right -

MR. CROSBIE: and we therefore cannot -

MR. SIMMONS: You kept telling us.

MR. CROSBIE: The hon. bluffs are on the other side as we well know.

SOME HON. MEMBERS: Oh, oh!

MR. CROSBIE: The slitherers, slithering down to Come By Chance to see if they can batten on the misfortune of the people who are going to be unemployed down there.

SOME HON. MEMBERS: Oh, oh!

MR. CROSBIE: Mr. Speaker, our first priority is to attempt to see if we can arrange as quickly as possible a sale of this refinery so that it operates once again. That is our objective. And whatever we can do to help the men involved in the situation at Come By Chance, government will do as we have assured them. But this government cannot perform miracles, as can no other government perform miracles, and that is the situation in respect to Mr. Barry's letter and our position on it. We will continue to do -

AN HON. MEMBER: Going to table the letter?

MR. CROSBIE: - everything we can.

AN HON. MEMBER: Going to table it?

MR. SPEAKER: Order, please!

Before recognizing any hon. gentleman I wish to point out, to emphasize a rule with respect to questions, and that is, as hon. members know, the purpose of the question is to ask for information and of the answer to give information and that debate is not allowed during the question period.

The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, I would like to ask the minister a supplementary question. When he says that the first thing of all is to get the refinery going again, with which of course every Newfoundlander in or out of this House must agree, when he says that, and he remembers that the trustee in interim receivership has announced publicly that they have been approached by two different outfits with a view to purchasing the refinery - one of whom is well known to me, I know they are extremely serious and extremely important - in view of the strong likelihood, very strong likelihood that great plant which has a little mechanical defect which will be remedied without any doubt, but that very great oil refinery will be bought, and will be bought reasonably soon -

MR. NEARY: Hear, hear!

MR. SMALLWOOD: - in view of that fact, have the government given any thought - they have risked \$41 millions to get the thing going - risk a couple or three million now by way of loans to the 500 workers.

Mr. Smallwood:

Even if it is two-thirds of their pay, or even half of their pay for six months and keep them here -

MR. NEARY: Hear, hear!

MR. SMALLWOOD: keep them that team, keep them in Newfoundland -

SOME HON. MEMBERS: Hear, hear!

MR. SMALLWOOD: so that whoever buys the plant has a ready made team of trained, good men who are awfully eager to stay in Newfoundland.

MR. NEARY: Hear, hear!

MR. SMALLWOOD: Now the Premier has just come in. I know that in his heart he must feel as I do about this. I know he must. I suggested it yesterday. Will they think about that?

MR. NEARY: It is a good suggestion.

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

MR. CROSBIE: Mr. Speaker, the government would be foolish not to consider any proposal that is put forward, and I am sure we will consider the proposal that the hon. gentleman has made. Now that is not a proposal that I was dealing with in the answer to the last question. The hon. gentleman

MR. CROSSIE: gentleman is suggesting something quite different and certainly there has been no decision by my government on that, and that can be considered. Now as far as the resale of the refinery is concerned, Mr. Speaker, as the hon. gentleman knows there are a number of people indicate interest, but you do not sell a refinery overnight and there is a tangled legal situation at the moment because it is not at this time in bankruptcy. It is not clear who has the right to make any sales of the property. Those questions all have to be decided first and then anyone who contacts a receiver or government or whoever, appearing to be willing to purchase it, has to look at the whole situation and then make their offers.

So there have been a number of people who have indicated interested, but not concrete offers. And how long it will take before someone makes a decent offer that is acceptable, of course no one can yet know. But we will be assigning first priority and so will the receiver if he is officially appointed and confirmed, to see if a sale can be arranged.

MR. ROBERTS: He exists now, does he not?

MR. CROSSIE: At the moment he is an interim receiver under The Bankruptcy Act and in the mortgages he is a receiver appointed under the mortgages, but we are hardly going to proceed, Mr. Speaker, under the mortgages and direct the sale of the refinery until the present proceedings in the court are finished with.

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

MR. NEARY: When will the Come By Chance workers get an answer to their question?

MR. SMALLWOOD: Mr. Speaker, what I am asking -

MR. ROBERTS: Your Honour has recognized me -

MR. SPEAKER: Order, please! I previously recognized the Leader of the Opposition before the hon. member for Twillingate.

MR. ROBERTS: Unless the hon. gentleman, is it a supplementary or what?

MR. SMALLWOOD: It is a supplementary, yes.

MR. ROBERTS: Well, Mr. Speaker, I hope it is a briefer supplementary than the hon. gentleman asked before, but I will yield on the supplementary.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: The question is, there are these approaches for the purchase of the refinery. It will take time, as the minister has said, there are legal technicalities, there are various things. But when I am asking again is six months; would the government gamble \$2.5 million for six months and with the excellent chance -

AN HON. MEMBER: They got the support -

MR. SMALLWOOD: No criticism from the House -

MR. NEARY: Support over here.

MR. SMALLWOOD: - or the people of Newfoundland -

MR. NEARY: Hear! Hear!

MR. SMALLWOOD: - gamble \$2.5 million for six months and get it back from the very workers, give them three or four years to pay it back.

MR. ROBERTS: They do not need \$2.5 million, All of those men qualify for UIC and that can be built in with the \$2.5 million.

MR. SMALLWOOD: That is why I said even half pay, but keep them here in Newfoundland.

MR. NEARY: Get Mr. Hickey back in the Province and explain that to them.

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

MR. NEARY: Get the Norma and Gladys back here.

MR. SPEAKER: Order, please!

MR. CROSSIE: The answer is, Mr. Speaker, as I said, the government will consider what the hon. gentleman suggests and see if it is practical of feasible or can we -

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

MR. ROBERTS: Mr. Speaker, my question is also for the Minister of Mines and Energy. It is on the same subject but a little differently. The minister has a number of times said that the government will ask, and I think these are the minister's exact words - the receiver is interim at this stage, permanent if the Supreme Court accepts the prayer of the petition filed by the Ataka Company-that the government will ask the receivers to be generous

MR. ROBERTS: with the men who were being laid off with two weeks pay and little else. Could the minister indicate to the House, (a) whether it is legally possible for the receiver to pay anything to these men other than what is legally due to them with or without a request from the government, and (b) if the answer to "a" is yes, what indication the government have that the receivers are prepared to be generous. As Your Honour knows, once a matter goes into receivership it is largely in the hands of the creditors, Sir, to determine what happens. The minister has several times held out this hope, and since he has said he does not want to be accused of bluffing or holding out any false hopes I wonder if he would answer this question specifically, Sir.

MR. SPEAKER: The hon. Minister of Mines and Resources.

MR. CROSBIE: Mr. Speaker, there are always areas of doubt as to what is or is not proper for the receiver to do, or a trustee. Insofar as the second mortgagee is concerned, we have instructed them that in any cases of doubt they are to err on the side of generosity insofar as we are concerned.

Now as to just what they are doing there, I am not privy to the legal advice. But I think that—as far as I understand it they were not obliged to agree to pay vacation pay because this is an insolvent corporation. As I understand it also that if this corporation had just shut its doors no one would have been able to receive any pay for two weeks in lieu of notice or otherwise. But two weeks notice was given,

Mr. Crosbie.

so I think that they are, you know, doing what they can within the framework that ultimately it is the other creditors whose pockets this has to come out of. But we have told them that so far as we are concerned as second mortgagees, they are to do whatever they can, and if there is any question of doubt there they are to be generous.

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

MR. ROBERTS: Mr. Speaker, a question for the Minister of Justice, Sir. The government have refused to table the legal opinions on which they have drawn the conclusion in law that the proclamation of the Termination of Employment Act would not have any affect in the face of an action under the Bankruptcy Act of Canada. Would the minister, in view of the fact that there are competent legal opinions around which maintain that may not be the case, would the minister undertake a reference to the appropriate court, the Supreme Court of Newfoundland, to let the courts decide that issue, Sir, and not the legal advisors of the government, or indeed the ministers who are learned and put forth their opinions that they will not substantiate with documentation.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I am not prepared to give that undertaking. It is a very impractical suggestion. As the hon. gentleman who is a member of the bar knows, by the time that reference was argued and decided, and with all the appeal procedures that are available, it would be many, many, many, many months hence, and this would be of no benefit at all to the people whom we seek to serve.

MR. ROBERTS: It might be better than what they will get now, which might be nothing.

MR. SPEAKER: The hon. member for Conception Bay South.

MR. NOLAN: Mr. Speaker, a question for the hon. the Premier, who has indicated in the past that he or his government will make very effort to attempt to do something to delay, defer mortgages that are involved. And we all know that when things happen in courts and so on that it can go on sometimes in a time frame that will not be very helpful

Mr. Nolan.

to those that are immediately concerned, because we all have mortgages, and you know what happens on whatever date in the month when your mortgage comes due. You have to pay or you get a phone call or a knock on your door. Could the Premier tell us what he has done so far, in a concrete way, and what is down the road in this regard, because it is a very serious matter, as I am sure he knows?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, first of all the banter back and forth saying there is nothing going to happen and this sort of picayune, political comment, at a time when it is so important for these people to have every representation in a realistic way that is going to achieve something, I think it is most unfortunate. But the answer to the hon. member for Conception Bay South's (Mr. Nolan) question, the Minister of Municipal Affairs and Housing, who just came back, has been down with me for the last half hour - and I apologize for not being in the House previously - he has gotten his people to identify what mortgages are outstanding with Central Mortgage and Housing, Newfoundland Housing Development Corporation and other agencies, but also co-ordinated with the task force to find out all debts that are owing by all the workers at Come By Chance. It is not just what Newfoundland and Labrador Housing has, but what is the debt position of the workers themselves in a total position, because of their recent employment and the debts they felt they could retire. It is our intention as soon as we can get that information together, and every effort is being made to get that information together as quickly as possible, and as a government we will do our utmost to relieve those payments - that from an unemployment insurance cheque or what have you is obviously not going to be able to be met by any of the individuals themselves. I have also been taking to the Receiver this afternoon, and asking him what he can do to help alleviate the situation. We have been talking to everybody who is concerned. I will be talking to the union members after the Question Period today in the Cabinet

Premier Moores.

room, those who are representative of the union members. Our objective, Mr. Speaker, and I want to make this absolutely clear, is to do whatever we humanly can to make a very sad situation, not a happy one, but to make it as realistic and as humane as we possibly can.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: I recognize the hon. member for a supplementary.

MR. NOLAN: A supplementary again to the Premier, and I am sure he understands that the problem that many of the people who have contacted me personally, and I am sure who contacted him personally, is the situation that suppose, even if against their will, as I am sure the Premier knows, they are transferred to Saskatchewan or whatever for whatever period of time, that if they have to pay rent there, plus their mortgage payment to hold their property home in Come By Chance it is something they will not be able to swing financially. And so this is why I appreciate the remarks of the Premier, and I would be happy if he would amplify any further information he or the minister that they could provide.

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: The only other amplification I can give, Mr. Speaker, is that all the questionnaires to the workers have not been returned to the task force as yet. Some of them are in but, as I say, we will be doing everything possible. There may be Bankruptcy Acts that limit certain things. There may be other conditions that limit certain possibilities, but there are areas that we, as a government, can act which are not limited by legal statute or what have you, and in those areas where we can, we intend to.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: I recognize the hon. member for LaPoile, and then the member for Windsor - Buchans.

