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**VERBATIM REPORT**

**FRIDAY, MARCH 12, 1976**

**SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER**

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: The hon. Minister Without Portfolio.

MR. WELLS: We do not know at this time the plight of the men of the Cape Freels. The information which we have up to the moment is that the ship itself has been sighted. Apparently there is no one on board. There was a fire in the engine room some hundred miles East of St. John's. It is obvious that a lifeboat has left the ship and it is presumed that the twenty-seven crew members must be on that lifeboat.

Planes and ships of various nationalities that are in the area are converging on the area in the hope, of course, of finding the lifeboat and in the hope of finding the men alive and well and rescuing them. I thought that the House should be brought up-to-date on such information as we have at this time and of course it goes without saying that our prayers and thoughts are with these men that they may be safely found and brought back to their homes.

MR. NEARY: Any coast guard ships in St. John's at all?

MR. WELLS: I do not know about coast guard ships from St. John's but I am told there are at least six or seven ships of all nationalities converging on the area.

MR. HICKMAN: Eight now.

MR. WELLS: Eight, eight ships, yes.

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

MR. ROBERTS: Mr. Speaker, very briefly, those of us on this side would thank the hon. gentleman for bringing the House up-to-date on it. All of us I know share the concern which everybody feels at the plight, which I think was the hon. gentleman's word, and a good one of his to describe the situation. Anybody who is the least bit familiar with the sea is aware of the hazards of it, beginning with the psalmist who spoke of those who go down to the sea in great ships. Mr. Speaker, it is only when we see that twenty-seven men are placed in danger of this sort that we realize that the sea can be cruel as well as beneficent. And I know, Sir, that the hon. member

MR. ROBERTS:

speaks for all of us when he says that our prayers and our thoughts are with the men, and we can only hope that the measures that are being taken, or any others that can be taken, will succeed and the men will be found and a tragedy will be averted.

MP. SPEAKER: Before calling Statements by Ministers, the day before yesterday a point of order came up with respect to Statements by Ministers which I said I wished to consider before giving a ruling, and that was whether when an hon. member who is entitled to speak after a ministerial statement may make his comments or questions of clarification in more than one entry. In other words, whether he may have more than one opportunity to make comments or to ask questions.

I have considered the custom and usage of this House during the past several years and also the internal logic of the rules. Certainly the internal logic of the rules suggests that in comments more than one opportunity for comment would tend to lead to debate, and that more than one opportunity to ask questions would perhaps be better exercised at the period for Oral Questions. Also with respect to the usage of the House, which is the conclusive determinant here since there is no specific Standing Order, the usage and custom has been that these comments or questions be all marshalled in one entry and made at one opportunity.

Therefore, the ruling is that for hon. members who are entitled to make comments or to ask questions of explanation after a ministerial statement, these should in fact be done on one occasion.

STATEMENTS BY MINISTERS:

MP. SPEAKER: The hon. Minister of Industrial and Rural Development.

MP. LUNDPIGAN: Mr. Speaker, on behalf of my colleague, the Minister of Forestry and Agriculture, I would like to make a brief statement on a financial assistance programme.

MR. ROBERTS: But the Minister of Forestry is here!

MP. LUNDPIGAN: Does the hon. member have a question?

MR. ROBERTS: Mr. Speaker, the question is the minister has not said anything except that he is making a statement in behalf of his colleague. That normally means that his colleague is absent, but the Minister of Forestry and Agriculture is fortunately very much with us. It is a somewhat unusual procedure. I merely ask why.

MR. LINDRIGAN: Mr. Speaker -

MR. WELLS: Excuse me. I take it a point of order has been raised. Is that -

MR. ROBERTS: Well, it is a minor point. It is only a question. I just wondered why, you know.

MR. SPEAKER: The hon. Minister of Industrial and Pural Development.

MR. LINDRIGAN: Well, on behalf of myself, I would like to put the comma in my remarks that I must have left out somewhere along the way, and say that it is with a great deal of pleasure that I wish to announce a financial assistance programme to the forestry industry of the Province with the co-operation, consent, understanding and working relationship of my colleague, the Minister of Forestry and Agriculture.

For some two months, Your Honour, we have been working with the Newfoundland Lumbermen's Producers Association to develop a system of assistance to the sawmill industry whereby we can support with an inventory programme, a financial programme, the sawmill industry to help them through difficult Winter periods, the aim being, of course, to assist them to be productive during the Winter months so that they can during the market season supply more of the local needs. This programme is designed to enable sawmills capable of producing a good quality graded lumber to increase the lumber inventory holdings and consequently allow them to meet larger Spring orders.

It is anticipated that as a result of the programme, the share of the Newfoundland lumber market supplied by local producers will be substantially increased. The programme is the first step in a

MR. LUNDEGAN:

series of developing policies that will during the next twelve months hopefully place the sawmill industry in this Province in a much more stable position. The assistance programme for sawmills will be available to sawmills with a current license, employing a qualified grader and authorized to use the Maritime Lumber Bureau grade stamp

Mr. Lundrigan.

Obviously, as I am indicating here, this is just the beginning of a programme of much more comprehensiveness. On application to the Department of Industrial Development and acceptance by the department all eligible sawmills can sell their existing inventories of rough lumber, or all of their rough lumber production and any rough lumber purchases from other sawmills to the government - can sell it to the government. All rough lumber purchased by government will become the property of the government but will remain at the mill site and the sawmills will be responsible for its physical custody and control. The duration of the programme will be from March 16 - I believe that is Tuesday coming - to May 31, 1976. The programme will be restricted to certain sizes of rough lumber and the prices paid for such lumber will remain fixed. All of the details on the schedule of prices per thousand foot of various grades of lumber have been determined, and we have worked out a very excellent relationship with our forestry people so that we can expedite this programme immediately.

MR. NEARY: Are you going to buy all the lumber?

MR. LUNDRIGAN: I would like to say in essence as well, Mr. Speaker, that we are working very closely with the Association of the Newfoundland Lumber Producers, and we are meeting with them today to finalize some of the details. The programme will allow all the mills - I think there are about thirty larger mills that will qualify - to participate in the programme. They will have the right to repurchase lumber sold to government until July 15, 1976 at a very small increase in price which is a small administrative fee. If the sawmill opts not to repurchase the lumber, the lumber will be the property of government and will be disposed of as necessary, and all the mills have to agree that they will dress, grade and stamp the lumber for a pre-set fee. And I would like to indicate that applications to participate in the programme can be sent to my department - of course, the addresses are known - and

Mr. Lundrigan.

we have written all of the people involved today, alerted them of the programme and asked them to immediately make application to the department for assistance. We know it is a little bit late in the season but we felt it was much more proper to have the programme in place this year. It will be of some substantial assistance. We hope that within twelve months from now, less than that, or within seven or eight months from now, working with my colleague, the Minister of Forestry, we can develop a more comprehensive programme that will be of minimum cost to government and maximum assistance to the industry.

SOME HON. MEMBER: Hear, hear!

MR. NEARY: You are going to have to do better than that.

MR. LUNDRIGAN: Have you not got any more confidence than that?

MR. ROBERTS: Regarding the hon. gentleman, no.

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: Not in that hon. gentleman, no.

MR. SPEAKER: The hon. member for Lewisporte.

MR. WHITE: Mr. Speaker, on behalf of my colleagues, I would like to say a few words in connection with what the minister has just announced. Of course, I can always say it is a little late for doing this, and we would have liked to have seen it done sooner. Sir, the sawmill industry, I think, in Newfoundland can and obviously will improve during the next few months and the next few years. In my district in particular there are a lot of sawmills. They seem to be doing fairly well, although there is the perennial problem of being strapped for capital and that kind of thing and part of this now, I hope, will be alleviated. There is only one thing I would like to mention more in connection with this, and that is that I noticed there are going to be thirty mills. This is going to be exclusively to thirty. That is probably a good thing, Sir. I would want to look at it a little further

Mr. White.

before saying whether or not it is indeed a good thing. But it seems to me that there are indeed too many sawmills in Newfoundland, in many instances, and in too many places the competition is too heavy and because it is going to be limited to those thirty mills it might indeed be a good thing. And I would like to compliment the minister on bringing this in today.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, I offer the minister my most cordial and hearty congratulations.

SOME HON. MEMBERS: Hear, hear!

MR. SMALLWOOD: This is exactly the sort of thing that a government in Newfoundland today ought to be doing. I remember that a colleague of mine in my cabinet called a conference of sawmill people in Newfoundland, and we brought together - I forget - several hundred people from all about the Province to consider the problems of the sawmill industry, and it was truly a revelation. When there were about 1,400 sawmills on this Island, the wage of a carpenter was twenty-five or thirty cents an hour in building a house or any other structure,



Mr. Smallwood:

and at twenty-five cents or thirty cents an hour, of course, you could afford to use boards that were eight or ten feet long, and three and a half, four, four and a half, five inches wide. You could afford to use that kind of lumber employing men to nail it up at twenty-five cents, thirty cents, thirty-five cents, forty cents an hour. But, Sir, at \$4, \$5, \$6 an hour you just cannot afford to use lumber of such diminutive dimensions. Therefore the only hope and the only cure for the sawmill industry in our Province, short of having carpenters and construction workers go back to twenty-five cents, thirty cents, forty cents an hour for their work, short of that is to turn out a quality of lumber that builders can afford to buy, can afford to have carpenters at present wages, and do the nailing on it. That is why I assume that the number in this plan, this excellent plan is thirty-odd sawmills, And I assume that the standards, the minimum standards of quality will be high, would be much too high for the average small push-plane operation turning out three thousand or four thousand or five thousand, eight thousand, ten thousand superficial board measure feet of lumber a year.

I use these terms glibly not from personal acquaintance but from the fact that I inherit in my very blood an interest in sawmilling as my own grandfather had the first sawmill in Bonavista Bay, at Gambo where I was born, and the first steam operated sawmill ever, anywhere in this Province or the country of Newfoundland. And certainly I think that any outharbour man in Newfoundland today, no matter who he is, if he is an outharbour man he must have sawmilling in his blood, and will wish most ardently for the success of this plan the minister has announced to us here today.

SOME HON. MEMBERS: Hear, hear!

o o o

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

MR. CROSBIE: A statement, Mr. Speaker.

MR. SPEAKER: We have reverted to Statements by Ministers.

MR. CROSBIE: I hope it will receive the endorsement of the House. And it will set a very good precedent there.

MR. SMALLWOOD: The hon. gentleman is going to resign?

MR. CROSBIE: Well that is always in my mind, Mr. Speaker.

MR. ROBERTS: We know that.

MR. CROSBIE: I think it would tip this House too much to one side if the gentleman from Bonavista and I were on the same side.

Anyway this is a statement I have to make today, Mr. Speaker, dealing with the question of electricity rates.

Following the announcement by the Premier on January 23 of a three month freeze on electricity rates, the government met with officials of Newfoundland and Labrador Hydro and of Newfoundland Light and Power Company Limited to review the situation with respect to electricity rates in the Province, and to review the impact of any proposed change in the wholesale rates for electricity charged by Hydro to Newfoundland Light.