MR. NEADY: Would the hon. the Premier undertake to make a commitment to this hon. House to carry out a suggestion that I made a few weeks ago, that when all the information becomes available to the Premier and his ministry that he go out to Come By Chance and hold a public meeting or a series of public meetings and let the workers and the people in that area know what is going on? Will the Premier undertake to make that commitment?

MR. SPEAKER: The hon. Premier.

PREMIER MOOPES: Mr. Speaker, we will do even better than that. As opposed to going out and playing politics to the people in Come By Chance -

MR. NEADY: No! Never mind playing politics.

PREMIER MOOPES: - we will announce it in this House, and it will be done as opposed to just promising it.

SOME HON. MEMBERS: Hear, hear!

MR. DOBBS: You made your October speech.

MR. FLIGHT: Mr. Speaker -

MR. SPEAKER: Order, please!

MR. FLIGHT: I would like to address this question to the Minister of Mines and Energy. In the event of the likely sale of the refinery to another company who, Sir, will negotiate the terms of that sale and what role will the government or this House play in such negotiations?

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

MR. CROSSIE: Well, Mr. Speaker, you know, the receiver, if he is appointed, will obviously play a role, and the two mortgagees will obviously play a role, ECCC which is connected with the first mortgage and the Government of Newfoundland who are connected with the second mortgage. But the most important people who will have a role in it are the matter of the first and second mortgagees who have the right under their mortgages and have the power of sale under their mortgages. So the people who would be involved would be the receiver, if he is appointed under the Bankruptcy Act, who is responsible to all the creditors, and the two mortgagees.

MR. SMALLWOOD: Would you permit a question? Whom precisely, if permanent receivers are appointed by the court, whom precisely will they represent? ECGD? The Newfoundland Government? Go on.

MR. CROSBIE: Well, Mr. Speaker, if the receiver, if Clarkson or whoever is appointed by the court as receiver under the Bankruptcy Act they will represent all of the creditors.

MR. SMALLWOOD: All creditors.

MR. CROSBIE: Under the Bankruptcy Act.

MR. SMALLWOOD: I see.

MR. CROSBIE: But the secured creditors have interests that are different from the ordinary creditor. The first mortgagee has the right under his mortgage to appoint his own receiver, because under the first mortgage he can go in and take over all the assets, under the first mortgage. The second mortgagee has the same right under the second mortgage, to appoint our own receiver. So ECGD and the government decided to have the same receiver as all the creditors have. That receiver will have to act in different capacities. If conflict arose in the future then it might be necessary to have a change. So with respect to the first mortgage they will represent the first mortgagee's interest, and with the second mortgage they will represent ours, with respect to the bankruptcy generally they will represent all of the creditors.

Mr. Speaker, it is quite possible that any sale will have to be approved by the court. Certainly if it was a sale by the receiver the court will have to approve it. The other possibility is a sale by the first and second mortgagees.

MR. SPEAKER: I will recognize the hon. gentleman for a supplementary to his previous question.

MR. FLIGHT: Would the minister advise the House if it will be necessary or will this House have a chance to ratify the terms of the conditions of that sale because of their involvement in the thing right now?

MR. CROSBIE: Well, Mr. Speaker, the House would not have any right to ratify the terms and conditions of the sale. As I said, it would have to be referred to a court if it is done by the trustee

MR. CROSBIE:

in bankruptcy. But certainly if there is any sale or any sale suggested the government will explain the terms of the sale to the House, and if - pardon?

MR. NOLAN: Before or after?

MR. CROSBIE: Before naturally. What would be the good of explaining them after, except for -

MR. NOLAN: That is what the government do all the time.

MR. CROSBIE: No, not this government. The hon. gentleman is mixed up. He thinks he is on the government side. The hon. gentleman was very quiet in telling the public anything up to 1972.

MR. SPEAKER: Order, please!

MR. NOLAN: We brought Mr. Shaheen before this House.

MR. CROSBIE: You brought him into the House, that is right. You should have brought him somewhere else.

MR. NEAPY: You drove him out.

MR. CROSBIE: It is too bad he was not driven out, then we would not have a bankrupt refinery down there.

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

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: I wish the hon. gentlemen would obey the Speaker.

MR. SPEAKER: Order, please!

MR. CROSBIE:

Now, Mr. Speaker, I think I was answering a question. The House would not have to approve the terms on any sale unless the government of Newfoundland has to do something in connection with the sale.

MR. ROBERTS: It would be nice to agree to it.

MR. CROSBIE: The government of Newfoundland has to agree to it and that is a responsibility of the government, to agree or disagree. The government would tell the House what the terms of any sale are. But the House would not be required to approve the terms of any sale unless the House had to vote money in connection with it or make

MR. CROSBIE:

further loans or the government had to do something further not now authorized by legislation. So it is not likely the House will have to approve anything, Mr. Speaker, but, Sir, the government would and the government would inform the House.

MR. SPEAKER: I recognize the hon. the Leader of the Opposition and then the hon. the member for LaPoile.

MR. ROBERTS: Mr. Speaker, a question for the House Leader. Could the House Leader indicate to us how quickly following the determination by the Supreme Court of the current bankruptcy petition - and I understand there may be two, one in respect of Provincial Refining and one in respect of Newfoundland Refining - how quickly the house will be permitted to debate the situation at Come By Chance and I particularly ask that with reference to the appeal periods, the periods when notices of appeal may be filed by any party to the proceedings now before the Supreme Court. How quickly are we going to be allowed to debate it, Sir?

MR. SPEAKER: The hon. the Minister without Portfolio.

MR. WELLS: The proceedings in court have taken actually longer than were expected. If the proceedings finish at the end of this week and then we would, I think, have to wait until the appeal period passed. But maybe there would be an indication given before the passage of the appeal period whether or not it was going to be contested. Then I would anticipate, and I see no reason why we should not go into the debate then right away.

MR. ROBERTS: How long is the appeal period, thirty days?

MR. WELLS: No, fourteen days in a civil case, usually, I think. I would have to look at the Bankruptcy Act. I think it is fourteen days.

MR. HICKMAN: Yes, it is fourteen.

MR. WELLS: Fourteen, yes.

MR. HICKMAN: We might know in a week.

MR. WELLS: Yes, unless the appeal period was different, and then maybe it would be made clear right at the beginning that there was not going to be an appeal, in which case we could debate it even more quickly. But there is certainly -

MR. ROBERTS: Mr. Speaker, a supplementary then.

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

MR. ROBERTS: Assuming there is an appeal launched - now that is not the government's decision unless the government are aggrieved

MR. ROBERTS:

as the second mortgagee although the government are not party to the action now, as I understand it - but assuming there is an appeal taken, and presumably that would be if the petition is successful by the present owners of the companies that would have been petitioned in the bankruptcy, and as the Minister of Justice in a little lecture a moment ago reminded those of us who did not know, in his usual helpful way, are we to be barred debating this issue while the appeal process goes on? Because, Mr. Speaker, this appeal process by right may go to the Supreme Court of Newfoundland on appeal and it could easily take six or eight months to have the matter resolved at that which means the house might not debate it for six or eight or ten months, Sir.

MR. WELLS: Well it is my opinion, Mr. Speaker, and we would have to take advice from the law officers of the Crown on this as it is a technical point, but it is my opinion that we would not be prohibited from debating it in the House during such a strung-out procedure. Because after all, the question before the Supreme Court is whether or not this company which appears to be insolvent is actually bankrupt or not, and bankruptcy is a legal state. But the whole ramifications of Come By Chance, which I expect this House would debate, are not really the subject matter of what is before the court. I personally feel, although I would obviously and we would take advice from the law officers of the Crown, but I feel that it could be debated before this house.

MR. ROBERTS: A further supplementary?

MR. SPEAKER: There is only time for one further question and I think I should recognize the hon. the member for LaPoile.

MR. ROBERTS: All right.

MR. NEARY: Mr. Speaker, I want to get in a plug here for another group of fellow Newfoundlanders who are in trouble. I would like to ask the Minister of Manpower and Industrial Relations, now that he has had a chance to sleep on it, is he going to appoint an industrial inquiry to look into that emotional, tensed up dispute at Churchill Falls or is he just going to ignore it hoping it will go away?

MR. SPEAKER: The hon. the Minister of Manpower and Industrial Relations.

MR. MAYNARD: Mr. Speaker, I stated in the house here yesterday afternoon that I would make a decision on the request for an industrial inquiry in Churchill Falls within two or three days. The same answer holds true today to the question from the hon. the member for LaPoile (Mr. Neary). The Minister of Mines and Energy stated yesterday that we would be having meetings with the management people sometime this weekend. We will be holding those meetings and we will make a decision after that time.

MR. WOODROW: Mr. Speaker, would you allow one more question, please?

MR. SPEAKER: Well only with leave. The question period is up and we would have to have leave of the house and the Leader of the Opposition, presumably, would have the first question.

MR. WOODROW: I see.

MR. SPEAKER: Orders of the Day - and before indicating the order, it is, as far as I can see 4:30 and so I will inform the house that unless anybody within the next minute or so is going to get me any communication, and I presume they are not, what matters will be debated at 5:30 and that way I will not have to interrupt anybody when they are speaking. There are three matters: the first -

MR. ROBERTS: Is this the order of debate?

MR. SPEAKER: Yes. These are the three matters and the order. Actually I only received notice of three, so it was not necessary to make any selection. The first one, and actually this is the order in which they were submitted to me as well, the hon. the member for LaPoile (Mr. Neary) arising from a question asked to the Minister of Transportation and Communications and dealing with what the hon. member describes as the rapidly deteriorating condition of the Trans-Canada Highway especially West of Deer Lake;

MR. SPEAKER:

one to be brought up by the hon. Leader of the Opposition relating to a question that he asked the hon. Minister without Portfolio on the subject of the Termination of Employment Act; and the third and final one, the hon. member for LaPoile (Mr. Neary), dealing with a question related to the use of provincial funds by the Summer Games Committee without, in the opinion of the hon. member, the committee following the provincial tendering procedure. Those are the three matters which will come up at five thirty.

ORDERS OF THE DAY:

MR. SPEAKER: Order (1), the Address in Reply. The debate was adjourned by the hon. Minister without Portfolio.

MR. R. WELLS: Mr. Speaker, on Tuesday I had made some preliminary remarks in this debate and I had dealt with what I conceive the role of a population to be, the role of the people in this Province, and also the role of government. The comment that I had specifically made, Mr. Speaker, was that we were getting to the stage in Newfoundland where the role of government had become too large, and that the people of the Province were beginning to feel and beginning to believe that everything that happened in the Province was the role of government and that government had to take action upon it. I think it is interesting, and I would refer back to the Come By Chance matter for a moment, Mr. Speaker, obviously it is the role of government wherever possible to alleviate a situation, to when a difficult situation arises to do what it can, what government can for the people concerned to try and sort out the situation. Yet we see happening today in Newfoundland, we see pressures being put on government to do things and take approaches that have never before been taken. In other words, to rectify every wrong, every injustice, every sadness or difficulty that might arise in a civilized community. Today, Mr. Speaker, we have government being asked to step in and do something about it.

I say that if this process continues, if it goes on and on then we will reach the state of affairs mentioned in the novel Nineteen Eighty-Four long before 1984 comes, when government, as I say, will have to have every role

MR. WELLS:

Government will be the employer. Government will redress every wrong. We can forget the courts. Whatever happens in life and whatever happens in a community presumably the way it will be is that you go to government and you say, rectify it. I think it is very interesting that the men who were here today from Come By Chance and who have listened to this debate - not the debate, but to the preliminary proceedings - they know full well what the law is and we know that they are in difficulties. We know that they are going to be laid off and we know that they are upset, worried and concerned. Yet I think it is interesting because if government takes extraordinary measures because 480 men are laid off, then presumably, Mr. Speaker, government will take extraordinary measures if a man is laid off at Bowrings tomorrow and cannot get another job, or if Woolco or some other department store should move out of the Province. Where does this end? So that whereas the pressure is being put on government now to make decisions about difficult matters and crisis matters in a particular industry like Come By Chance, government also has an obligation to give some thought as to what precedents it is setting, where it is going to go and how it is going to handle similar situations wherever they arise.

MR. MURPHY: Five, ten, fifteen, twenty - whatever.

MR. WELLS: That is right. Is it when one person is laid off? Do we give him \$1,000, \$2,000. When an industry employing two or three men closes, do we pay that person some money? What is going to happen if government is asked, and if government should be forced, which I think would be wrong, but to adopt these kind of roles, what is going to happen to the labour unions in the Province?

Mr. Wells:

If government are going to - people talk about the minimum wage, and you up the minimum wage, and you keep on escalating it, does that mean that we are going to do away with the role of the labour union which I thought had the duty and the obligation to negotiate wages? If we are going to provide funds for severance pay or for this, that, or the other when an industry closes down or goes bankrupt or goes out of business, where are the labour unions going to stand? Are they going to have a role? Or is everything going to be taken over by the Nineteen Eighty-Four type of government? And these are questions that are going to come back to haunt some of the people, I suspect, who are making speeches in this House, Mr. Speaker, because the more the government takes over in the way of handling these sort of roles the less that is going to be there for the trade union, the less that is going to be there for industry, and the less that there is going to be for the ordinary citizen of this Province. And this is something that we have got to think about, because the growth and spread of big government is something which I feel we ought to set our faces against. And the people from Come By Chance, and God knows, Mr. Speaker, we have every sympathy for them! But they have left this Chamber now. They are concerned with their own grievance. And they have left this Chamber, and they have gone down to talk with the Premier, and those who are not able to get into the Cabinet Room and talk to the Premier have gone their own way, wherever that is, most of them. But the point that we cannot forget is that we have a responsibility as elected representatives of the people to make decisions that go far beyond Come By Chance, and that go on beyond and have to do with every man, woman and child in this Province, and not with this bankruptcy only, but with what happens in this Province for the next, more than a few years, for the next generation.

A note has just been passed to me, bringing to my attention the fact that the LSPU a few years ago was involved when hundreds were

Mr. Wells:

laid off with the advent of side-loaders down here in the Port of St. John's . And the union fought and worked on that issue. But I did not notice the government of the day or the provincial government -

MR. MURPHY: I was right in the middle of it, too, with my district.

MR. WELLS: That is right. I did not notice the provincial government being asked to pay \$1,000 or \$2,000 or \$3,000 to the persons involved. And this is the kind of thing that is not popular, Mr. Speaker, to say this right now. It is not popular, and it is very often in the history of parliamentary democracy, it has not been popular when when government takes the proper and right stand which is interpreted as a tough, cold, heartless stand. And government have said, oh, yes, be humane, be understanding, give this and give that. But we have a country to run. And a country which, as I said. the last day in my preliminary and opening remarks, Mr. Speaker, this country has got to be kept afloat and running by Newfoundlanders and Labradorians who are prepared to work at it, and not by people who want only handouts from government, and it is just as well to say it, and it is just as well to lay it out, and I would rather say it, and I would rather lay it out and mean it and not get another vote from anybody as long as I live,

MR. NEARY: Hear, hear!

MR. WELLS: than take the wrong approach, than

SOME HON. MEMBERS: Hear, hear!

MR. WELLS: take the soft approach, the easy approach, the giveaway approach, and to say to hell with this country, and what happens to it. Because if we go that route, Mr. Speaker, that is where we are going to go, we are going to go right down the drain. It is time it was said, and it is time it was adhered to. And I did not intend it, since we are debating Come By Chance every day in the Question Period, and every day on statements of ministers, and everything else, and we are going to debate it in the late show this afternoon, but I will

Mr. Wells:

still come back to it again now, and say that the right thing must be done. And I feel that the right thing in this case is to approach it from the point of view of trying to arrange a moratorium on interest, or at least a moratorium on payments to prevent people having to sell their houses at fire sale prices, to prevent that sort of hardship occurring. But not to say because an industry goes insolvent or bankrupt that the government has to step in and keep a group of people. And I appreciate the hon. member from Twillingate (Mr. Smallwood) in his suggestion of keeping the work force together. In some circumstances - and maybe this is one of them, and we will look at it - it would be a good suggestion. But I would not want

MR. WELLS: to postpone the evil hour six months and then have to have them go to Calgary or wherever they are going to go. In other words, six months hanging on the end of a string earning or drawing less than they are used to drawing, only to find in the end that the problem has not been alleviated. But, as I say, we will look at it and we will consider every avenue and every application of such a principle. But I cannot guarantee and the government cannot guarantee, and it would be wrong to guarantee, that this can be done, because what have been suggested in the House today are very new departures. And I know it is impossible to impugn motives in this House of Assembly, but I think that a great many of the questions that have come from the opposite side, and not from the hon. gentleman from Twillingate (Mr. Smallwood), who is very responsible in what he says, but a great many -

MR. NEARY: Name the members.

MR. WELLS: Some of the members sitting directly opposite me. I felt that some of the questions and some of the attitudes taken today were as a result of the galleries being full of the people who were afflicted and effected by this situation and I think it is not -

MR. NEARY: You are not referring to me!

MR. WELLS: No. No. No. I think it is not good enough and I think it is an indication of where politics has got to in this Province, Mr. Speaker.

I am going to talk about another area too because this is a non-confidence motion we are on. The Leader of the Opposition has moved, as is his right to do, a motion of non-confidence and the actual wording of it does not matter. He is inviting the members of this House to vote against the government, to defeat the government, to show a lack and a want of confidence in the government. So I feel as principal, as lead-off spokesman in this debate speaking for the government, I feel I have a right and a duty at this time, Mr. Speaker, to treat many avenues of government and many areas of life in this Province and examine them and have a say on them on behalf of government. And in fact the rules provide for this and give me unlimited time, and I hope that I will not take too much time

MR. WELLS: but I am going to enquire and to examine into various aspects of the life and the government of this Province today.

And first, Mr. Speaker, I am going to talk about Labrador. Now I have been down to Labrador over the years many times, and most times I have gone in a private professional capacity on law cases in the courts. But even in these cases I have got something of the attitude that is prevalent in Labrador. And in more recent months and years I have gone down on governmental matters and I have had even more opportunity to get a feel for what is going on in Labrador and the attitudes that are there and the most recent case was when I went down to Labrador just before Christmas, I think the House was still open -

MR. SMALLWOOD: Mr. Speaker, on a point of order. Could Your Honour instruct the officials to stop the loud conversation going on? It is interfering with the conduct of our business here.

MR. WELLS: I think, Mr. Speaker, the hon. member is quite right. It is disconcerting to follow a train of thought when there is so much background noise.

MR. SPEAKER (DR. COLLINS): The officials of the House are taking the matter in hand. The hon. Minister Without Portfolio.

MR. WELLS: Speaking about a trip to Labrador and a message that came across to me loud and clear was that there is a very great and deep feeling of disaffection in Labrador, disaffection toward the Province of Newfoundland, or more specifically I suppose, disaffection to the Island of Newfoundland. That was there, and we went down and I think no government could have done more than send the Premier - when I say send, he was the prime mover. He went. He is the leader of the administration - the Premier of the Province, the Minister of Municipal Affairs involved with housing, of course, who went also, the member for the district who went also and I who went as well. And we went down to talk to the people concerned about the matter of Churchill Falls, about the delay and about the effect it would have on the community of Goose Bay - Happy Valley. And I will say, Mr. Speaker, and there is no question about it, we had a very tough time. Now I do not mind that, and the Premier

Mr. WELLS: does not mind that, nor the other members and the Minister of Municipal Affairs, but it was a hostile time, and it was not just hostility over what went on. It was not just hostility over Churchill Falls, but a whole hostility toward the Island of Newfoundland which as I see it and interpret it is one of the saddest things that could possibly be developing in this Province because it is a sign of one part of the Province setting its face against another.

Mr. Wells.

And I think that what we heard in the news this week or last week, when a movement among the Chamber of Commerce - was it in Wabush or Labrador City?

MR. ROBERTS: Labrador City and Wabush.

MR. WELLS: Labrador City and Wabush, to talk in terms of breaking away from the Province of Newfoundland and setting up another entity, whatever it might be, a territory or anything else, I think this is one of the saddest things that could happen. Now I think we, as public men in this Province, have a duty, and people living on the Island of Newfoundland, citizens also, have a duty to think about this and to examine the factors to see if there is any justification for it, because if there is justification then we have a duty and a responsibility to do something about it.

Now we know that people living in the Labrador part of this Province live in a relative degree of isolation. We know that when you get away from Wabush and Labrador City and Churchill Falls the economic underpinnings are not great. It is no good for anybody to say that the Coast of Labrador has a sound economic underpinning because it has not. If the people on the Coast of Labrador were required to live and exist on their own financial resources they would be in tents, if that, or in mud huts, Mr. Speaker, because there is not the economic activity generated there to pay for one-tenth even of what they have in the way of public services, and I think that should be said. As I think it should be said in the point made that even what they have, and God knows it is not enough, but what they have has come from the people of Canada and from the people of Newfoundland who live on this Island part of the Province, and the people of Labrador who live and work in Churchill Falls, although they have only been there a recent few years, and the towns of Labrador City and Wabush. The coastal areas of Labrador cannot maintain themselves economically. As I say, if they were cut adrift and left to themselves, the people would be in a very,

Mr. Wells.

very sad hard state. They feel bitter. I know they do. But not all the bitterness, Mr. Speaker, is justified. These things have to be a two-way street, and I think that the most that can be done is that the people of the Coast of Labrador and the communities in Labrador that have this feeling and that are undergoing these difficulties, have got to understand that there is only so much that this Province can give them - and when I say this Province I mean Newfoundland and Labrador - and that they have a responsibility also to do whatever they can to educate themselves, and I do not mean just educate themselves in academic learning, but to understand the forces of government and the economy, to do what they can to work. If necessary, and if that means leaving home, then that is fair enough, that they can leave and possibly go back, but we all, in this Province and in this country have an obligation to work and make whatever efforts we can. Because many individuals in Newfoundland and Labrador and this Province, and what was a country before Confederation, have proven that it is possible to pull themselves up even by their boot straps and make something of themselves. And I get back to this point again, we cannot just turn to government for everything and say, it is your responsibility, you have got to do this, I have not got that, it is your responsibility to provide it for me. It is more than that, Mr. Speaker. There are more responsibilities than the mere responsibilities of government. And I say that, and I will keep on saying it, and if I am thrown out of this House by the voters for keeping on saying it, well that is fine with me also. But it has got to be said.