As a result of this very careful review the government has proposed that Hydro reduce its original request for a new rate of 13.6 mils per kilowatt-hour effective April 1, 1976 to 12.2 mils per-kilowatt hour with the effective date for any such rate increase to be July 1, 1976 thereby extending the freeze on rates by a further two months.

In accordance with the contract for the supply of electricity to Newfoundland Light by Hydro entered into in June, 1967 and amended in January, 1975, Newfoundland Light will now have to submit this suggested rate to the Board of Commissioners of Public Utilities for their examination and recommendation as to whether any additional cost of power to Newfoundland Light resulting from such change is reasonable and prudent and properly chargeable by Newfoundland Light to its operating account. Under the agreement between Hydro and Newfoundland Light any proposed change of price becomes effective only after the

Board of Commissioners of Public Utilities has ruled on the matter.

Hydro will join in the application by Newfoundland Light to the Board of Commissioners of Public Utilities and will provide any information which the Public Utilities Commission may require to satisfy the Commission that the rate proposed is both reasonable and prudent and Hydro will appear before the Board with supporting documentation and give evidence in connection with its wholesale rate structure. In this way a public hearing will be held at which consumers and the general public or interested groups can appear and be fully informed as to the reasons why such a rate increase is necessary.

Newfoundland Light has advised that the suggested rate of 12.2 mils per kilowatt-hour, an increase from the present rate of 9.7 mils per kilowatt-hour, if approved by the Public Utilities Commission, will mean a rate increase to the customers of Newfoundland Light of just under 9 per cent. The reason for that, by the way, Mr. Speaker, is that Newfoundland Light

MR. CROSBIE: It buys power from Bowater Power and it generates some power of its own so that the rate increase would be nine per cent if approved. In connection with electricity rates generally it should be noted that the following subsidies have been paid to Hydro by the Government of Newfoundland since 1972 with respect to the contract entered into with Newfoundland Light. In other words, this is the amount that is being required each year to make up the difference between the cost to Newfoundland Hydro of the electricity supplied under the contract and the price provided for in the contract. In the year ended March 31, 1972, \$4.8 million; in the year ended March 31, 1973, \$4.7 million; in the year ended March 31, 1974, \$6.1 million; in the nine months to December 31, 1974, \$6.4 million; in the twelve months to December 31, 1975, \$5.2 million. Thus despite the change in the rates from six mils per kilowatt hour to 9.7 mils per kilowatt hour, effective April 1, 1975 the taxpayers of the Province through the government provided a subsidy of \$5.2 million to Hydro to meet the losses suffered on the supply of electricity to Newfoundland Light during 1975.

It should also be noted that if the new rate of 12.2 mils per kilowatt-hour becomes effective on July 1, 1976 the government will still have to pay to Hydro \$5.1 million on the contract between Hydro and Newfoundland Light during 1976 so that Hydro will at least receive its costs of supplying electricity to Newfoundland Light under that contract - no return on investment or anything. It is just its costs. If no rate increase is received by Hydro the subsidy paid by the taxpayer through the government will have to increase considerably over 1975. It would be at least another \$2 million to \$2.3 million. It is the intention of the government to introduce in the House of Assembly during the present session or early in 1977 legislation to require Hydro to become subject to the Board of Commissioners of Public Utilities or some other regulatory agency for the approval of its rate

MR. CROSBIE:

structure from time to time with respect to Newfoundland Light. The freeze on electricity rates will therefore remain in effect on July 1st and in the interval Hydro and Newfoundland Light will be making application to the Board of Commissioners of Public Utilities for the suggested increase to 12.2 mils per kilowatt-hour with full information to be given at public hearings before the Board. There are some copies here, Mr. Speaker.

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

MR. ROBERTS: Thank you. Mr. Speaker, it is a victory for the consumers of this Province but a small victory, Mr. Speaker, and one which will bring little joy or no joy at all to the people who are faced with the prospect of yet another significant, even a swingeing increase in their electricity bills. The fact remains, Mr. Speaker, that we are still talking of a power rate that will have increased in the period between the first of April last and the first of July coming - that is a period of fifteen months - of over 100 per cent from the then rate of six mils to the rate of 12.2 mils per kilowatt-hour which will be charged by the government owned corporation as of the first of July. The increase, in some rough figuring, Mr. Speaker, in respect of the current increase is still twenty-seven per cent.

MR. CROSBIE: 25.9.

MR. ROBERTS: Well, I have it worked out at twenty-six point something.

The hon. gentleman has had a little more time to do it than I have because I

MR. ROBERTS:

obviously heard the statement only when it was being read. The hon. gentleman says 26 per cent?

MR. GOSBIE: Twenty-five point nine.

MR. ROBERTS: Well he can call it 25.9 per cent. Everybody else, Sir, will call it 26 per cent. That is roughly two-thirds of the increase which the Cabinet had formerly approved in their secret move made in December. Mr. Speaker, it will still mean that power in this Province is going to be vastly more expensive. It will mean that the consumers are asked to pay by the minister's figures 9 per cent more on top of their bills which have already gone up 35 per cent in the past year. That is without relation at all to any further, these 1.75 per cent cost of service allowances which my friend from LaPoile (Mr. Neary) keep mentioning, the 1.75 per cent that goes on from month to month in the determination of the Public Utilities Commission.

MR. NEARY: It will go on again next Fall.

MR. ROBERTS: The hon. gentleman from LaPoile (Mr. Neary) says it will go on again next Fall. It well may. I am not at all sure that those increases should not be banned by legislation and that the board should not be required to hold hearings before approving increases instead of holding a hearing and providing increases of that nature. But that is another story and we will have an opportunity to debate that.

Mr. Speaker, all I can say right now is that I think everybody in the Province will be disappointed by this announcement. They were aware of the fact that the Premier had frozen the increase which the government had proposed. They were aware of the fact that the minister had said time and time again that the matter would be reviewed, and now it comes out that the point of the review is still that the increase will be roughly two-thirds of that which was asked for before. It will still be well over 25 per cent. It will be nearly 26 per cent of an increase and that is on top of the increases which came a year past.

MR. ROBERTS:

Mr. Speaker, the only other comment I would make at this point is to say that while we welcome the minister's assurance that the government will place the Hydro Authority under some regulatory body as opposed to the present situation where it answers publicly to nobody at all - to whom it may answer privately is another story, publicly it answers to nobody at all, it -

MR. NEAPY: It answers to the House.

MR. ROBERTS: It does not answer to the House, Sir.

MR. NEAPY: Yes it does.

MR. ROBERTS: With respect, it answers to the ministry and the ministry answer to the House but the ministry are an impenetrable -

MR. NEAPY: We could bring Mr. Groom in here.

MR. ROBERTS: Mr. Speaker, we could bring anybody before the House, as my hon. friend knows, if the government would approve of it.

MR. NEAPY: No, not really.

MR. ROBERTS: Well the problem is, Mr. Speaker, that it takes a majority resolution.

MR. SMALLWOOD: They can pass it, the majority.

MR. ROBERTS: The government party, the government and their supporters in the House. The ministry are an impenetrable wall on matters of this. They have chosen not to bring the authorities before the House so that members of the House could investigate them or ask them questions or determine the rights and wrongs of the situation.

But, as I was saying, Mr. Speaker, we welcome the fact that the government say they are going to bring this authority under public control. That is a step forward. The minister's predecessor however, Mr. Leo Barry, while he was Minister of Mines and Energy, said essentially the same thing time and time again over the last two or three years, and as yet no action has resulted. All that I can say, Sir, is that I hope the action results quickly. I hope it results very quickly. I think the people of Newfoundland, Sir, have come to the point now where they are not going to bear any further price increases without being shown ample and adequate justification

MR. ROBERTS:

for them. With all respect, Sir, the minister to date has shown neither ample justification nor adequate justification. He has made a change. He has made a retreat as the result of his review, but, Sir, I do not think he has yet met the concern expressed by the thousands and thousands and thousands of people who have petitioned this House protesting against further electricity increases.

MR. NEAPY: They are being ignored. The public is being ignored.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, I confess to being a little puzzled by the table that the hon. minister gave us when he says that in the years ending March 31, 1972 and 1973 and 1974 and to the end of December 1975, that in those years the Newfoundland Government sold electricity to this private company, the Newfoundland Light and Power Company, at a heavy loss each year of a total of \$27 million; \$4.8 million; \$4.7 million; \$6.1 million; \$6.4 million; \$5.2 million, a total of \$27.25 million. And that furthermore on top of that in the period coming to the first of July of this current financial year it will be another \$5 million to be contributed to Newfoundland Light and Power making a total of \$32 million that the Newfoundland government take out of the public chest and hand over in effect to Newfoundland Light and Power by allowing the government's own power agency, the Newfoundland Hydro, to sell the power to Newfoundland Light for a total of \$32 million less than it cost Newfoundland Hydro to produce. Now, that is the impression I get and I wonder if the Minister would confirm that.

Then, secondly, may I ask him whether the sale of this electricity -

MR. SIMMONS: This is not in order, is it?

MR. SMALLWOOD: - to Newfoundland Light and Power includes the



MR. SMALLWOOD:

arrangement made by my administration some years back in connection with rural electrification. In a good many instances we arranged with the Newfoundland Light and Power Company to go ahead and provide electrification in this, that or the other area of the Province, they doing it to our account, to the account of the Power Commission, now known as Newfoundland Hydro, and a cash amount being paid under that arrangement by the government, by the Power Commission to the Newfoundland Light and Power to make up the difference between what it was costing them to deliver to the customers and what the customers were paying. In other words, the heavy subsidy that the government agreed openly and gladly at the time to contribute to the customers down in White Bay and on the St. Barbe Coast and in Labrador and in other isolated and remote rural areas to whom we were supplying electricity, not at cost but substantially below cost, the government subsidizing the cost of the electricity but doing it through Newfoundland Light and Power Company in a good many cases. Is that included in these figures totalling \$32 million for one, two, three, four, for five years? That is over \$6 millions, an average of over \$6 million a year. Is the subsidization of rural electrification included in that subsidy that is over and above? In other words, Mr. Speaker, I gather now from the minister's head shaking, his negative reply by head shake, I gather that this money, this \$32 millions contribution by the taxpayers of Newfoundland through the government, through the government's agency, Newfoundland Hydro, that this \$32 million is a gift, is a contribution of the Newfoundland people to Newfoundland Light and Power Company and that if that is ceased, if the government cease to pay it, Newfoundland Light and Power will put up their rates accordingly and where they now get in five years \$32 millions from the Newfoundland Government, they will then get the same amount from the Newfoundland people by increasing their bill. Is that the position? In other words, is it not six of one and half a dozen of the other? If the Newfoundland people as taxpayers subsidize the Newfoundland Light and Power Company, or if they do not subsidize them and the Newfoundland Power Company collected from the people, is it not coming from the pockets of the people in any case, in both cases?

MR. NEARY: Right. That is right.

MR. F. WHITE: Cape St. Mary's pays for all.