Let us have a look at what is going into Labrador in the way of financial resources, money, to try to get Labrador on its feet. Let us take Labrador Linerboard, and I am going to refer to the Linerboard later on in my remarks. Do you know, Mr. Speaker, that I believe in this last year or so - and I have not got the figures at my fingertips - but I believe that the amount of subsidy of Labrador Linerboard that is going

Mr. Wells.

into the Goose Bay area to subsidize that woods operation is something of the order of \$10 million. That, Mr. Speaker, is \$10 million out of the pockets of the taxpayers of this Province, going right into that one community by way of a subsidy to keep a woods operation going.

MR. SMALLWOOD: Over what period?

MR. WELLS: One year.

MR. MURPHY: Last year.

MR. WELLS: Last year. Last year, this year, the year we are in now. That is a fantastic figure, \$10 million, well give or take \$500,000 or so. And I believe -

MR. SMALLWOOD: May I ask the hon. minister a question?

MR. WELLS: Yes, yes.

MR. SMALLWOOD: If the total operating loss of the paper mill at Stephenville is "x" amount of money, does the minister mean that of that "x" amount a certain portion is accounted for by the **excessive** cost of the wood produced there and brought to Stephenville. Is that what he means by the \$10 million?

MR. WELLS: Yes, that is precisely. The total amount is much larger. It is of the order of \$20 million, \$25 million, I should think. But of that approximately \$10 million is going into that one community by way of subsidization for the wood.

AN HON. MEMBER: But is it all wood?

MR. WELLS: Oh, yes! That is the only thing that is done there, wood and transportation, etc., the cost of wood to the plant. Fantastic! This is a figure that should be known. I well remember that night that we were down there in Goose Bay, and when the government of which I am a part was castigated up, down and sideways by people who were worried and upset - and I know why they were, and I understand that - but at the same time these are the kinds of things that ought to be remembered. This year with all the difficulties that face the government financially, and the difficulties involving the Churchill Falls, as the Minister of Mines and Energy said today the transmission line into Happy Valley-Goose Bay is a part of the project that is going ahead, that is ongoing and being produced, that demonstrates along with the keeping of the linerboard aspect of that going, that demonstrates something of our concern for that community. But let me make another point. You talk about fault, whose fault is this and whose

MR. WELLS:

fault is that. Mr. Speaker, that community came about as a result of decisions made in Washington and London really at the beginning of the Second World War. There was a community there - I have no doubt the hon. member for Twillingate (Mr. Smallwood) probably visited it before the war - but it was not much of a community. That community came about because of the Second World War by decisions made thousands of miles from St. John's. The underpinnings are being knocked out of that community by decisions again taken thousands of miles from St. John's in the year 1974-75 about the phase-out of the American forces. Yet by some strange alchemy the people of that community are looking right at St. John's, right at the Government of Newfoundland and Labrador and in effect seeming to say that, "it is your fault." Now what I say, and there is no one wishes prosperity for Labrador more than I, Mr. Speaker. To me it is a thrill to get there. I think I would rather go to Labrador any day and I feel a greater sense of enjoyment and a greater thrill when I set foot there than when I go to the mainland or anywhere else. It is a wonderful country.

AN HON. MEMBER: How about Florida?

MR. WELLS: Florida, yes, the hon. member says. He and I share one thing in common. I think we love Florida.

AN HON. MEMBER: Clearwater.

MR. WELLS: And - Pardon?

AN HON. MEMBER: Clearwater.

MR. WELLS: It is the mainland, yes. I love Florida, to feel the warm sun beating down, grand.

MR. SMALLWOOD: In the Winter?

MR. WELLS: In the Winter. Of course, the danger of debating when the hon. member for Twillingate (Mr. Smallwood) is in the House, he leads one into delight -

MR. ROUSSEAU: Back to Happy Valley.

MR. WELLS: Oh, yes. The danger -

MR. ROUSSEAU: Have you been to Labrador in the Winter?

MR. ROUSSEAU: Obviously, you have not been to Labrador in the Winter.

MR. WELLS: Oh, I have and it is gorgeous. The curious thing is I have been down to Goose Bay as long as ten days in the Winter with the temperature about twenty below zero - I do not know what this is on Celsius - and it is absolutely refreshing.

MR. ROUSSEAU: Twenty below? That is our reading in the Summer.

MR. WELLS: Well, that is it, well, you know.

MR. SMALLWOOD: If the minister would allow me to say. I have never seen it as hot in Florida at any time in my life as I have known it to be Labrador. I have been there when it was 108 and 109 degrees in the shade.

MR. WELLS: Well I must say, yes. The hon. member is perfectly right.

MR. SMALLWOOD: That is not in January.

MR. WELLS: No. But I have been there myself when the temperature was I think, 93, 94 in Summer and yet -

AN HON. MEMBER: When was that?

MR. WELLS: Actually that was when the bulldozers were first in the Carol Lake area. I remember being there one day. But talking about the Winter, though, and the delightfulness of the climate, with the sun beating down, twenty below zero, the funny thing is you do get a lift of spirits. And I have come back in the plane and flown into the wall of cloud as you get half way over Newfoundland and yet felt as refreshed as if I had been down - what is it they call it? The Sun Coast.

MR. SMALLWOOD: Has the hon. minister ever been in Labrador in July and a heavy snowfall?

MR. WELLS: No, I have not. Labrador has been kinder to me than that. The residents from time to time have been a bit critical but no, I have not.

The other point I have to make and I think must be made in considering Labrador, too, vis-a-vis the government and the whole Province, Mr. Speaker, is that there has never been in the history of the Province, the history of the country, so much money being spent in Labrador, on the Coast of Labrador, as there is now being spent and as has been spent in the last few years. I do not put all the credit of that to the Province and the government of the Province. The federal government must be complimented there. It has poured and it is in the course of pouring millions upon millions upon millions of dollars into water and sewerage systems, into roads, into fish plants, bait holding units, the whole business of putting an infrastructure and trying to put economic underpinnings under the coast of Labrador.

I think it will prove interesting eventually when we get on to purely financial matters after the budget and while the estimates are being discussed to just look at the kind of money, federal and provincial, that is being spent in Labrador to do something to develop that part of this Province. I think that the people of Labrador owe it to this Province, and to this country of Canada of which they are a part, they owe it not to take a negative attitude, not to take an attitude which is entirely critical—and not all of them do but some people do and let us say it. I think they owe it to this Province to realize that they are part of the Province and that the Province and the federal government, the country, is investing vast sums in Labrador and that in most respects, and in the respect of spending money, as much is being done as can be done because if some of the things that are being put in Labrador had to be paid for by the taxes of the

MR. WELLS:

people of Labrador they would not be put there, Mr. Speaker, for 150 years. I do not regret this. I am glad to see it go there, glad as anybody in this Province, but there are taxes, I suppose, that have come out of Labrador since the settlements first went there will never pay, or would not pay if they were all added together, what is going in there. And I say great. I am delighted as a citizen that my taxes are going there and as a member of government to see us doing it and the federal government doing it. But I think -

MR. MURPHY: It is the Coast of Labrador, I presume more than the Western part.

MR. WELLS: Oh yes. Not the Western, no, not the Western. We are not talking about Western Labrador. That is a different matter altogether. These are economically viable communities, a going concern. I hasten to add before the hon. member leaps to his feet to interrupt me -

MR. SMALLWOOD: He explodes.

MR. WELLS: He explodes, absolutely. You know, these are a different - now I am not suggesting that these communities have not got problems, problems of distance, problems of climate -

MR. SMALLWOOD: Problems of prosperity.

MR. WELLS: Problems of prosperity, perhaps.

MR. MURPHY: And wealth.

MR. WELLS: And wealth to some extent. But there are problems but they are different problems from the problems of the Coast of Labrador. But what I am really saying here is that I think what we have to do in government and as members of government and members of this House is not necessarily to put more money into Labrador. That, I think, is being done and being done to a very, very great extent. What I believe we have to show, Mr. Speaker, is a greater presence in Labrador. I would like to see my colleagues - and the member I believe agrees with me. I say to my colleagues in the House and my colleagues in government, let us from here on, if we have not been doing it enough, let us make a resolve to show not just money - we are doing that - but

Mr. WELLS:

let us show a greater presence in Labrador, and let us show the people of Labrador that it is part of this Province and that we are concerned, not just concerned enough to speak about it in this House but concerned enough to have our presence there and to invite their presence here.

Mr. Wells:

Because at all costs, Mr. Speaker, and for the good of all, we must insist and we must make this one viable Province. I would also caution the people of Labrador against something, and this is connected with the forthcoming, we hope, development and finding of offshore oil and gas on the Labrador Shelf. I would hope very much, Mr. Speaker, that the people of Labrador do not feel that they can lay down hard and fast conditions. You know, we have to realize that if the Labrador Shelf is developed, if oil and gas is found in commercial quantities, that it is going to be not only money, it is not going to be the money of Newfoundland and Labrador or the Province, it is going to be money of hard-nosed investors elsewhere in the world, and many of them, who are going to develop this. It is going to be money of private enterprise from outside of Newfoundland, and largely, I suspect, from outside of Canada that is going to do this. And there is only so much we can tell these people without their walking away. And oil companies and oil interests have walked away. Down in Indonesia they have walked away when government tried to be confiscatory of oil companies' assets.

Now I am not saying that we give them carte blanche, and that we say, "You go in and do what you like, and do not care about Newfoundlanders, and do not care about Labradorians, just do what you like." No, by no means. But I am saying that we must not be unreasonable, and we must take the position that you develop and you develop according to rules and regulations that we lay down, and that you pay your fair share of what you are making out of this to the Province and to the country that makes it possible. We must say that. But let us not get too big in our boots, Mr. Speaker, and lay down the law and think we can make everything stick.

MR. MURPHY: Price ourselves out of the market.

MR. WELLS: That is right. I notice in dispatches that have been

Mr. Wells:

received back from Scotland and from -

AN HON. MEMBER: The Orkney Islands.

MR. WELLS: Not the Orkney Islands, the Shetland Islands, where one of the members of this House is now with a group, that they are talking about the Shetland Islanders and the great things that they have done to get the maximum benefit from offshore oil and gas. And they have, Mr. Speaker, they have, And I know, and I have met personally and talked with Mr. Ian Clark who is the chief executive of the Council of the Shetland Islands, and he told me some of the goings on that took place and some of the negotiations leading up to the kind of deal that the Shetland Islands have. But it was fortune from their point of view, their location, because the thing with the Shetland Islands was purely location, and I think it was Shell Oil wanted to start up, and they are in fact working at it now, to bring oil into the Shetland Islands from one of the northern fields in the North Sea. And they met with a Shetland Islands Council and Mr. Clark is not a Shetland Islander, I think he is a chartered accountant by profession from Edinburgh, a very, very intelligent good negotiator and bargainer - and they met with Mr. Clark and others and they discussed it. And the conditions laid down by the Shetland Islanders were such that the oil companies said, "No, we are not going to have anything to do with it." And they were going to walk out of the room, "And the Shetland Islanders said, "Well that is fine, "We did not want you anyway because we are worried about the environmental affects of your bringing the oil ashore, We do not really care if you come or not, and if we can give you introductions to anybody in the Orkneys to help you out there, well we would be only too glad to do so." And they did not care whether the oil came there or not. And that was the position that they took. But before the negotiations ended and fell down altogether then the oil company came back and they negotiated a comprehensive deal which provides for the saving of the environment in the Shetland Islands, and also for considerable revenue. But it is not a rip-off, and it does not

Mr. Wells:

jeopardize the ability of the oil companies to operate in these northern Scottish or Shetland waters. I said Scottish, I probably should not have, Mr. Speaker. The Shetland Islanders, as far as I can make out, do not regard the Shetland Islands as part of Scotland. I was told by a man from there that they regard themselves as Shetland Islanders only, and Scotland is Scotland, and England is England. And after the First World War, which is now two, three generations ago, some people came from Scotland, a group of people and settled there. I think they were fishermen, and even today their grandsons as a group who have married and lived there all their lives are still referred to as the Scotties, but they are not Shetland Islanders.

MR. MURPHY: Foreigners.

MR. WELLS: Foreigners

MR. WELLS:

in a sense. But, you know, they have adopted a good position. They have many things that they can teach us, But I say this to the people in Labrador; Do not feel they we can lay down all the conditions, and do not feel that you can lay down all the conditions for the oil companies because the extraction of oil and gas, if it is found there in commercial quantities, is going to have, in the final analysis, Mr. Speaker, going to have to be a partnership between the federal government - or first the provincial government, the federal government, the oil companies and the local authorities of the people who are closest to the fields. Anybody who does not recognize the elements of partnership in this, I am afraid, Mr. Speaker, is going to be in for a very rude awakening.

So I would say about Labrador that we have made as a government, and I am proud - and we are talking about confidence or no confidence in the government - I am proud of the record of this government insofar as Labrador is concerned. We may have made mistakes but we have made the effort and we have entered into the partnership that is required with the federal government under cost-shared programmes to do whatever we can to raise the standards of infrastructure in Labrador. We have done it in Goose Bay and as I say, we may have - I am sorry, the hon. gentleman? - I am about to say we may have made mistakes but by heaven no one can say that we have not made the effort. Does the hon. member have a question?

CAPT. WINSOR: Would the hon. minister permit a question?

MR. WELLS: Yes.

CAPT. WINSOR: What has the government done prior to what the previous administration did, to make their presence better known in Labrador?

MR. WELLS: What I said is that what we lack as a government to some extent in Labrador is a presence, but if you want to look at projects - and I have no doubt we will be looking at them when the estimates come - and if you look in last year's estimates in terms

MR. WELLS:

of projects all down through the Coast millions of dollars have been spent and millions in Goose Bay.

CAPT. WINSOR: You are not trying to blame the problems on us, are you?

MR. WELLS: Oh, no. I am not trying to fault the previous government. They did their best, too. And yet we all, because we happen to be a part of Newfoundland in the eyes of Labrador people, you know, there is a feeling there and anybody, I think, who does not recognize it is making a mistake.

CAPT. WINSOR: That was always there.

MR. WELLS: Yes the hon. member tells me and he has more experience than I of travelling in Labrador -

MR. MURPHY: A former Minister of Labrador Affairs.

MR. WELLS: Yes, indeed! He says it was always there.

CAPT. WINSOR: Indeed it was.

MR. WELLS: Yes, that is right. I am sure it was. Yet we have a duty. We cannot slack on our oars. We have got to keep our presence there and we have got to work at it, and because we happen to be criticized or taken to task or pulled over the coals is no excuse for us pulling away from it. We have got to work towards the establishment of one united province, but at the same time we have got to say to the people of Labrador, you too have got to work with us. The kind of thing that the Chamber of Commerce is doing in Labrador West is a mistake and a retrograde step, and it is not a step that can make any of us happy to happen anywhere in this Province. We all have our beefs and nothing is perfect and nobody is perfect. But that is a sad step and a wrong step and I, on behalf of everyone in this House, would ask them to reconsider the kind of step they are taking. There have to be better ways than that of bringing about the development of this Province.

The point is that surely the making of any

MR. WELLS: province to go is a partnership which has to be recognized by everybody in it. We recognize it and we ask that they recognize it too.

Now, to turn to - again bearing in mind that what we are talking about is a matter of confidence or no confidence in the government, that is what it really is, Mr. Speaker - let us look at the record of this government which extends now over a period of just over four years, and look at the various areas in which this government has made an effort and has made progress. If I may for the ease of argument divide them into two areas, I want to take first the social areas, and secondly, the resource or economic areas although there is an interweaving of them both.

Let us take areas like education, Mr. Speaker. Has any government - and I give full marks to the government and the administration headed by the hon. member for Twillingate (Mr. Smallwood) when he was in power -

MR. WELLS: but has any government ever in our history made the steps, spent as much money on capital account in education as has this government? I think the answer is no. Has any government paid teachers anything like the money that this government has paid them? Have there been anything like the rate of increases in teachers' salaries that this government has given -

MR. COLLINS: Never.

MR. WELLS: - and gladly given, and negotiated? Never. Never. So you look at our record-and everybody is very quick in this Province to criticize government, any government. I think it is part of the age we live in - but look at the record in education, look at the record of new schools, look at the record of upgrading of teachers, look at the record of money paid to teachers and money for bus subsidies and everything else. And you can see that the rate of increase is not just the normal increase that may come about because of inflation, Mr. Speaker, It has come about because of a concern on the part of this government for education.

You know this applies not only to education, it applies to health. When I was in the Ministry of Health last Summer one of the first figures that struck me when I went down there was the amount of \$101 million spent in what was then, the life of this present government, was then three and a half years - \$101 million on capital account in Health. This is an astonishing figure, spent on hospitals and medical facilities of one kind or another and as everyone knows or should know, anyone with anything to do with government knows, that when you spend a sum of money on capital account in Health you spend that same sum of money over again in about three years in increased current account expenditures.

MR. COLLINS: Less than that, only a little over two years.

MR. WELLS: Well, there you are. The minister says it is down now to a little over two years. That is fantastic and frightening because if you build, what is the Carbonear Hospital, something like \$17 million, something like that? When that hospital is opened for business something of the order of \$24 million will be spent on current account in two years just to keep

MR. WELLS: it open. These figures are phenomenal.

MR. SMALLWOOD: The first cost of that hospital was to have been \$5 million or \$6 million I think.

MR. WELLS: That is right. That is right. You talk about Labrador and health -

MR. SMALLWOOD: The same hospital that is.

MR. WELLS: Yes. Yes.

MR. SMALLWOOD: The same building.

MR. WELLS: Yes. Talk about Labrador; when I went into the Department of Health in June I was told that the cost of a hospital that was proposed for Happy Valley was \$4 million, and in the time I was there it had escalated, we were then told that if the hospital that had been contemplated was to be built it would be \$11 million.

MR. COLLINS: And that was only for twenty beds.

MR. WELLS: Now that was for only twenty beds, \$11 million. My God in Heaven-if that is parliamentary, it is probably not - Mr. Speaker -

MR. SMALLWOOD: Oh yes it is.

MR. WELLS: But I mean this is just fantastic.

MR. SMALLWOOD: Reference to the Almighty is quite parliamentary.

MR. WELLS: Yes. Yes, the hon. member is -

MR. SMALLWOOD: I hope it will never be unparliamentary.

MR. WELLS: That is right. The hon. member is obviously correct. Yes. But is that not something fantastic, Mr. Speaker? When the government was then faced with the alternative, which was criticized and I got into it hot and heavy down in Happy Valley over the business of the hospital, but I think our stand was correct that when we had to balance off all the capital commitments and needs of this Province, in Happy Valley with building an \$11 million hospital for twenty-odd beds, when there was the USAF hospital sitting there which for something less than \$1 million can be renovated and put right to provide the needs for that area, I think we did the right decision and took the right decision. I am sorry that it could not be the other one, Mr. Speaker, but it was the right one.

MR. COLLINS: Ninety beds.

MR. WELLS: Ninety beds.

MR. SMALLWOOD: Would the minister tell me what is, apart from a \$1 million renovation and alteration expenditure, what is the actual general overall physical condition of the building? Is it in good shape for another twenty, thirty years?

MR. WELLS: Yes. Whether it is twenty or thirty years or not of course I do not know, but I do know that the officials who were sent in there, and technical officials to examine the building came back and said that it was in surprisingly good condition and would have a useful and good life of several years at least with a relatively small amount, and when I say relatively small, I mean less than \$1 million.

MR. SMALLWOOD: Like Janeway at Fort Pepperrell. The Janeway is good for donkey's years to come.

MR. WELLS: Yes. That is of course on an entirely much larger scale.

But it was

Mr. Wells.

a good sound building in good physical condition and suitable,
with relatively minor alterations -

MR. MURPHY: Capable of continuous use.

MR. WELLS: Yes.

- for what it was proposed, and, you know, I have

no -

MR. SMALLWOOD: Ninety beds, you say?

MR. WELLS: I know that Reverend Buckle and the committee in Happy Valley are upset about this, and I know that they are critical of government, and yet I say here, and I said to them when I was there, and I would say it were they here now, that I believe we made a right and proper decision bearing in mind that we have to use the financial resources of this Province for the good of them and everybody else in it, and always government will have to make decisions of priorities and balance off monies one place against another, one need against another, and how best to satisfy the need.

MR. SMALLWOOD: I think if I had been the Minister of Health I would not have hesitated to do precisely what the government have done. I do not think there is any doubt.

MR. WELLS: No, I do not think there is any doubt at all.

MR. SMALLWOOD: You have your choices.

MR. WELLS: That is right. And if it goes in one place, it cannot go in the other place, And if a facility is there that can be brought along with relatively smaller amounts of money, then I think the choice is clear.

Now you talk about again what the government has done in the area of services. Let us look at the whole collective bargaining procedure and the kinds of salary increases that civil servants - when I say civil servants, I am going to increase it to include hospital workers, teachers, everybody has received since this government

Mr. Wells.

has been in office. And if I invited public servants from anywhere in this Province or their representatives to come to this House today, Mr. Speaker, and to stand up and say to the government, you have failed to give us a decent break in the matter of public service salaries, I do not think there would be one who would have the gall or the need or the justification to come and face this government and say, you have sold us down the drain, you have not given us a decent living wage. I do not think there could be one found. And when you look at the past year and the year before and the year before that, and you start to average out the salary increases, what do you find, Mr. Speaker? You find increases, I suppose, that would average at something close to 18 % or 20 % a year. I know that in the last wage round the salary increases were well over 20 % . In fact I think they were up around 28 %.

We can be faulted, Mr. Speaker. I will tell you how we can be faulted. And if the hon. member or anybody else over there got up and criticized us for doing too much, for trying to bring the services in this Province, and the pay of the people who provide them, of trying to bring them along too quickly, yes, we could be faulted. If someone said to us, you should not, and you could not have afforded to spend \$101 million on capital account in health in the last three or four years, maybe they would have a point. If someone stood up and said, you could not afford to give 28 % to selected public servants last year, maybe they would have a point. And if we have erred, Mr. Speaker, it has not been in that we have been too niggardly. We have erred, perhaps, in being too generous. And that is why, Mr. Speaker, it burns me, and it burns the Premier, and it burns the Minister of Mines and Energy, and everybody else on this side of the House to have to sit today and listen to be called

Mr. Wells.

cold and heartless by people over there, because we are not supposed to, in their view, have the proper concern for the men who are laid off in Come By Chance. You know, it just burns.