MR. SMALLWOOD: I do not know if the rules of the House, Mr. Speaker, will permit the minister to take his feet again and explain these things to us, because we do need to have the explanation.

MR. SPEAKER: I will add here the former ruling, that hon. members were entitled to make comments and ask questions of explanation should do so in one opportunity, I did not add, but certainly it is my opinion that since an hon. member is entitled to ask questions of explanation then obviously a minister is then entitled to answer them.

MR. CROSBIE: Well, Mr. Speaker, then the answer to those questions is this,

Mr. Crosbie:

that the amounts paid each year are of no assistance at all to Newfoundland Light and Power Company Limited. These yearly amounts are amounts paid to Newfoundland Hydro to make up to Newfoundland Hydro for the loss -

MR. SMALLWOOD: So they can sell it at a low cost to -

MR. CROSBIE: to Newfoundland Light and Power who can -

MR. SMALLWOOD: But how can we say it is not helping them?

MR. CROSBIE: Well, Mr. Speaker, just let me explain. Newfoundland Light and Power, Mr. Speaker, gain nothing from that, because that is passed on to their customers. It is their customers that save the amount of the subsidy, because they are not allowed by the Public Utilities Board, they are only allowed to charge for the electricity they supply what the Public Utilities Board permits them. And they only permit them to pass on the exact price that they pay Newfoundland Hydro for power. So that the subsidy is a subsidy - the subsidy is one that helps -

MR. SMALLWOOD: It has got to be for the customers.

MR. CROSBIE: To the customers. So in other words the people who buy power from Newfoundland Light and Power are getting it cheaper than they would otherwise get it, and the taxpayer, or the general taxpayer is providing the money to do that. That in our opinion is wrong, Mr. Speaker, because a person who gets the service should pay what it costs. So the subsidy is not one that helps Newfoundland Light. It is a subsidy that helps their customers who pay less for power than they would otherwise have paid. And the reason why the subsidy is paid, Mr. Speaker, is that in 1967 the Power Commission entered into a contract with Newfoundland Light for a ten year period to supply power at 6 mills per kilowatt-hour, which was a reasonable rate in those days based on the cost of electricity in the Province coming in from Bay d'Espoir, without any provision in the contract for escalation. Since there was no provision for escalation, since the cost of the Power Commission then started to increase each year as we got into the 1970's, with increased interest rates, and increased use of the thermal plant at

MR. Crosbie:

Holyrood, and thereby using oil and so on, and increased costs, their costs started going up on the system, they could not pass them on to Newfoundland Light and Power because they had entered into a contract binding for ten years at 6 mils.

However last year the subsidizes were beginning to get larger and larger - last year Newfoundland Light agreed to change that contract -

MR. NEARY: You forced them to break your agreement. Brute force!

MR. CROSBIE: They agreed to change that contract, Mr. Speaker, so that - there was not any brute force involved, Mr. Speaker.

MR. NEARY: It was brute force! You threatened to cut off their access to power.

MR. CROSBIE: I am trying to answer.

SOME HON. MEMBERS: Oh, oh!

MR. CROSBIE: Agreed to change in the contract, Mr. Speaker, because

MR. SPEAKER: Order!

MR. CROSBIE: they saw that if they did not - it was the only sensible thing to do - that in 1977 there would have to be such a horrendous jump in power rates in one year that it would be too great a shock for anyone to bear, The increase in that year would have to be 200 per cent or 300 per cent or 400 per cent. So it is obviously more sensible to have gradual increases leading up to that period, and the Newfoundland and Labrador Hydro agreed to enter into a longer term contract with them, and that contract gives the Board of Commissioners of Public Utilities-before any new rate can come into effect they must find it prudent and reasonable for Newfoundland Light to charge that to their customers.

MR. ROBERTS: Does the contract vary in statute?

MR. CROSBIE: No the contract cannot vary statute.

MR. HICKMAN: No,

MR. ROBERTS: It is specifically barred -

MR. HICKMAN: Oh, yes, but it can be done.

MR. CROSBIE: That is the provision. Newfoundland Light does not have to pay this increased rate unless the Utilities Commission first

Mr. Crosbie:

finds it reasonable and prudent.

MR. HICKMAN: Right.

MR. CROSBIE: Now, Mr. Speaker, this has nothing to do with the subsidy on -

MR. SMALLWOOD: How much is that?

MR. CROSBIE: rural electrification.

MR. SMALLWOOD: Yes, how much?

MR. CROSBIE: The amount in the year that is just ending now will be around \$9,600,000 that the Province -

MR. ROBERTS: How much will ERCO pay?

MR. CROSBIE: will pay. No that is not ERCO.

SOME HON. MEMBERS: Oh, oh!

MR. CROSBIE: The Province will pay in the year that ends the end of this month around \$9.5 million which is a subsidy on the rural electrification programme, that is the diesel areas and the rural areas of the Province where they still have diesel systems or the rural electrification system. That is a difference between the revenue they are collecting in rates through the REA and what their costs are for supplying that.

MR. SMALLWOOD: Does this mean - would the minister say that this means - I know I am not allowed to -

MR. CROSBIE: Yes.

MR. SMALLWOOD: One question, one answer. But does this mean that the public purse, the treasury, now is finding -

MR. CROSBIE: \$15 million.

MR. SMALLWOOD: \$15 millions subsidy on the price of electricity?

MR. CROSBIE: Yes, Mr. Speaker.

MR. SMALLWOOD: Nine million for rural and six million for the other?

MR. CROSBIE: Right.

MR. SMALLWOOD: Not counting ERCO.

MR. CROSBIE: That is right, Mr. Speaker, not counting ERCO.

MR. NEARY: Just wanted to wipe out the \$6 million.

MR. CROSBIE: When we add in ERCO, and the Bowater contract, and the Price contract it is about another \$5 million. So that is around

MR. CROSEIE:

altogether around \$19 million to \$20 million being paid in electricity subsidies this year out of the public treasury.

MR. NEARY: Is this going to wipe out the \$6 million altogether even with the increase?

MR. CROSBIE: No, with the increases suggested for July 1, we will still have to pay, in the calendar year 1976 - this is an estimate because it depends on how much power is going to be used and how much oil has to be used - the estimate is \$5.1 million despite the increase. In the year after this, however -

MR. NEARY: It has almost doubled. Why is it?

MR. CROSBIE: - when the increases are in effect for a whole year, then the deficit should be that much less.-

MR. SMALLWOOD: You did not tell them.

MR. CROSBIE: - unless costs increase that much higher.

MR. SMALLWOOD: You goofed, you goofed.

MR. CROSBIE: So it is not a gift that Newfoundland Light - and it is has nothing to do with Rural Electrification. It has to do only with this contract to Newfoundland Light, which the Province feels that now there has to be an increase. It is not reasonable to expect taxpayers to continue meeting these costs. It is the user. Unless the user is faced with these -

MR. NEARY: Well, they are the taxpayers.

MR. CROSBIE: - costs he is not going to attempt, Mr. Speaker, to conserve electricity or to save on the usage to keep the bills down.

MR. ROBERTS: Mr. Speaker -

MR. SPEAKER: The hon. member may not comment. He does not have the right to speak on a ministerial statement.

MR. ROBERTS: No, although it has turned into a little poll.

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: Mr. Speaker, this is on a point of information only. I am sure the House will be relieved to learn that an aircraft has spotted the lifeboat from The Cape Freels . There are people on board it, and a ship called The Hudson is being directed to the spot.

SOME HON. MEMBERS: Hear, hear!

PRESENTING PETITIONS :

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

MR. ROBERTS: Mr. Speaker, with perhaps a degree of trepidation, but with some confidence in the essential rightness of the cause, in the light of the minister's statement I wish to present yet another of the petitions protesting against the rise in electricity rates, and this one, Sir, besides being somewhat unusual in the form, coming as it does on yellow cardboard is unusual in that it has been submitted to me by a Parish Priest, Father Patrick J. Kennedy of St. Agnes Parish in Pouch Cove in the district of St. John's East Extern. Father Kennedy's letter is quite straightforward. He says - it is addressed to me - "I enclose a petition against further increases in electricity rates from members of the parish in Flatrock."

The petition, Sir, is signed by - it is two parts - by I would estimate about 150 to 200 people who live in Pouch Cove and in Shoe Cove and in Flatrock. The first name on it is the Reverend Father Patrick J. Kennedy who is, of course, the priest in that parish.

The point of the petition, Mr. Speaker, is obviously to protest increased electricity rates. Indeed it says so quite clearly, as it says. petition to protest increased electricity rates. Now, Mr. Speaker, in presenting it I wish to say a word or two in support of it. First of all, Mr. Speaker, I would wish to say that in my view, as I said a moment or so ago commenting on the minister's statement, the concession which the government have made will not make or not meet the point raised by these petitioners or by the thousands of other people in every part of Newfoundland and Labrador, who have made similar petitions to this House in the last few weeks. Secondly, I wish to say that it is our very strong hope on this side that the government will go the extra step now that they have agreed to place the Hydro under the Public Utilities Board for regulatory purposes, or some similar board, but let us say, the Public Utilities Board, because



Mr. Roberts.

that is the one which the minister indicated. I would hope the government will go the step further and allow the groups who wish to oppose that increase to oppose it effectively and to oppose it realistically.

Mr. Speaker, as we all know the Public Utilities Commission is a semi-judicial or a quasi-judicial body, and it functions in an adversary proceeding. It is not an investigatory body in this sense. As I understand it, it is essentially a body which decides upon the evidence placed before it. And what we now get is a spectacle of any number of applications coming in and the companies having the very best

MR. ROBERTS:

legal talent they can find and the very best talent in economists and accountants and advisors and experts of every sort—the cost of all of whom, I would point out, Mr. Speaker, are born in full measure by the consumer in the long run because, of course, these costs are built in to the company's costs of doing business— and they present their evidence, and all of the skill and ingenuity they can devise goes into supporting and bolstering the case. On the other hand, a consumer group or a municipalities' group who wish to oppose an increase are reduced to hiring perhaps a lawyer or an accountant or an expert of some sort who has little enough time to research the case, little enough time to become expert. The result is that in my submission the adversary proceeding is not a very fair one. Those wishing to get an increase have all the aces and the kings and the queens and the jacks on their side, while the consumers are left with the deuces and the threes, and the deuces are not wild.

Mr. Speaker, what I would suggest to the government is that they fund on a permanent basis a consumer group or a coalition of consumers' groups with a view to having the Public Utilities Commission function effectively in its adversary way. If we are going to have continuing increases, and they have come much more rapidly the last few months and the last few years than ever before, then let us make sure that these companies are kept on their toes. The Public Utilities Commission as it now exists and as it now functions— and this is not a criticism of the members of that Commission. They do very, very well in a difficult position— it is a criticism of the structure which I believe has become inadequate. Let us go the step further. The consumer pays the shot anyway, Mr. Speaker, because if the Light and Power Company pay an expert \$5,000 to come and to advise them, then, Mr. Speaker, that is built into their costs and that is right out of the pockets of the consumers. So let us make it possible for the consumers to have somebody there, Mr. Speaker, who speaks for them, not somebody who speaks simply for the company, because we all know that he who pays the piper calls the tune.