MR. CROSBIE: Political slitherers.

MR. WELLS: The people with the record of this government in trying to do something for the ordinary people of this Province.

MR. CROSBIE: Political slitherers.

MR. WELLS: These questions, not unwelcomed, gives me a bit of a pause to sit down.

MR. FLIGHT: Is the minister aware of the statement made by the Premier referring to the generous settlements and your generous treatment of the labour movement in Newfoundland and the public service'. Is the minister aware of the statement made by the Newfoundland Federation of Labour recently, statements made, criticisms, really, of your approach to the labour -

MR. CROSBIE: Too generous!

MR. FLIGHT: Not not too generous, by far not too generous.

MR. WELLS: There you are. The member brings up an interesting point. Let us get that one out.

MR. FLIGHT: It is exactly the opposite of what you have just said.

MR. WELLS: Yes, and yet the figures are there. My God! What country can afford, for instance, every year to continue to give something over 25 % or 28 % to public servants? We did it.

Mr. Wells:

We could be faulted for giving too much, for being too generous with the taxpayers money. And you mean to say - I did not hear this - but do you mean to say that there is somebody saying that we are niggardly, that we are less than generous, that we are not doing our public duty.

MR. FLIGHT: The Newfoundland Federation of Labour says so and they represent organized labour.

MR. WELLS: I cannot believe it. I will have to see it.

MR. FLIGHT: This is their stand.

MR. WELLS: I will have to see it before I - I do not doubt the hon. member's word, but if that is so that is incredible, and if that is the kind of statement that is being made God help us in the Province.

MR. MURPHY: God help labour.

MR. WELLS: God help us because we have become unrealistic, we have gone into a dream world.

MR. FLIGHT: I will get the minister the material.

MR. WELLS: Yes, I would be really interested to see it. Because whoever would say the like of that, Mr. Speaker, is living in a dream world.

MR. CROSBIE: He is gone on a flight.

MR. WELLS: I am sure the hon. member agrees with me.

MR. FLIGHT: I think so.

MR. WELLS: Thank you, I appreciate that. Because we have sometimes, anybody would, as I say, would be justified in saying we have gone too far. Let us look at other areas. Let us look at roads and upgrading of roads. Could this government, granted the resources of this Province - we are not Kuwait. We have not as yet, maybe we will one day, but we have not as yet got the kind of oil revenues flowing in -

MR. WOODROW: Excuse me, I would like for you to mention what has been done for the Bay of Islands district alone. That will give you some idea what happened since this government took office in 1972.

MR. WELLS: The hon. member is not facetious. There is no question we have member is not being facetious. There is no question we have made an effort in Bay of Islands. There is no question about that. A salutary and excellent effort on all fronts.

MR. CROSBIE: It would stagger you.

MR. WELLS: It would stagger you. Absolutely. If it would stagger the Minister of Mines and Energy, it would stagger a big man.

MR. SMALLWOOD: We built our share of roads.

MR. WELLS: What's that?

MR. SMALLWOOD: We built a road or two.

MR. WELLS: The former administration built a great many roads. I give them full marks.

MR. CROSBIE: They had years to do it.

MR. WELLS: Full marks, over the years they did terrific work. It was slow in the beginning. It was slow in the beginning but once Mr. Diefenbaker, that poor maligned man, but once he got in power in Ottawa the money started to come into Newfoundland, and to the credit of all governments afterwards in Ottawa it did not stop.

MR. CANNING: Finish the drive in '65!

MR. WELLS: Finish the drive in '65, Mr. Pearson. But Mr. Diefenbaker -

MR. YOUNG: It was not finished in '65.

MR. WELLS: was the one. Interesting! A man from Western Canada who looked at Canada and said, "The peripheral regions must be helped." And that was the start of the big money coming into Newfoundland.

MR. CARTER: It was unfortunate he had to grow old.

MR. WELLS: Yes. But that man one day. - I think one day the people of this Province -

MR. MURPHY: It was a long time before people noticed.

MR. WELLS: But he is still young, He is like the member from Twillingate (Mr. Smallwood), still young.

MR. CROSBIE: The Ancient Mariner.

MR. WELLS: The Ancient Mariner. Well the hon. member for Twillingate does not remember when I first met him. We did not meet exactly, but it was about 1946, and the hon. member arrived - I was a boy going to school in Port Blandford, and the hon. -

MR. SMALLWOOD: Where?

MR. WELLS: In Port Blandford. And the hon. member - he was not the hon. member then, There was no Assembly and that but he was beginning his campaign for Confederation. It was about 1946 or 1947 and the hon. member arrived in Port Blandford aboard a small single engine float plane, and he taxied - I believe the pilot was a man named Blackwood, a Captain Blackwood. Does that ring a bell with the hon. member?

AN HON. MEMBER: Eric Blackwood.

MR. SMALLWOOD: I flew in there with Joe Gilmore who lost his life in a plane not long after that.

MR. WELLS: I see. Because I remember the plane taxing up, it landed and taxied up to the wharf there, Pelley's wharf, and as all boys would in those days in communities, and I suppose they still do, we all rushed down because the plane was coming. And we were more interested, I suppose, in the plane than the hon. member. But at any rate we were all there on the wharf, and I was one of the boys on the wharf, and I remember so well the hon. member. He was very spry then as he is now, and he popped out of the plane and the wind took it back from the wharf and it could not come right up, And the hon. member got out and swung the prop and got it going again, and the pilot taxied up to the wharf and the hon. member got out, and that was the first time I had ever seen him.

MR. SMALLWOOD: I do not remember that. I remember the first time -

MR. MURPHY: That was a happy occasion.

MR. SMALLWOOD: The first time I remember meeting the hon. minister was in my office, he was just back from England, from university in England, Oxford or Cambridge or whatever it was.

MR. WELLS: Oxford.

MR. SMALLWOOD: And I think he had just been called to the Bar, and his father, who was a dear friend of mine, came into visit me from,

Mr. Smallwood:

I believe, it was Fogo he was stationed at then, or it may be it was Deer Lake.

MR. WELLS: No, on the West Coast, Curling.

MR. SMALLWOOD: I see. The hon. gentleman

MR. SMALLWOOD: came in with his father and we had a chat. That is the first time I remember meeting him.

MR. WELLS: Well that is true. But I was one of the boys on the wharf, Mr. Speaker, that day, and as I say the hon. member had a profound influence, I think, on my life as he did on a great many people of my generation because of the whole debate about Confederation, and it suddenly made those of us in these years who were teenagers aware that there was such a thing as public affairs. And I think people of my generation, and I do not know about any other, owe the hon. member a great debt in that regard because it has had an influence I think that have ended up with landing a lot of us perhaps in public life who might not have otherwise been there.

MR. SMALLWOOD: Look where the hon. minister is now. Look what he has come to:

MR. WELLS: Now, Mr. Speaker, where was I?

AN HON. MEMBER: Port Blandford!

MR. WELLS: We were talking about roads and the efforts that have been made by this government in roads, and as I say there is no question about it, though people may doubt always, and people may have the opinion that such and such a road such take priority over another, nobody can say that this government has slacked back or failed to make any necessary effort in the provision of these services. I see my friend the hon. Minister of Justice walking around, He is out in the corridor now but I hope he is within ear shot.

Take the system of criminal and civil justice here in Newfoundland in the past four years; we have had new courthouses; we have increased the number of magistrates; we have started sending magistrates to law school and training and upgrading them, paying them more money. We have increased the number of judges. We have done more certainly, and I think the hon. member would be first to admit it, more than his government ever did in bringing justice and bringing the means of justice to this Province. So there is another area of life,

MR. WELLS: Mr. Speaker, in which we cannot be faulted.

Let us take the area of recreation. Take the building of stadia, of swimming pools, of running tracks, all the things that go to make up recreation in this Province and the needs of our youths. And I might say that since I have been in an acting capacity, since October in the Department of Rehabilitation and Recreation, it has come as a surprise to me, because I have never been intimately connected with sports in this Province, but it has come as a surprise the interest and concern and need for recreational facilities and the interest that people have in recreational facilities all over this Province and I confess it came as a surprise to me, Mr. Speaker, to see how much this government has done to provide facilities to train people and to make an effort to provide recreational facilities of all kinds. Can we, Mr. Speaker, be faulted on recreation and what we have done for recreation and to develop and bring it on. If anybody can fault us let him stand up and say so.

MR. MURPHY: The majority of the population is under twenty-five.

MR. WELLS: Water and sewerage, Mr. Speaker, look at the efforts that have been made all over this Province in the last four years to put in water and sewerage systems, and more the pity that some of them happen to cost as high as \$10,000, and \$12,000 and \$15,000 per family. But we have made the effort. We have borrowed the money or guaranteed the money for these things to be done. Can we be faulted for that? There is only one way we could be faulted and that is that we have done too much, that we have too greatly increased the public debt. We might be able to be faulted in that regard, but not in the efforts that we have made along these lines.

Mr. Speaker, before launching into another topic, I believe we have arrived - I see Your Honour looking at the clock - at the time of the late show, so perhaps I should adjourn this debate as we go into the late show, Mr. Speaker.

MR. SPEAKER: It now being five-thirty a motion to adjourn is deemed to be before the Chair.

The hon. member for LaPoile and the matter for debate here is the deteriorating condition of the Trans-Canada Highway. The hon. member for LaPoile.

MR. NEAPY:

Several times since Christmas I have had the occasion to visit my district, to drive from Deer Lake sometimes to Port aux Basques, sometimes from Stephenville to Port aux Basques. So therefore, Sir, each time I go to the West Coast I usually pile up a couple of hundred miles or more, but I never cease to be amazed, Sir, every time I go at the rapid deterioration of the Trans-Canada Highway, especially West of Deer Lake, Sir. I would say, Mr. Speaker, that the Minister of Transportation, the provincial government at this moment must give careful consideration to enforcing the half load limit on tractor-trailers and other heavy equipment travelling over the Trans-Canada Highway, such as buses.

Mr. Speaker, as probably hon. members of this House are well aware, the Western - and probably my colleague here from Twillingate (Mr. Smallwood) will probably verify this - the Western 200 miles or so of the Trans-Canada Highway was never engineered originally to stand the weight of the huge vehicles that are presently travelling over it and ripping it to pieces, and as you drive now from Deer Lake to Port aux Basques, Sir, you cannot help but notice that the pavement is breaking up almost daily and by the time, Sir, the Spring thaw occurs, by the time we get into the early Summer the Trans-Canada Highway, Sir, will be nothing but a cow path and not fit to drive over.

MR. SMALLWOOD: That bad, eh!

MR. NEAPY: It is in bad shape, Mr. Speaker, there is no doubt about it. It is a very serious matter. And even as I say now, well ahead of the Spring thaw, there are ripples as you drive along, Sir, the highway, and evidence of the surface of the pavement falling apart.