MR. ROBERTS:

Mr. Speaker, I present the petition. I could say a great deal more in support of it. I would hope we will get the opportunity to debate this matter in this session. But I present it, Mr. Speaker, with my strong support and with the very strong request and suggestion to the minister that the government go that extra step. If they can put \$20 millions a year into power subsidies in this Province as they now are, and part of that will be saved because of the increase which the consumers apparently are going to have to bear, then let them take \$50,000 or \$100,000 and fund some consumer group - maybe the Federation of Municipalities will be the people - and let them challenge effectively and with knowledge and with skill the case put forward by those who wish increases. The present system, Sir, does not work to protect the consumer. It works merely to help the companies. I think that is not what was intended and it is certainly not what we should tolerate. I support the petition, Sir.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I rise to support the prayer of the petition presented by the Leader of the Opposition, Sir. In so doing I have to say, Sir, that this is a sad day indeed for Newfoundland. In the last week or ten days, Sir, at least 50,000 signatures of Newfoundlanders who are completely frustrated over any increase in electricity rates in this Province, the names of about 50,000 Newfoundlanders, most of them presented by me, have been tabled in this hon. House violently protesting any increase in electricity rates. Now today we hear this announcement by the Minister of Mines and Energy, Sir, which will turn out to be a bitter disappointment to the people of this Province.

Mr. Speaker, there is not much I can say about it at the present time. I will have more to say about it later on, except to say that the only recourse now, Sir, the only recourse is not what the Leader of the Opposition outlined in presenting the petition to finance consumer groups. The consumers, the ordinary working people of this Province, do not have the time to go down before the Public Utilities Board.

MR. ROBERTS: That is the whole point about it.

MR. NEARY: No, they do not have the time, Sir. Even if they were financed they would not have the time. The Public Utilities Board in this case is just merely a rubber stamp for the government. The real power should have been kept in the hands of the politicians.

MR. SPEAKER: Order, please! Order, please! I must remind the hon. gentleman that he is required to keep his remarks within the specific subject matter of the petition and the material allegations of the petition.

MR. NEARY: Well, Sir, the Leader of the Opposition spent some time on the Public Utilities Board. I would feel that I am entitled to the same right. But if Your Honour does not think so, Sir, the only thing that I can say - I will wind up by saying this. I know I cannot enter into a debate at this time. I wish I could. I will have an opportunity during the Throne Speech to debate this matter. But, Sir, this hon. crowd will pay the price at the polls

MR. NEARY: the next time the people of this Province get a chance in a provincial general election, I can guarantee you that.

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

MR. CROSBIE: Mr. Speaker, this is another petition of course in connection with electricity rates and I will just confine myself to a couple of the points that the Leader of the Opposition has made.

Now, Mr. Speaker, it should be noted of course by the House, and when this matter is debated it will certainly be pointed out to the House, that increases in energy charges or electricity charges in Newfoundland have been the third lowest of any Province in Canada when you take the period from 1966 to 1975. The increases in Newfoundland are the third lowest of any Province. There are seven provinces which have had increases in electricity rates greater than that in this Province. And when you compare the last five years, just take the last five years, once again Newfoundland, where you compare the main cities, has had the third lowest—has had seven provinces with increases in electricity rates higher than in this Province, and that is not a bad record,

With respect to the Board of Commissioners of Public Utilities,—

MR. NEARY: You are talking about hydro power.

MR. CROSBIE: — it is not true to say, Mr. Speaker — The consumers of Newfoundland already have representatives on the Board of Commissioners of Public Utilities. That is what the Board is, Mr. C.W. Powell, the Chairman, is admired on all sides for his tremendous talent and hard work —

MR. NEARY: Do not be trying to lead us off the track.

MR. CROSBIE: — and the Board of Commissioners of Public Utilities has, Mr. Speaker, the power and they have hired the most capable of lawyers —

MR. NEARY: This is just a runaround.

MR. CROSBIE: The Board has a lawyer, Mr. Don Dawe, Q.C., who has been with the Board since the beginning and whose job, Mr. Speaker, is to advise the Board on every application and to represent the public at every application. And they have Peat, Marwick, Mitchell, chartered accountants, who

MR. CROSBIE: on behalf of the public and the consumer and the Board examine every application and advise the Board and they have the power, Mr. Speaker, and they retain the best of engineering consultants to examine every application that comes before the Board.

The consumers of Newfoundland, the public of Newfoundland is already represented by the best, by the best talent imaginable who assist the Board of Commissioners of Public Utilities. The hon. Leader of the Opposition referred to the best legal talent, that the companies have the best legal talent, Is he casting some doubt on the legal talent of his former House Leader, the former member for Baie Verte, Mr. William Fowe -

MR. ROBERTS: Is the hon. gentleman casting -

MR. CROSBIE: - who acts for the Newfoundland Federation of Municipalities on these applications? Is he saying that the legal talent that the companies have are better than Bill Rowe's legal talent?

MR. NEARY: Would the minister permit a question?

MR. CROSBIE: I would suggest that this is a very unfair attack, unfair attack upon his former House Leader to suggest that his legal talent is not just as good as that of the companies.

MR. NEARY: Would the hon. minister permit a question?

MR. CROSBIE: No, Mr. Speaker, I do not want to permit a question.

MR. NEARY: No, because you are cornered.

MR. CROSBIE: It would be a sad day, Mr. Speaker, for this Province if the government did everything just thinking of the polls, That would be the route of the polecat. The members who suggest that we should do nothing -

MR. NEARY: What have you done? Nothing! And you will keep on doing it!

MR. CROSBIE: - that if energy costs and electricity costs rise that we should continue to ignore that because we may suffer at the polls, that is a poor piece of advice. We will leave that with the hon. gentlemen opposite. Every government has to be conscious of the polls,

MR. CROSBIE: but there are certain unpleasant decisions that every government in Canada has to make today, and every State in the United States of America, and I would like to point out to Mr. Speaker, that energy costs in Europe and the rest of North America had gone up much more than in this Province.

So, Mr. Speaker, it is an unfortunate situation but any government that is worth its salt has to face the facts and unfortunately the people of the Province have to be asked to face them too.

MR. NEARY: Pay the price for that group of misfits, Mr. Groom and the rest of them.

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

MR. BRETT: Mr. Speaker, I beg leave to present—well, it is not really a petition.

MR. SPEAKER: It has to be a petition.

MR. BRETT: Well it is called a petition but it is not in the form of a petition as such. It was handed to me by an employee of one of the local radio stations, and when I received it I likened it to St. Peter who came before one that was much greater than he. And this is coming before the petition that has been circulated in the districts of Trinity North, all of Trinity North, part of Bonavista South and part of the district of Bellevue in connection with the proposed Clarenville Hospital. It is a very well-organized and well-planned campaign in these areas now aided and abetted very much by the same radio station.

It is not a prayer as such, it is more or less a written mutual agreement by thirteen doctors who are practicing on the Bonavista Peninsula, and in the Clarenville area. And I will read it. It says: "In addition to our present medical and

Mr. Brett.

dental facilities We, the undersigned, agree that these facilities would be vastly improved by the presence of a desperately needed regional hospital in our area, thereby alleviating unneeded hardship to sick people. As human life is involved in this matter, we feel no delay is warranted in the construction of a regional hospital."

As this time, Mr. Speaker, I will not do any more than support it because of the large petition that is coming, and I would like to make some lengthy comments on that petition at that time. In the meantime I would like to table this and ask that it be referred to the appropriate department.

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

MR. ROBERTS: Mr. Speaker, perhaps I could say a word or two in support of the petition and in so doing perhaps I should point out to the hon. member for Trinity North (Mr. Brett) that it was not St. Peter who went before, as I recall the biblical account, it was John the Baptist, that I would say to the hon. gentleman he should beware of what happened to John the Baptist and particularly he should be careful if he is asked to any dances in his district within the next little while. As I recall it St. Peter was, among many other things - St. Peter - a very central figure in the church as we now know it, the Christian Church, thrice denied the Lord, and I would commend that to the hon. gentleman as well.

Mr. Speaker, I would wish to add our voice in support of the petition. There will be an opportunity to comment at some greater length, I would hope, when the more massive petition comes in that radio station VOXM - CKVO are organizing, as they tell us every hour, five minutes before the hour, And I have no doubt that there will be a considerable number of members who wish to enter into the non-debate which will take place on that petition when it is to be presented.



Mr. Roberts.

All I would say right now, Mr. Speaker, is that I think the government are going to have to rethink their entire position on hospital construction. Last Summer and last Fall and last Spring they went about the Province promising a positive orgy of construction. There were going to be buildings here and buildings there and buildings everywhere. The member for Kilbride (Mr. Wells) was then Minister of Health, and I fear he was guilty of participating in this charade. A number of other hon. gentleman took part in sod turnings or platform buildings, and certainly a lot of people, in a lot of places in this Province expected that the commitments made to them by members of the government were made in good faith and that they would be kept. They may or may not have been made in good faith, I am prepared to believe that the gentleman from Kilbride (Mr. Wells) would not act other than in good faith, but I do feel that many people are sorely disillusioned now that these commitments are not being kept. And the petition from the area that takes in the bottom of Bonavista Bay and the bottom of Trinity Bay and all that great peninsula between those two bays and the town of Clarendville and down as far as the hospital catchment area will come, can be duplicated easily on the Burin Peninsula where people there feel deceived and deprived, and people in Labrador who are anything but happy about the government's decision to close, as a hospital, as an acute care facility, the Paddon Hospital in Happy Valley and move the centre up on the American base, the former base hospital, and a number of other areas that I could speak of throughout the Province.

The government, Mr. Speaker, and I would commend this to the minister, because he is a part of the government and must sink or swim with his colleagues in the Cabinet, the government must rethink this. The people deserve better treatment than they have gotten from the government, and I would say to the minister that they will get better treatment either from this government or from their successors.

ORAL QUESTIONS:

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

MR. ROBERTS: Mr. Speaker, my initial question will be for the House Leader in the absence of the Premier, who I understand is sampling the delights of Montreal or Quebec City today. Could the House Leader indicate to us, please, the government's attitude with respect to the possibility that the Government of Canada might extend and increase their financial aid to the Olympics to be held in Montreal this Summer?

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: It is hardly a matter of provincial jurisdiction. I would not say it is not a matter of provincial concern, Mr. Speaker, but if the Government of Canada is, in its wisdom, deciding to extend further assistance to the Olympics, well then certainly we would not be otherwise than pleased, but I do not think it really concerns us.

MR. CROSBIE: We want more for the Canada Summer Games. \*

MR. WELLS: It really is, you know, so completely outside our jurisdiction that I feel

MR. WELLS: it hard to comment. Certainly this government has not held a meeting to discuss this matter and I doubt that we shall, Mr. Speaker.

MR. ROBERTS: Mr. Speaker, a supplementary; in view of the fact that we now have on the Order Paper at least one resolution that is a matter entirely outside our jurisdiction but is certainly within our concern, put down by the hon. gentleman's colleague from Grand Bank district (Mr. Hickman), you know, the minister's reply is evasive. Let me put it to him again. Would this government support the application by the Government of Quebec to the Government of Canada for many millions of dollars more in increased financing towards the Olympics? It is a matter of concern and it is a matter of deep concern, Sir.

MR. SPEAKER: The hon. Minister Without Portfolio.

MR. WELLS: If it could be shown, and if it emerges that this government has a duty to consider this matter and make representations of any kind then we will consider it, you know, if called upon or if we feel it necessary, and take whatever action or make whatever representations we feel are proper. But to this point we have not done so, nor do we see the need for it.

MR. CROSBIE: If they give us more. They have not given us any more for Public Works or DREE.

MR. ROBERTS: I am not suggesting we should give more money, and I am not suggesting we should not. I want to see the government can take a stand. The Minister of Justice did the other day.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: A supplementary question to the hon. minister, Sir; if the hon. minister and the government here in Newfoundland are called upon to support such a move, would the minister take advantage of the situation to try to persuade the Government of Canada and the Government of Quebec to do away with its foolish, costly, bilingual programme that they are trying to push down the throats of Canadians.

MR. WELLS: The answer to that, Mr. Speaker, is that the Government

MR. WELLS: of Newfoundland has its role and its jurisdiction which it attempts with good will and seriousness to carry out, and there are all sorts of problems that exist in this country that this government cannot get involved in. Citizens of Newfoundland who are also citizens of Canada can express themselves to the Government of Canada whom they elect also.

MR. SPEAKER: Before I recognize the hon. gentleman for, I presume, a supplementary, I did not interrupt before because I wished to check the reference, and I should now draw to the attention of hon. members that a question, oral or written, must not be hypothetical, a situation which does not exist but which conceivably could. I realize that a number of questions have been allowed, have not been ruled out of order, which could well be regarded as hypothetical, I point it out now so that it would not appear that that rule has been left in abeyance.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, would the Minister of Education tell the House whether or not he is going to conduct an independent enquiry or an independent fact-finding study into the whole matter of our educational system in Newfoundland, especially in the post secondary field of education in this Province?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, I have not given a lot of thought to it. Of course we are always giving thought to the assessment of education, and higher education or post secondary education is governed by boards of directors, boards of regents and so on and they have the expertise to keep assessing their programmes. I would say off hand that perhaps one of the big problems in education at all levels is the fact that we are over assessed, and at the time I have not considered it as a top priority.

The other thing I would have to take this part under advisement. I do not know exactly what the hon. member is referring to, is it a royal commission or an ad hoc committee? And I think it would be a little bit presumptuous of me to assume that an ad hoc committee could deal with

MR. HOUSE: a problem so intricate as education. I further possibly think that he may be alluding to the, perhaps what people are talking about the lower standards of education -

MR. NEARY: That is right.

MR. HOUSE: And I question that statement. I question whether educational standards are dropping. I think there is room for debate in it.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: I recognize the hon. Leader of the Opposition.

MR. NEARY: A supplementary question to the minister, Sir. -

MR. SPEAKER: No, actually when I recognized the hon. gentleman a few moments ago I had thought it was a supplementary to his previous, so I will recognize the hon. Leader of the Opposition and get back to the hon. member and the hon. member for Windsor-Buchans (Mr. Flight).

MR. NEARY: But I have a supplementary for the Minister of Education.

MR. SPEAKER: Well, the hon. gentleman may have one, but having recognized one member I cannot negate that.

MR. ROBERTS: Well, Mr. Speaker, I will yield for a supplementary, sure.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: I merely want to ask the minister if he has received any complaints from school boards or from business people in this Province about the quality and attitudes of graduates of our educational system.

Mr. Neary.

So would the minister tell the House?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, it is very difficult to say, you know. I have not only heard people in Newfoundland say that the standards are dropping, I have heard people saying on the mainland. As a matter of fact, the Chamber of Commerce, the president for Canada, made a statement the other day condemning education and its lowering standards. The fact of the matter is, I think, you cannot give a brief answer to that, because I do not know how people can come up and say off-hand how low the standards are. I have not received any direct statement from any group saying the standard of education is down, be it either businessmen or professional people.

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

MR. ROBERTS: Thank you, Mr. Speaker.

A question for the Minister of Health. Would the minister tell the House, please, whether the government have funded any study into the asbestos related or asbestos caused hazards at the Baie Verte mill operated by Advocate Mines Limited?

MR. SPEAKER: The hon. Minister of Health.

MR. COLLINS: Mr. Speaker, the subject to which the hon. Leader of the Opposition refers is a matter of some concern to government, not only the Department of Health but the Department of Mines and Energy and the Department of Provincial Affairs and Environment. There are a number of studies and investigations - whatever one might call them - going on now. I am not in a position to say anything further at this time with regard to them.

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

MR. ROBERTS: Would the minister indicate whether the government would be prepared to finance, in part or in total for that matter, a study to be done by the most knowledgeable group in the world on these asbestos related hazards insofar as they affect the situation at Baie Verte?

MR. SPEAKER: The hon. Minister of Health.

MR. COLLINS: Mr. Speaker, if the hon. Leader of the Opposition is again referring to the asbestos fibre content in water -

MR. ROBERTS: No, I was not specifically talking about water, no. I am talking about the mill-mine situation, not the water itself.

MR. COLLINS: Well, Mr. Speaker, if the hon. member is not referring to water, what I can say is that there is a committee of ministers - the Minister of Mines and Energy, the Minister of Provincial Affairs and Environment, the Minister of Manpower and Industrial Relations and the Minister of Health - already constituted and considering the whole problem there in conjunction with officials of the various departments and in collaboration with the various unions across the Province with the hope that we can identify the problems and determine what action must be taken.

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

MR. FLIGHT: Mr. Speaker, I would like to address this question to the Minister of Energy. In his statement with regard to energy, the only reference made to the Newfoundland Light and Power Company was reference of a contract between Hydro and Newfoundland Light. Does Hydro have a contract with the Bowater Power Corporation, a contract that would allow them or permit them or force them to sell power to Bowaters? Can we assume that the increase permitted by Newfoundland Light will also be permitted by Bowaters?

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

MR. CROSBIE: Bowater Power has a contract itself with Newfoundland Light to supply power to Newfoundland Light presumably on the West Coast. The Hydro Power Commission also has a contract with Bowaters. I am not sure if it is with Bowater Power but anyway either Bowater Power or the Bowater mill, but that is a separate matter, and no increase in the rate is contemplated there, at least not at the moment. So this only deals with Newfoundland Light and Power.

MR. SPEAKER: A supplementary. The hon. member for Windsor - Buchans.

MR. FLIGHT: The question, of course, Mr. Speaker, is that every increase that has been applied by the Light and Power Company has been

Mr. Flight.

applied by Bowaters and Bowaters supplies power to one of the biggest towns in Central Newfoundland, domestic power, to Buchans, and thereby is my concern. I am asking the minister if he can assure this House that it is not necessary that that increase will be permitted by Bowaters or necessary by Bowaters, if so which would mean that the town of Buchans would be getting electricity nine per cent less than the rest of the Island in July assuming the increase is indeed approved by the Utility Commission?

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

MR. CROSBIE: I would have



MR. CROSBIE: to find out about that. I do not know the exact answer to that. But this would be an increase to Newfoundland Light, And whether Bowater power retails power - if it retails power in Buchans, I assume only it can go for an increase there. They would have to have their rates approved themselves. But I would have to check it out to make sure.

MR. SPEAKER: The hon. member for Lewisporte.

MR. WHITE: I have a question for the hon. the Government House Leader, Mr. Speaker, Could the minister tell us whether or not the Minister of Tourism is gone to Spain, if so how long is he gone for, why is he gone and was it necessary for him to go?

MR. SPEAKER: The hon. Minister Without Portfolio.

MR. WELLS: Yes, Mr. Speaker, the Minister of Tourism has gone to Málaga which is the first official stop for the Norma and Gladys which of course has arrived in Spain. There are various ceremonies involving I think the various ambassadors and dignitaries and civic officials in Spain. It was thought, and quite wisely, that the minister representing the Department of Tourism for the Government of Newfoundland should be there. He went I believe Thursday evening, He will be back here by Sunday evening or Monday when the House resumes and I think the last -

MR. SMALLWOOD: Mr. Speaker, can the minister tell me as to whether his colleague will bring back with him a report on the accuracy of the well known statement, "The rains in Spain fall gently on the plain."

MR. WELLS: I thought it was, "Fall mainly in the plain."

MR. SMALLWOOD: Mainly on the plain.

MR. WELLS: The rain in Spain falls mainly -

MR. ROBERTS: Málaga is on the sea coast.

MR. WELLS: Málaga is on the coast, of course, yes. I am sure the hon. member will enlighten us when he returns.

SOME HON. MEMBERS: Oh, oh!

MR. WELLS: The last part of the question I think, Mr. Speaker, was was the trip necessary. I think in the context of the voyage and the interest

MR. WELLS: of people abroad who are taking an interest in this voyage, yes, I think we should be represented.

MR. NEARY: Mr. Speaker, I would like to ask the Minister of Justice, Sir, if he will tell the House who was at fault in the Wanda Butt case, in connection with the fire at MacPherson - was it MacPherson Academy? Was it the -

MR. ROBERTS: Curtis Academy.

MR. NEARY: Was it the Newfoundland Constabulary, was it the minister himself, was it his officials? If so, what steps have been taken to rectify this situation or will other charges be laid against this lady?

MR. HICKMAN: Mr. Speaker, I question the propriety of that question. Number one, there has been no suggestion, no indication of fault on the part of any one, and -

MR. NEARY: False -

MR. HICKMAN: - and, Mr. Speaker, anyone who has had any exposure to the law at all knows that from time to time charges are laid and subsequently have to be withdrawn and an investigation has been indicated by the Chief of Police and is still going on.

MR. SPEAKER: Before I recognize the hon. gentleman for a supplementary, I just want to point out to all hon. members, number one, that any matter sub-judice - I am not suggesting this is sub-judice - is out of order, and to read from Beauchesne that an hon. member may not - I am not suggesting the hon. gentleman is, I am just saying that there is a fairly close line there - may not ask solution of a legal proposition, such as interpretation of a statute of a minister's own powers.

The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, a supplementary question; who decided whether the charges would be withdrawn or dropped? Was it the Chief of Police or was it the Minister of Justice or his officials?

MR. HICKMAN: Mr. Speaker, this -

AN HON. MEMBER: Answer it.

MR. NEARY: Answer the question, boy.

MR. HICKMAN: It is such a well known fact that that type of question is

MR. HICKMAN: highly improper and I would be very derelict in my responsibility as Minister of Justice if I answered, and I do not propose to.

MR. NEARY: It is a proper question.

AN HON. MEMBER: It is not.

MR. SPEAKER: The hon. member for Windsor-Bachans.