Mr. Speaker, the Minister of Transportation and Communications is presently in Ottawa, I understand, joined by his colleagues in the other Atlantic Provinces trying to get a ninety-ten cost-shared programme to upgrade, widen and to resurface, repave the Trans-Canada Highway. I wish him, Sir, good luck. Mr. Speaker, if I never agree

MR. NEAVEY:

with the hon. member on anything else it is certainly on that. But, Sir, it is going to take a little while to work out the details. It is going to take a little while for Ottawa to make up its mind whether it is going to join with the Province, with the Atlantic region in that sort of programme and it is going to take a long while before the work can get underway. So, Sir, I would submit to the House that in the meantime something has to be done to save that road, to save the Trans-Canada Highway. And the only action that I can see, Sir, that can be taken is that half load limits for tractor-trailers should be implemented at once, and the same thing with the big CN buses. That may do something to save the road, Sir, before a complete repairing job has to be done.

This, Mr. Speaker, will not in any way at all interfere with the delivery of freight to Central and Eastern Newfoundland, because we do have a railway in this Province, Sir, and I am glad to hear today that the CN have finally been persuaded to take four locomotives out of mothballs in Bishop Falls to try and relieve the freight congestion in Port aux Basques. What they should do is take out the other locomotives they have in mothballs, Sir, and use the railway rather than destroy the Trans-Canada Highway because, Mr. Speaker, if we do not take action now, by mid-Summer, Sir, it is going to be impossible to travel to Port aux Basques without high risk of accidents and vehicle damage.

Mr. Speaker, the tragic part of all this is that it is likely to destroy our tourist industry, because when the tourists come in to Port aux Basques and start to drive East and see the condition of that highway after driving a few miles, Mr. Speaker, they will turn around and go back and the next thing you know that we have a bad reputation in Newfoundland for having a poor Trans-Canada Highway, and it will destroy our tourist industry which is one of the principle industries in this Province at the present time.

MR. NEARY:

So, I would urge the government, Sir, to give very careful and serious consideration to my suggestion that the half-load limit be placed on heavy vehicles, especially tractor-trailers and heavy equipment such as CN buses that are travelling over that highway at the present time.

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. POUSSÉAU: Mr. Speaker, certainly I am very pleased to hear the support of the hon. member from LaPoile (Mr. Neary) and I hope the hon. members across the House, for this project. I remember in January of 1974 we had a meeting with Atlantic provinces Transportation Ministers. At that time I was the minister and we met Mr. Marchand in Halifax, and he would not hear of anything in respect to the strengthening of the Trans-Canada. In the meantime, the Summer before that he had gone out to Western Canada and signed an agreement with the Western provinces in respect to a cost-sharing agreement with the federal government.

In May,

MR. ROUSSEAU:

after soliciting the support of the three other ministers of the Maritime Provinces, we were able to persuade Mr. Marchand to at least consider it. We set up a committee, the four Provinces, to go into Ottawa with it and since that time my successor, my colleague from Bonavista South has pursued it vehemently and vigorously. As a matter of fact as a compliment to him he has been chosen as the minister to represent the four ministers in presenting this petition to Ottawa now in respect to the strengthening of the Trans-Canada Highway. I do not know the updated figures but I know that just recently before I left the department the cost of doing the work now, and the areas really that were bad and I said this publicly many times last year, is indeed what the hon. member from LaPoile (Mr. Neary) says, the area from Deer Lake, West, especially out around Crabbes River especially; also the area five miles east of Terra Nova Park and the twenty miles west of Terra Nova Park. These are the worst areas.

AN HON. MEMBER: Glenwood.

MR. ROUSSEAU: Right, Glenwood to the Park, these are the worst areas although all of the areas are bad at this point in time. The figures last year, Mr. Speaker, were in the area of \$80 million to \$100 million to do the work that had to be done. The ongoing capital cost of this work to keep the highway in satisfactory shape was in the area of \$5 million to \$6 million a year. Now last year even with the vigorous activity in highways the total budget was in the area of \$63 million, I believe, for the whole Province. In other words, two thirds of the amount of money spent on all the roads in this Province last year for reconstruction, upgrading and paving, all the money spent would not have been more than two thirds of the money we need to do this one particular job. There is no question about the fact that since our rail passenger service has been taken off that Ottawa certainly owes us something as compensation. The twinning of the road would certainly provide many jobs. It would be a convenience to the travelling public in this Province as well as the tourists coming in to the Province.

So certainly it is the intention of this government to push vigorously and vehemently with Ottawa through the minister and with the support, I am

MR. ROUSSEAU:

sure, of the whole House to attempt to get some funds out of Ottawa, which is not something that we are asking for that is special. They have gone out already and given it to Western Canada. The cost, of course, in Western Canada on that situation was a little less than we hoped that we would get if such an agreement is reached. But the only answer to it certainly is that. The other answer as the hon. member suggested is the heavier use of the rail service by CN. The people will go, of course, to rubber rather than to the track if the cost is less. CN's operations in the past of carrying wood and this sort of thing over the rail is certainly one, I suppose, that they would contemplate if the volume was there. So it is certainly government's intention to pursue, I hope with the support of all members of the hon. House, to push Ottawa along with our colleagues in New Brunswick, Nova Scotia and Prince Edward Island to arrange at some cost-sharing agreement. The cost is such that if this Province had to do it itself, all fifty-one districts, I do not think, would have a dollar spent in either one of them for the work because it is a job of big proportions. Of course, nobody thinks that the job has to be done all at one time. It is going to take some time and the worst parts certainly will have to be done at first.

Certainly it is our intention to pressure vigorously Ottawa and try and come up with some agreement with our sister Provinces in the other three Maritime Provinces and try and reach some arrangement whereby we can get some federal funding to insure the upgrading and hopefully in the future the twinning at least of not all the highway, of certain parts of it where we have heavy traffic.

MR. SPEAKER: The second matter to be debated deals with the Termination of Employment Act and was raised by the hon. the Leader of the Opposition.

The Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, the question that we are discussing in act two of today's late show is a question, or a series of points arising out of the Termination of Employment Act and the government's failure to proclaim that act at any point since it has received royal assent, and it received

MR. ROBERTS:

royal assent in March of 1973—March 29, 1973 that act received royal assent and became law. Mr. Speaker, the late show so-called is a very limited forum, a very limited procedure in which to try to construct an argument or to communicate a point or two. So what I shall have to do is to confine myself to one or two brief points and then the minister when he replies has the same length of time as I, and I hope he will deal with the points which I raise.

First of all,

Mr. Roberts.

Mr. Speaker, I would ask the government, or the minister speaking for the government, to indicate why the act was never proclaimed, and for that matter, as of this day, has not yet been proclaimed. It was put on the Statute Books in 1973. I have not checked the journals of the House for that date or for the days when it was debated, but I have no doubt it received support from every side of the House. It is a good piece of legislation. It requires quite simply that where jobs are terminated then the employees are entitled to certain periods of notice, or in lieu of notice certain amounts of pay equivalent to so many weeks work. It is not severance pay, as I normally understand the term to be used, Severance pay is related to the number of years of service that one has with the company in question. But whether or not it falls within the general term 'severance pay' in the act it is called, in effect, 'pay in lieu of notice' and it governs a situation where a company closes down and the employees do not receive adequate notice.

Indeed it was prompted, as I recall it, by the action of Brinco, or Brinnex, their subsidiary, in closing their copper mine at Whalesback, and the government felt that the period of notice there may have been adequate. They felt that never again should an industry be allowed to close without first given the employees involved an adequate period of notice.

So, the first question I would ask, therefore, is why has it never been proclaimed? It is the law of Newfoundland if it is proclaimed, but until and unless it is proclaimed, it is not the law of this Province or anything else. It is simply a number of words written in the Statute Books of the Province that are interesting to read, that could be important, if in effect, but of no value whatsoever until the Cabinet move that the Governor, His Honour the Lieutenant-Governor will be pleased to proclaim it. The second point I would wish to make,

Mr. Roberts.

Mr. Speaker, has to do with the bankruptcy situation, or the putative bankruptcy situation which we face in respect of the Come By Chance refinery.

Mr. Speaker, I do not propose now in view of the limited time to go into the argument of whether or not proclamation at this time is effective as compared with a proclamation before February 13, the day when the petition in bankruptcy was first filed and the day on which the interim receiver was appointed. What concerns me is the point raised by gentlemen opposite which, as I understand it to be, and they rely upon it, is that in their view, or based on the advice which they tell us they have been given, the provisions of this act would not have affect in any bankruptcy, would not have affect as against the provisions of the Bankruptcy Act which, of course, is a statute passed by the Parliament of Canada under the provisions of the powers given to that parliament by the British North America Act. Well, Mr. Speaker, that is a very fine point in law, a very fine point in constitutional law. The relevant doctrine, as Your Honour is well aware, is the doctrine of paramountcy and, of course, the question is whether the provisions of that doctrine, as it has been established by the courts over the years, would operate here in such a way as to bar the provisions of this act from benefiting any person, any employee, forget whether it is Come By Chance or not, whose job has disappeared because of bankruptcy. There are some words in the act which may or may not indicate the draftsmen had that in mind. Section 4 (a) talks about a contract of employment that is or has become impossible of performance or is frustrated by a fortuitous or unforeseeable event or circumstance. I could argue that that does not apply here. But whether or not the words of the act apply, let us take it on the broad general grounds. Can this act stand in the face of a bankruptcy situation where we are governed by proper federal legislation? Mr. Speaker, the ministry

Mr. Roberts.

have taken the position that they are advised by their law officers that that is so, that it cannot stand. I, Mr. Speaker, am not privy to the opinions given by the law officers of the Crown. The ministers opposite have declined to table them as is their right. I cannot force them to. But I would point out, Mr. Speaker, that at most it is only the opinion of the law officers of the Crown or alternately the opinion of the learned members of the Cabinet, the members of the Cabinet who happen to be lawyers. I say, Sir, the act should be proclaimed and then the matter should be decided by the courts. In our system, Mr. Speaker, it is the courts who decide these issues, not a group of cabinet ministers or even the law officers who advise the Crown from time to time. So I say again to the government, to the minister who will speak for the government on this, that it cannot possibly do any harm to have the act proclaimed. Even at this date it may well do some good. I gather there are good legal grounds on either side of it. I do not pretend to be an expert on constitutional law, but I have talked to some lawyers who tell me, in their opinion, there are grounds. And whether there are grounds or not is a matter which the court must determine.

I say, Sir, that in this case the ministry have acted as a court, and I say they should not. I say they should proclaim that act and thence the receiver, who would be the only one who would object in it, assuming there is a bankruptcy, if the receiver feels that it is not appropriate for him or not required of him or any of the creditors - but the receiver has the rights of the creditors, as I understand it - then let them go to court, let them raise the issue in the appropriate way and let the courts decide. No harm could come of it. Much good might come of it. I see no reason even at this date why this act should not be proclaimed in the hope that it would benefit the men at Come By Chance. I believe there is a substantial chance that it would and to me, Sir, that is reason enough to act.

MR. SPEAKER: The hon. Minister Without Portfolio.

MR. WELLS: Mr. Speaker, the hon. member has raised two points which are very much bound together. We have gone over this at some length in the past few days and canvassed the various positions on it.

Now the information which I have in speaking for the government is that the reason that act was not proclaimed and has not been proclaimed is that government was approached by both management and labour, and I do not use this in the narrow refinery sense, but management and labour in Newfoundland who asked government not to proclaim it.