MR. FLIGHT: Mr. Speaker, this question for the Minister of Municipal Affairs; no doubt the minister is aware now that the councils, Grand Falls Town Council, Windsor Town Council, have had the Patterson Report over the winter. They have addressed themselves to the report publicly as to what each town, each town's approach to the Patterson Report and its recommendations, Would the minister now advise the House as to what the government's position is with regards to the Patterson Report?

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

MR. PECKFORD: Mr. Speaker, I intend to meet with the Town Council of Windsor and the Town Council of Grand Falls at the first opportunity in the Spring to further discuss their stance that they have given to me in writing and after consultation with both councils hopefully we can come up with a joint approach as to how the Patterson Report should be handled from here on in.

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

MR. ROBERTS: Sir, a question for the Minister of Manpower and Industrial Relations. Has the minister yet made a decision on the request for an industrial inquiry at Churchill Falls? He thinks slowly.

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

MR. MAYNARD: No, Mr. Speaker, I have not. I said yesterday that I would make a decision after meeting with the management people from CFLCo. We were due to meet with them today, but because of the weather problems they have not been able to get in. I understand that they may be here in St. John's tomorrow. So it will be at least Monday or Tuesday before a decision is made.

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

MR. ROBERTS: Mr. Speaker, a supplementary. In view of the fact that the minister intends, as he told us now and yesterday, to meet with the management people, would he tell us whether he undertakes as well to get in touch with the union people before making a decision? which affects them just as intimately as it affects the management people?

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

MR. MAYNARD: That will depend on whether I consider it to be necessary for information purposes to get in contact with the union people directly after we meet with the management people, whom my deputy minister, Ted Blanchard, has been in almost constant contact with the union people in Labrador. We have a considerable amount of information from them. We know what their feelings are, and what they would like to see done. Now I think it is a matter of trying to contact management to see what their feelings are toward the situation and what their attitude is with regard to the future prospects for conciliation services or whatever.

MR. SPEAKER: I recognize the hon. member for Stephenville and then the hon. member for LaPoile.

MR. McNEIL: Mr. Speaker, a question to the hon. House Leader. Is it still government's intention to disband the Department of Recreation and Rehabilitation? And if so, under what department will recreation come under?

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: Mr. Speaker, in answer to that question, matters of this sort are decisions, of course, to be made by the Premier of the Province. The Premier has indicated to the House -

MR. ROBERTS: He has said the department will go.

MR. WELLS: Yes, that is right. The Premier has indicated the intention of the government that that department would disappear and that its functions would be realigned.

AN HON. MEMBER: He has hinted.

MR. WELLS: Well he has done more than hinted, he has said.

MR. ROBERTS: Is the realignment taking forever?

MR. WELLS: That is not so.

But he has indicated clearly that the department is going to disappear and its functions -

AN HON. MEMBER: You are the minister.

MR. ROBERTS: Is the minister saying, let me make one thing perfectly clear?

MR. WELLS: What is that?

MR. ROBERTS: Is the minister saying, let me make one thing perfectly clear?

MR. WELLS: So in due course when a decision has been made by government -

MR. ROBERTS: Would you buy a used car from that man?

MR. WELLS: Obviously, well I will speak to the member who asked the question. I guess he must want to hear the answer.

MR. ROBERTS: Yes.

MR. WELLS: But anyway when the results of the study are complete, which I understand they are now, in due course government will make a decision and whatever is done to realign the functions of that department will in due course come to the House an an act altering departmental responsibilities will be passed, and the function will be wherever it is going to go. But at the moment the decision has not been made.

MR. SPEAKER: Does the hon. member have a supplementary?

MR. McNEIL: With regard to a work orientated training centre for the mentally handicapped, will the people who presented a brief to the Department of Rehabilitation have to wait until the department is re-established or can that decision be made now?

MR. WELLS: I am sorry? I was speaking to my colleague, and I did not get the first part.

MR. McNEIL: With regard to a brief presented by a group of people of Stephenville for a work-orientated training centre for the mentally handicapped be made through the department now as it exists, or will they have to wait until the department is re-established?

MR. WELLS: No, the fact that the department, you know, will change in its structure, or its function be realigned, will not have any affect or delay or prejudice any persons or group of persons who have made submissions. Decisions are being made in the department and Cabinet in the normal way. And if the functions go elsewhere there will not be any pause or delay in the decision making capacity.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to ask the Minister of Industrial and Rural Development, Sir, why it was necessary to engage the services of an engineering firm outside of Newfoundland for the design and the detailed work in connection with the Burgeo fish plant? Why it was necessary to go outside the Province when we have engineering firms in Newfoundland, consultants and so forth starving for work when this \$1 million or \$1.5 million is now going outside of Newfoundland? Why was this necessary?

MR. SPEAKER: The hon. Minister of Industrial and Rural Development.

MR. LUNDRIGAN: Mr. Speaker, that decision was made quite some time ago as the hon. member has been made aware.

MR. NEARY: So what?

MR. LUNDRIGAN: And any decision regarding consultant work has always been based on quality where it is necessary -

MR. ROBERTS: Oh, we do not have any quality here?

MR. LUNDRIGAN: Sure, we got all kinds of qualities. As a matter of fact the hon. gentleman who continues to remind me about the rules, continues to break the same rules himself. I wonder would he set an example right at the moment.

MR. ROBERTS: Mea culpa! Mea ~~Maxima~~ culpa!

MR. LUNDRIGAN: Sure, sure!

It is based on the need for whatever quality is necessary or expertise is necessary for a particular job, also, of course, in price, and there might be some occasions - very infrequent - when it might be necessary to move outside the boundaries of the Province for certain types of work. Certainly the consultants in this Province have received a tremendous amount of assistance over the years from the Province. In the last couple of years I would say that there are quite a number of firms that have done substantially well. That decision was made with the expectation that the company that has been involved with the firm at Burgeo, with our fish industry, required that level of capability, and I understand from the representations that have been made to me from some consulting firms that every effort

MR. LUNDRIGAN: is being made now and in the future on that project when engineering work, consulting work is required, that our local firms be given any kind of preferential treatment to make sure they get whatever is coming to them. We have had discussions with some firms to ensure that they understand that they will get that kind of treatment.

I would like to go on and say that in the future as well, I think I speak for all of my colleagues when I say this, that any work that is being done we are trying to give every break to Newfoundland companies, every single break, beyond that, even to the extent of the use of materials and matters of that nature and my colleague in Forestry, I think, will have something further to say on that in the weeks to come.

MR. SPEAKER: I recognize the hon. member for LaPoile.

MR. NEARY: A supplementary question; would the minister answer two questions for me? One, did the fact that because the company operating the Burgeo fish plant is not a Newfoundland company, did that have any influence on engaging this engineering firm in Nova Scotia? And secondly, because it is a Nova Scotia consulting firm, will it mean that Nova Scotian firms will get the preference in connection with the actual construction of the plant or will Newfoundland firms get first crack at it?

MR. SPEAKER: The hon. Minister of Industrial and Rural Development.

MR. LUNDRIGAN: Mr. Speaker, the answers are no, no and yes.

MR. NEARY: What kind of an answer is that - no, no and yes!

MR. LUNDRIGAN: There were three questions asked me: Did the fact that the firm was Nova Scotian, was the decision made because they were Nova Scotian; the answer is no. Was the company that got the consulting business based on the fact that they were related to a Nova Scotian company; the answer is, no. Will Newfoundland companies get every consideration, preferential treatment, all the breaks in the world - the answer is yes.

MR. NEARY: One simple supplementary, Mr. Speaker, to the minister. Would the minister tell the House whether it was the government who engaged this Nova Scotian firm or was it National Sea Products Limited? One or the other, which one engaged this Nova Scotian firm?



MR. LUNDRIGAN: Mr. Speaker, most of the work that has been done in relationship to the plant have been done jointly as a result of relationships among the company in question, National Sea, which has assumed the management role; Burgeo Fish Industries, which is the provincial body responsible for the administration of that company in Burgeo as well as with the Federal people under DREE, all of which are involved in the management and financing of the project.

MR. NEARY: Who made the decision?

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

MR. ROBERTS: Mr. Speaker, a further supplementary in view of the minister's continued evasion of the answers to the questions; would the minister tell us please whether proposals were invited from any engineering firms other than the one which was appointed? Would he then, if the answer to that is yes, would he tell us how many, and finally, would he tell us from whence they came?

MR. SPEAKER: The hon. Minister of Industrial and Rural Development.

MR. LUNDRIGAN: I do not know if that will enlighten the hon. gentleman if I gave him that information. If I did I do not know what he would do with it, having been enlightened. But having said that, first of all the decision regarding the consultant work that the member is referring to I believe may be two years old. I cannot give to you, Mr. Speaker, I cannot give the House precisely how many companies that might have been invited to make proposals but it has not been -

MR. NEARY: Are you prepared to table the information?

MR. LUNDRIGAN: - it has not been the traditional approach to my knowledge of governments across Canada, federal and provincial, to place that type of work on a tender basis, I do not know, again I am new to the business here and I could be completely wrong, but I am sure that every assessment was made to try and come up with the company that had the particular level of expertise that was required to give us the best product that we are going to have.

MR. NEARY: You are saying that Newfoundland firms are not competent.

MR. LUNDRIGAN: Now what I would like to also say, Mr. Speaker, the thing that fascinates me a small bit is that if we decided today to spend \$500 million in development work, that would not get a mention at all. The hon. gentleman would find the fact that we had left out a comma somewhere in some paragraph in some form of the agreement that would become the emphasis.

MR. NEARY: Bunkum!

MR. SPEAKER: Order, please!

MR. LUNDRIGAN: We are building a fish plant in Burgeo Your Honour, costing \$9 million or \$10 million, that should be the emphasis.

MR. SPEAKER: Order, please! Order, please! The point of order made by the hon. gentleman is a valid one, and the answer must in fact be limited to an answer to the question and not to a debate.

The hon. member for Windsor-Buchans.

MR. FLIGHT: I direct this question to the hon. House Leader in the absence of the Minister of Tourism, Has the Minister of Tourism indicated to the hon. House Leader when he intends to introduce legislation with regards to the snowmobile regulations?

MR. SPEAKER: The hon. Minister Without Portfolio.

MR. WELLS: No, Mr. Speaker, the procedure is not a question of the Minister of Tourism indicating in this fashion. The government put out a paper which was essentially a set of proposals, and they were put out and made public for public discussion and so that the

MR. WELLS: advice of the public could be communicated to the government, and this is an ongoing process. When the government feels that it has the full advice of the people of Newfoundland on this subject the government will make a decision as to what the regulations will be or what act will be necessary, and in due course it will be brought into the House.

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

MR. FLIGHT: Do I understand the hon. the House Leader to say that the government intends to withdraw the white paper?

MR. WELLS: It is not a question of withdrawing a white paper, Mr. Speaker. A white paper is not a piece of legislation on the Order Paper, it is simply a set of proposals for public information and debate.

MR. NEARY: It is probably the reason for sending the minister over to Spain.

MR. ROBERTS: The trouble is they are going to bring him back.

MR. WELLS: So the minister, of course, will advise government in due course as to what has come back to him and a decision will be made.

MR. ROBERTS: Mr. Speaker, I -

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

I should point out this will be the last question and answer.

MR. WELLS: It must be, Mr. Speaker, the weather today which has excited this influenza.

MR. ROBERTS: Mr. Speaker, certainly if ever there was a need for snowmobiles over this winter it is today. And if the Minister of Transportation has not done a better job of plowing the roads than he normally gets done, we will all need snowmobiles to get home.

Mr. Speaker, my question is for the Minister of Fisheries who has been, I know, sitting over there all during the afternoon quivering, hoping someone will ask a question. Let me ask one of him. In view of his refusal to inform the House yesterday, and his desire to inform people outside the House of the impending sale

MR. ROBERTS: of the Marystown fish plant, could the minister - who used to be so tender on these things when he was in another place - indicate to us when he will make available to the House of Assembly the full details of whatever arrangement it is the government either have made or are about to make - and it is not clear from his public statement what the situation is - when they will make available the full details of this arrangement which after all involves a substantial asset owned by the Government of this Province and involves an asset which involves the future of several thousand of our people?

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

MR. W. CARTER: Mr. Speaker, the Opposition Leader's reference to the fact that I had the press conference in Marystown - I am sure the people in Marystown including the Mayor and Councillors were quite happy to know that we did go there to make this very important announcement.

But getting back to the question, Fishery Products Limited have acquired the plant formerly owned by and operated by Jannock Corporation. The lawyers are now working out the details of the agreement and as soon as it is completed within a week or ten days we will be making it public.

MR. ROBERTS: It will be laid before the House within a few days?

MR. CARTER: Yes.

#### ORDERS OF THE DAY

MR. WELLS: Order one, Mr. Speaker.

MR. SPEAKER: Order one; The Address in Reply, which was adjourned by the hon. the Minister without Portfolio.

MR. WELLS: Mr. Speaker, I think when I, to recapitulate for a moment, I think when I closed my remarks on the last day in this debate I had dealt with the areas in public services, in the service areas in government and the areas where this government, I had suggested to the House, pointed out to the House, had made considerable advances over and above everything that had been done before in any

MR. WELLS: period of our history and I made the point, Mr. Speaker, that if we could be faulted we should be faulted, not from the point of view of not having done enough, but from the point of view of having done too much, and possibly the only criticism could be that we had spent too much of the public monies on providing services in this Province.

I would like at this time

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to refer, Mr. Speaker, to something which came up today with the petition from the hon. Minister of Social Services from people, from the doctors in his district, concerning the Clarenville Hospital and also to the petition which is underway and which we hear about on the news, which is being got together by the radio station and other interested persons in the Clarenville area.

This petition, Mr. Speaker, concerns that hospital, and I think it proper and right at this time to make clear the position of government on these hospitals, and on that hospital in particular, before the petition comes, although the position will be exactly the same after the petition comes. The situation is, Mr. Speaker, that the government made a commitment to the people of the Clarenville area just as the government made commitments in respect of other hospitals to other areas, and the commitment is, and the commitment was that a hospital would be built there, I myself was Minister of Health and spoke for the government on this matter during the past summer, and I was there in Clarenville, on Clarenville Day, and the hon. Minister of Social Services, who is the member for that district, was there and the Premier was there, and at that time a start was made on site work which was begun on the site and location of that hospital. Monies have been spent on planning and monies are continuing to be spent on planning. So what has really happened is this and only this, Mr. Speaker that the government, because of financial constraints and because of the financial climate that became apparent this Fall, not only apparent from the point of view of the Province but apparent from the point of view of the nation as was made clear this past Fall by the federal government, the Government of Newfoundland had to impose restraints on hospital construction. And the government announced that programme, and the government was very clear in the mini-budget, the budget that took

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place this Fall past, that all hospital capital expenditures in construction would be deferred for a period of at least one year, and that in no sense were any commitments being reneged upon. The hospitals which were committed would go ahead, but there would be a delay of at least one year. Now that is a very firm, clear position of government, Mr. Speaker. It is a position which we are sorry we had to take, and that we regret, and we are sorry, and express our concern and our regret to the people of the Clarenville region and also to the people of other parts of Newfoundland and Labrador. But unfortunately financial considerations beyond our control made it necessary.

Now having taken that position, Mr. Speaker, we cannot now, and we ought not to, and it would be wrong, and it would be a failure of leadership for us to renege on that decision. We know the situation. We are fully informed as to the medical needs. We know the medical needs, and we know the capability to provide medical services which the Province now has and though we have every sympathy, complete sympathy and understanding of the way the people feel in the Clarenville area and in other areas, yet, Mr. Speaker, we have a wider responsibility to the Province as a whole, and to the financial position of the Province, and we cannot, unfortunately, accede to these petitions no matter how much we might wish to, and how much we may want to get these hospitals underway. We can only for this year and the coming financial year, Mr. Speaker, continue with the planning. We cannot start construction. And as I say it gives all of us in the government a great deal of sorrow to have to say this, but our first responsibility is to the Province and all the people in it, and we must get the financial affairs of the Province completely under control and completely in order and, therefore, Mr. Speaker, we cannot proceed with actual construction this year.

MR. WELLS: Something else I want to say, and it came up in the Question Period today and dealt with the question of electricity rates. I do not want to take a simplistic view of this, Mr. Speaker, but I recall some time ago while the House was closed or ajourned I spoke in a programme on television, and I said the very thing really that emerged today under the questioning of the hon. the member from Twillingate (Mr. Smallwood) and the hon. the member from LaPoile of the Minister of Mines and Energy, and that is that the Newfoundland people are going to have to bear the cost of electricity in this Province. There is no one else to bear it. No one else will bear it and no one else can be expected to bear it. And the only choice, Mr. Speaker, is whether we bear it on our light bills directly or whether we bear it partially by our light bills and partially by taxes. Now, as I say, I do not want to be simplistic, but however you cut the cake we have to bear it, and these are the only questions before us as a House of Assembly and before us as a government, as to what proportion is done in taxes and what proportion is done directly on the light bill.

The hon. member brought that out very well in questioning and I think that the answers provided by the Minister of Mines and Energy to the questions make it very clear, Mr. Speaker, that there is a very, very considerable amount of that cost being borne already by the taxpayer in the form of taxes. I believe that taxes are as high in this Province as they ought to go at this time. I do not believe that we can bear - when I say 'we' I mean the people of Newfoundland through the government which is their elected body - I do not believe that we can go further and have a greater proportion or even as great a proportion continue to be borne in the future by the taxpayer directly in his taxes, so that I feel that the position taken by the government and announced today by the Minister of Mines and Energy is a very correct one. It is one that we are all in this Province going to have to live with, because the one fundamental thing is that do what we like we cannot lower the cost of electricity, we can only share it up and we can only make the decision of whether it is paid in the taxes or on the bills.



MR. WELLS: The hon. the Leader of the Opposition when he was speaking in this debate the other day spoke about the question of election expenses. This is something that is of importance to me personally, of importance to the government also. I recall various members of this House either before they were elected or since they have been elected, or in the previous House, speaking about election expenses. We had a very good debate here about two years ago on that subject, and member after member expressed himself very, very clearly on the view, on the question and expressed the view that there is a need for an act to govern election expenses. I happen to feel, Mr. Speaker, that it should be from both aspects, one, the collection point of view but also the limitation of expenses themselves. I think that is more important almost than the collection aspect of it. I have taken the trouble to find out what they do -

MR. SMALLWOOD: The reason they have to collect is that they are spending.

MR. WELLS: That is right. You see if the spending of election monies is not controlled, Mr. Speaker, then one candidate will try to outdo another. If the hon. the member and I are contesting a district, you know, we are both going to fight as hard as we can. An individual candidate when he is contesting a district may feel perhaps that balloons and buttons are not necessary, but if his opponent is using them in fairness he dare not, he dare not ignore the position, he dare not himself ignore his right to use them and so it goes on and on. So if your opponent is on television, you feel you have to get on television and so it goes and it escalates. It is like the nuclear thing, on and on it goes, upwards. There I think -

MR. HICKMAN: Then you have a holocaust.

MR. WELLS: Well, exactly. There I think we ought to do something that is done in England, and other members may be more familiar than I am perhaps with the way it is approached, but I am told, Mr. Speaker, that there are very, very strict and stringent limitations

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put in England on what a candidate can spend, and how much this candidate can spend on television; how much he can spend in his constituency or his proposed constituency; how much we can spend overall. So, therefore, if he happens -

MR. SMALLWOOD: The last time it was set severally.

MR. WELLS: Yes, so much severally, per elector, yes. So that no matter if the candidate happens to be a multi-millionaire or a poor man, or whether he is getting his funds from influential or wealthy friends or just simply from the party, it does not matter. One candidate is not given an unfair advantage over another, and I suspect the voters themselves, the electors in the districts, have not got to go through what it appears that we in Canada and the United States in the past have put them through in that they are deluged. And I know when you are a candidate yourself, you do not get a chance to see much television, because you are out campaigning. But I remember before I was active in politics, and was a spectator, an elector, you would get sick of turning on the television because there was another election broadcast. And how many people have I heard say that this is driving us crazy, and there ought to be a limit put on it. And I believe that in our consideration, which will come before this House, I hope that we will be able to have an act ready in this session, a draft bill for consideration of the Legislature. Maybe we will not this year, but if not then I suggest at the latest next year that an act will come before this House for consideration. And I hope and express the view, Mr. Speaker, that it will have limitations on spending as one of its principal components, and also then, of course, limitations on the question of collection by individual candidates and something to do with the overall amount which he can spend and which the party can spend. And I believe if we approach it in that way, and only that way, will justice be done to the public. Because I think with communications being as sophisticated as they are now, and with the opportunities to spend money so omnipresent as they are now, if we do not control it

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there will be no end to it, and we will escalate up, up and up until we turn the democratic process into a farce. So I, myself, am an exponent of the view that there ought to be an act in this Province, and this government, I have no hesitation in saying, is of the same view. And as quickly as we can get a worth-while act before this House for its consideration, Mr. Speaker, that we will do.

Now one service area of which I spoke the other day - I spoke something about labour relations in the public sector - I did not refer to labour relations overall. But I think that in the past four years the record of this government in labour relations matters, Mr. Speaker, has been very, very good, and I am thinking of labour relations now in the private sector, which is essentially the provision of assistance to businesses, to labour and management in the private sector to sort out labour difficulties. And I would like at this time, Mr. Speaker, to pay a tribute to my colleague the Minister of Manpower and Industrial Relations who has occupied that very difficult and demanding portfolio for most of the past four years. The hon. Minister of Forestry and Agriculture occupied it with distinction also for a time, but I do not think he was in the portfolio as long altogether as the present minister, the member for St. Barbe South (Mr. Maynard). And I think the minister has done a superb job. He is a man who does not panic, who does not rush off making wild and woolly statements. He is a man who takes the thing quietly and calmly, as it should be handled, and I think his record - when I say his record, by implication also the record of the government in handling and managing labour disputes - has been excellent

MR. WELLS: and I think it is something that we can all be justly proud of, and I think that the record of the government stands and stands high and well in this area of labour relations, Mr. Speaker, over the past four years and I have every hope and expectation that it will continue in the coming years in the same fashion.