Now at this time I am not sure what their reasons were, although I will undertake and do undertake to the hon. gentleman and to the House to find out more precisely and advise, you know, at the appropriate time, in the Question Period, advise what the reasons were that both management and labour in Newfoundland asked that this act not be proclaimed. But obviously the government felt in the beginning it was a good piece of legislation. As far as I know we still feel so and it was enacted, as the hon. member says, I do not believe there was any dispute from any side of the House. I cannot remember it. But for some reason the people more intimately involved said, do not proclaim it. Now whether they meant never proclaim it, or we want to do certain house clearing things before you proclaim it, that I do not know. I will endeavour to find out and in fact I will endeavour to have the answer as to the reason they asked this tomorrow in the Question Period.

Now on the question of the Bankruptcy Act, the hon. the member says that we should ignore both our own opinion and the advice we have received from the law officers of the Crown, proclaim the act anyway and see what happens. I do not think we can do that, Mr. Speaker. I think to do that would be wrong until we arrive at a proper determination based on the advice of management and labour in this Province as to whether or not the act should be proclaimed anyway.

MR. WELLS: I happen to believe, and the administration believes, that the advice which we have received from the law officers of the Crown is correct, and our own opinion we believe is correct, that it would not make the slightest difference whether or not that act was in place. That is the position we take and the opinion we have and we certainly do not feel like rushing out and proclaiming this act against perhaps the wishes of management and labour in this country just to see if some sort of test case can be held in the Supreme Court or whatever court applies, has jurisdiction.

So I think it would be a mistake to go against the wishes of labour and management in this Province and just proclaim an act which we feel and we are advised would have no bearing, just for the sake of some sort of case in the courts. But I will endeavour for the hon. member to find out the reason why we were asked not to proclaim it and give him at the earliest opportunity.

MR. SPEAKER: The final matter for debate deals with the method of tendering or lack thereof of the Summer Games Committee and their procedures in purchasing land.

The hon. member for LaPoile.

MR. NEARY: The government and indeed all members of this hon. House, Sir, cannot ignore any longer the undeniable fact that \$5 million of taxpayers money is committed to the Summer Games Committee with no strings attached or any protection whatsoever for the taxpayer of this Province of how that money is going to be spent.

The seed of doubt, Mr. Speaker, especially in the matter of public tendering, has been sown. The situation, Sir, was further aggravated this week when the Federal Minister of National Health and Welfare poured salt into the wound by stating that the Government of Canada may withhold payments of their commitment to the Summer Games Committee if tenders were not called for the work involved in constructing the facilities.

However, Mr. Speaker, as serious as these sweetheart deals may have been, the most scandalous aspect of the whole affair, Sir, is the profiteering

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MR. NEARY: at the expense of the public through the single one day manipulation of the price of the land upon which is being constructed the Aquarena.

MR. NEARY:

This is something, Mr. Speaker, that cannot be brushed aside or swept under the rug, and this House and the people of this Province, Sir, should be told at once if it is the intention of government to investigate these apparent irregularities or will it be turned over to a select committee of the House of Assembly, a judicial enquiry, or will it be turned over to the RCMP, Sir, to the 'Fraud Squad' or some other independent investigative body. Unless something is done soon, Mr. Speaker, to settle public concern in this matter it will be impossible in conscience, Sir, for this government, the Government of Newfoundland to ever bring again into court a welfare recipient or a fisherman for a relatively venial fraud in which they sometimes engage out of desperation.

Mr. Speaker, if the government chooses to ignore these irregularities then, Sir, it is just making a farce and a mockery out of law enforcement and the administration of justice in this Province.

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: Mr. Speaker, the allegations that the hon. member has made are actually, I think, more serious, more irresponsible and more serious from his point of view as a member of this House than even I gathered that he was going to raise when he raised the subject the other day for debate at this time. The position is - and he seems to be saying that there is some sort of criminality. He is talking about the 'Fraud Squad'. I think that, Mr. Speaker, is a disgraceful allegation which is absolutely unfounded and has no place in this House, but the hon. member -

MR. NEARY: I made it.

MR. WELLS: - is free to make it and he has every right to make it. But I suggest that if he made it outside this House he would find himself in court, but he has the protection of the House and he has made it. But still I think it is a scandalous accusation.

MR. NEARY: I am willing to stand by it.

MR. WELLS: Let me tell the House, Mr. Speaker, what happened in

MR. WELLS:

so far as the money for the Summer Games is concerned. The City of St. John's went after the Summer Games and got them. The Province of Newfoundland and I suppose most citizens in Newfoundland said, yes, great. When the games were secured for Newfoundland, the city and the Games Committee and people approached the Province for a share of monies to provide some of the monies which were necessary to pay for this. Now the city and the Games Committee were considered by the Province, and are still considered by the Province, as a responsible group of people, and the city council is duly elected under the authority of the City of St. John's Act by the people of this city. To a responsible statutory group of people the Province of Newfoundland passed over \$5,300,000 dollars. The only stipulation that the Province made - and I think this was reasonable - was do not come back looking for more money. This is all that the Province can afford to contribute.

Now, it has come to our attention, Mr. Speaker, that there was not time, or there was felt that as these facilities were to be ready in time for the games that there was not time to call public tenders. But in any event the money then had been committed to the Summer Games Committee and the city council. Our understanding is that it was first thought that to build the necessary facilities it was going to cost about \$11 million. Now the Province was not privy to what discussions took place between Mr. Andrew Crosbie and the Crosbie Group of Companies and the Games Society and the city council. But out of it all the amount that was thought to have been \$11 million or going to be \$11 million came down to \$5 million, \$5,300,000.

Now, the hon. member says, and a lot of people feel that public tenders should have been called. Perhaps they should have. Certainly -

MR. NEAPY: What about the purchase of the land?

MR. WELLS: Let me deal with what I am dealing first. There is no doubt about it in hindsight, looking back at it after the criticism and everything else, certainly one would prefer to have seen public tenders called. So they may have made a tactical error. But to say that

MR. WELLS:

they did anything criminal or wrong is in my opinion and the opinion of the government absolutely not so.

MR. NEADY: No, it was the land I was referring to.

MR. WELLS: Oh! I see. All right. So that I believe that through negotiation that the Games Committee and the city and the representatives on that committee, which is not the provincial government, but I believe they have ended up spending the money wisely and well, and that the country and the Province and the city is getting good value for that \$5,300,000.

Now, I wish today, as I suppose we all do, that they had got as good a value after calling public tenders so this criticism could not be levelled at responsible people. But that does not hide nor change the fact that there was nothing wrong, nothing criminal, nothing shady, nothing underhanded -

MR. NEADY: We do not know that.

MR. WELLS: I think we do know it and I think when the record is made clear.

MR. NEADY: You might be able to say that after an investigation.

MR. WELLS: And I think that to suggest that an investigation is necessary, you know, to treat these people -

MR. NEADY: You would investigate a welfare recipient or a fisherman if he did a little cheating, would you not?

MR. WELLS: If a crime was committed or there was sufficient -

MR. NEARY: Well how do you know there was not a crime committed here?

MR. WELLS: Because there is no evidence.

MR. NEARY: You would be out of the welfare recipients like a pack of hound dogs.

MR. SPEAKER: Order, please!

MR. MURPHY: That is not true.

MR. NEARY: That is true.

MR. WELLS: It is not true.

MR. SPEAKER: Order!

MR. WELLS: It is not true.

But there is nothing here, and I think it is most improper to suggest that these people have done something that is criminal, and that is what the hon. member is suggesting.

MR. NEARY: In case of the land, Sir, I am quite prepared to make the statement inside or outside the House.

MR. WELLS: As far as the land is concerned, the record of the registry -

MR. NEARY: I have already made it.

MR. WELLS: - is a public registry.

MR. NEARY: That is right.

MR. WELLS : If the hon. member wishes to write the RCMP or the City Police and ask for an investigation, that is his right.

MR. NEARY: I am asking the House to do it.

MR. WELLS: It is a citizen's right.

MR. NEARY: The \$5 million came out of the general revenue of this Province.

MR. WELLS: No!

MR. NEARY : I am asking the House to investigate it.

MR. WELLS: Mr. Speaker, when crimes are committed, if there is any evidence that a crime has been committed, you do not even have to ask the police to investigate it.

MR. NEARY: What about welfare recipients? You go out and you investigate them. What about fishermen?

MR. WELLS: You do not even have, Mr. Speaker, to ask the police to investigate. They investigate of their own volition. But I go even further here and say to the hon. member if he thinks a crime -

MR. NEARY: You are trying to cover up. You are trying to cover up, boy. Your buddies and your cocktail set!

MR. WELLS: That is not true. There are no buddies of mine involved here - no buddies of mine.

MR. NEARY: All you got to do is look next door.

MR. SPEAKER: Order, please!

MR. WELLS: If a crime has been committed, which I say there is not -

MR. NEARY: Let us find out. If we have nothing to hide, let us fine out.

MR. WELLS: - by all means go and search the registry.

MR. NEARY: I have searched the registry.

MR. WELLS: Ask the police to investigate, and I am sure they will, but there is nothing to investigate.

MR. NEARY: Mr. Speaker, I am asking the House to do it.

MR. SPEAKER: Order, please!

MR. WELLS: The point is, Mr. Speaker, that the hon. member uses a poor analogy. If someone cheats and receive welfare when he should not, you know, which is a fraud, it is investigated by the police.-

MR. NEARY: That is right.

MR. WELLS: - and a charge is brought, yes.

MR. NEARY: That is right. It is investigated by the minister.

MR. WELLS: If there has been a fraud here, let it be investigated by the police in the normal sort of case and let a charge be brought, but I think the investigation will prove that, I think that the people perhaps involved in the Summer Games Committee should have been wiser - wiser not in the sense that they did anything wrong, but they might have expected this kind of criticism. But I think they have done -

MR. NEARY: In one day somebody picked up \$100,000, and there is nothing wrong with it?

MR. WELLS: People pick-up -

MR. NEARY: Do not be so naive and stupid.

MR. WELLS: People pick-up profits all the time in our society.

MR. NEARY: It is the taxpayers' money, you know.

MR. WELLS: All the time they pick up profits

MR. NEARY: They pick up profits all the time.

MR. WELLS: Sure, anybody who buys and sells something in this country has a chance to pick up a profit.

MR. NEARY: And also on the payroll of the Chairman of the Summer Games Committee, and the same lawyer handling the three transactions.

MR. WELLS: The point is, Mr. Speaker, if the hon. member has anything that justifies an investigation -

MR. NEARY: I have done it. I have put it on the floor of the House.

MR. WELLS: Yes, well we are not a police force, Mr. Speaker.

MR. NEARY: Do you want me to write you a book?

MR. WELLS: We are not a police force. If he wants an investigation there is the RCMP -

MR. NEARY: We had a judicial enquiry over on Bell Island, the welfare recipients, because of certain allegations made in this House.

MR. WELLS: That is not the point, Mr. Speaker.

There are the RCMP and there are the police. If he feels that a crime has been committed, he can ask for an investigation.

MR. NEARY: You are trying to weasel your way out of it.

MR. WELLS: There is of no question of weaseling out of anything.

MR. NEARY: Do not be so stunned.

MR. WELLS: The record is there.

MR. CROSBIE: Order, order, order!

MR. NEARY: You are trying to cover up. You are trying to sweep it under the rug, and cover up.

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MR. SPEAKER: Order, please!

The motion before the Chair is that the House do now adjourn. Those in favour "aye." Contrary "nay." Carried.

This House is now adjourned until tomorrow
Friday, March 12, 1976 at 3:00 P.M.