Incidentally, I do not know if other hon.

members notice it. It is a new experience the storm gives one, I suppose, as any natural phenomenon, new experiences, but it is a rather new experience to speak in a House in which the galleries are, you know, have very few people in them and when the House itself is rather low in numbers and it is an interesting experience because the mood of the House is quite different than when the galleries are crowded and when the benches themselves are crowded, a rather interesting experience to speak and the hon. member for Twillingate (Mr. Smallwood), I understand, is going to follow me in this debate. I do not know if the hon. member has had the experience before, perhaps he has, of speaking in a House in which there are very few numbers and when you get the feeling from the newspapers or the radio before you come in here that virtually everything in the town is closed down and you can get the feeling that perhaps the House is the only institution that might be open this afternoon. Anyway that is a digression. But the gist of my remarks to this point have been that in the social areas we have as a government, and this is a non-confidence motion and this is why I emphasize this again, that we have made more strides and greater strides I think than have ever been done before in the Province of Newfoundland either since it has become a Province or before when it was a separate country and a self-governing dominion. And if we can be faulted it is only in the area of spending too much, because I think all of us who make up this government and its supporters on this side of the House were people who came into politics with a view and with a feeling that they wanted to do something to alleviate and to help the lot of the ordinary Newfoundlander living in this Province and that we have done, Mr. Speaker, and that we have done in good measure, and, as I say, whatever

MR. WELLS: criticism can be levelled against us it is not the criticism that we are cold, heartless, unthinking, uncaring about the ordinary person living in this Province.

Now this Province is such today, Mr. Speaker, that in every area of government there is greater and greater demand for government to enter into economic and financial matters, but particularly economic matters as they affect all the people of the Province and I think we are going to see more of this. I think it is the age in which we live that government will be asked to take a hand in every area of economic life and I think we have an example today. The Minister of Industrial and Rural Development made a statement in which government again has taken a hand in the economic sector in response to the demands of many people and in industry, namely the sawmilling industry. It has taken a hand to alter the free flow of market forces, to take a hand to engineer the economy.

Now in the sawmilling industry and the thing that was announced today, the policy, is a very small way, I think, it is a way that will prove beneficial and good but I use it, Mr. Speaker, as an example of economic engineering which we do in the Province of Newfoundland in a relatively small way, but which is done in the Dominion of Canada, in the United States of America, in England, in most countries of the Western world in a much larger way, is done in a financial way, of course, by the Dominion of Canada, by the country of Canada in a much larger way, and if you take it to the ultimate, Mr. Speaker, is done by the countries of Eastern Europe, Russia, China, in the ultimate way by complete control. So that capitalism and communism now, Mr. Speaker, in the sense of economic policies do not seem to be two diametrically opposed forces, one end of the spectrum to the other, but rather a gradation from supreme control, as in the case of the Soviet system, down all the way to a relatively lesser, a very great deal lesser control, say, as we find in the United States where I feel that the economy is controlled to a lesser extent even than it is in Canada.

MR. WELLS: So there is the position and even the government of a small province of a relatively small country--and I speak of Canada as a small country in terms of population, not size--but even a small province in a small country, Mr. Speaker, is required by the exigencies of the time in which we live to take apart in this economic engineering which I will call it for want of a better terminology.

Now how have we done, Mr. Speaker? What is this government's record in this economic engineering? We faced certain problems and I think we have to refer in some sense to

MR. WELLS: the Labrador Linerboard. There was a case where we became involved in an economic problem in an industry which had been started in this Province before we came into office. We found, Mr. Speaker, when we came into office, an industry which had been started, which had not been completed - the plant had not been completed but a considerable amount of public monies had been invested, something - I am speaking from memory now - but I believe it was somewhere in the area of \$140 million or \$150 million.

Somewhere -

MR. SMALLWOOD: Public money?

MR. WELLS: Yes, public money, I believe, had gone into the Labrador Linerboard. I stand to be corrected. I remember the debate very clearly but I cannot remember the figure. Or was it \$68 million? It was a substantial sum of public money.

MR. PECKFORD: Subsidy.

MR. WELLS: No, what had gone into the Labrador Linerboard when we took it over, when the government took it over.

MR. PECKFORD: I thought it was \$160 million.

MR. WELLS: \$160 million, the hon. member says. I know it was well over \$100 million. My memory or recollection was \$140 million or \$150 millions. The hon. member says \$160 millions.

MR. SMALLWOOD: Of public money?

MR. WELLS: Of public money, yes. That is my recollection. I can check it for the hon. member in the Linerboard debate.

MR. SMALLWOOD: There was money put in by ten banks in England and Scotland headed by - one of the banks - and guaranteed by E.C.G.D.

MR. ROBERTS: The Lazard group.

MR. SMALLWOOD: Yes, the Lazard Brothers.

MR. WELLS: Yes, Lazard Brothers. But there was substantial monies that had gone in from the Province of Newfoundland, and more interesting and more significant was that demands were being made every day at that point for further government involvement and assistance. We took over, the government took that Linerboard mill at Stephenville because we had the choice, the government had

MR. WELLS: the choice at that time, Mr. Speaker, of either walking away from it, forgetting it - because apparently it could not continue to completion - and let what happen may happen, which would have meant, presumably, the scrapping of what was already built there - so it appeared at that stage - or taking it over and carrying it on and finishing it.

We did the latter. Maybe we can be criticized for that, Mr. Speaker, but although considerable and substantial public monies have gone into that mill, and I suggest will go into it to keep it open, yet by this economic engineering at least a good many jobs in the Goose Bay area have been preserved, a good many jobs in the Stephenville area have been preserved, a good many jobs, I suspect, in my hon. friend's district of Green Bay, you know, have been preserved. So there again is an example of the use of public funds, which, costly though it may be, at least preserve jobs and keep economic activity at a reasonable level in certain parts of the Province.

The government also, Mr. Speaker, had to take a stand on offshore oil and gas. Now I think the indications, and I do not want to sound too optimistic, but all the information that is available to us and available to the public much of it also, would seem to indicate that there is a very strong and a very good possibility of offshore oil and gas being discovered in commercial quantities. Now it has been discovered. We know that there is an excellent sign, particularly on the Labrador Shelf, but the hope is, and this has not been finally proven and determined as yet, but the hope is that it is there in sufficient quantities to be economically viable; in other words, to be got ashore, to be got out of it on a paying basis. This raises very interesting questions between the stand of the federal government and the stand of the Province.

The federal government, as we know, before this government took office, let out vast areas of the Continental Shelf of Canada, which by definition includes the Continental Shelf of Newfoundland, vast areas, I suggest, in a very - the word that keeps coming to my



MR. WELLS: mind as I stand here is - slack fashion. They charged very little, they gave long-term concessions with nothing of the concern that other countries, particularly European countries, have received giving permits to explore. And the Government of Newfoundland gave concurrent permits also to exploration companies. This whole matter has not been resolved and we take the position, and I believe, Mr. Speaker, it is a position supported by the vast majority of people in this Province, the position that the Province, that this Province for historical and other reasons should have the primary right to control these resources. It is not that we expect 100 per cent of the revenue that is generated or

MR. WELLS:

will be generated if commercial quantities are found, but rather that we would have the substantial part of the revenue or a substantial part of the revenue. But further than that, Mr. Speaker, that we should have the right to control for the benefit, not only of the Province, but of the country as well, to control exploration to provide safeguards, and if it gets to the point of actual extraction for commercial purposes, that we should have the right to control the extraction as well to make sure that safety standards are met and environmental standards are met and every other standard, and also taxation standards are met, revenue standards are met.

Now, I believe myself, and I would myself and this government also would like to see that this be worked out and this be arranged by what is called, I think, a political settlement. In other words, to put it simply, by agreement between the Province and the country, Canada, in which we live. I still hope, Mr. Speaker, that it can come about, that that kind of settlement can be reached. I would feel it very unfortunate and very sad if there cannot be the sort of accommodation that is necessary for that kind of settlement, rather than having the matter coldly submitted to a court and then have to take the result of the court, whatever it is.

MR. SMALLWOOD: What are the present prospects of such an arrangement?

MR. WELLS: Well, negotiations are still going on and talks.

MR. SMALLWOOD: Four years?

MR. WELLS: Yes, it is true, but again -

MR. SMALLWOOD: And before that, for four years.

MR. WELLS: And before that.

MR. SMALLWOOD: Eight years.

MR. WELLS: Eight years they have been going on. But again I suppose there is no more important question to this Province and important, of course, to the federal government as well. I think there is an explanation and a factor why the negotiations have been going on so long without being resolved. That is that it has not been

MR. WELLS:

commercially proven yet whether or not there are commercial quantities of oil and gas there. I think once the stage is reached when the proof has been supplied, if it is to be supplied, Mr. Speaker, then I believe that the pressure would immediately come on both parties to the dispute to get at it. In other words, there would be great pressure exerted by the presence of a commercially proven find. I believe and I hope that agreement could be reached.

But if there is one thing I have some experience of in life, Mr. Speaker, it is the workings of the courts. I would say, and I say without fear of contradiction, that to submit matters to the arbitration of courts is the last resort. When things can be negotiated, I think it is a French proverb or a French saying - what is it? - a bad settlement is better than a good lawsuit. All I can say, Mr. Speaker, is that I guess it is eighteen years of day-to-day experience in the courts that have confirmed for me personally that view. This is why I would wish and hope very much that a settlement can be arrived at between the Province of Newfoundland and the government of Canada, and I hope and believe that it will.

But to come back to our position as a government in that regard, Mr. Speaker, I believe we have taken the right position and I believe we are proceeding with a good and a sound position and I think our stand on that has been right.

I want to say a word about Come By Chance. It may be that the matter is already over in the court, in the Supreme Court down here, the bankruptcy matter. I do not know. Perhaps we will learn later today. But I want to say - and I think this is curious phenomenon - but the impression one gets when an insolvency such as this occurs, the impression one gets is that somehow it is the fault of the government. I think this is very much a phenomenon of our times, that somehow the government is to blame or at fault. This is astonishing, Mr. Speaker. We have never, certainly we have never suggested - and God knows, why would we - that this is our fault.

MR. WELLS:

I cannot see how it can be our fault just as I cannot see how it can be the fault of the previous administration headed by the hon. gentleman from Twillingate (Mr. Smallwood). The industry was put there. It was put there with \$35 million assistance, at the time, from the government of Newfoundland.

AN HON. MEMBER: Thirty.

MP. WELLS: Was it thirty? Yes, it was thirty.

AN HON. MEMBER: With the interest.

MR. WELLS: That is right and the interest. Now with interest charges it is forty-one. Well that was fine. It was put there. Once the decisions were taken to put it there it was put there then by a private corporation, and it was built by a worldwide and well-known company, Universal Oils, UOP, through their subsidiary Procon. It was done, as far as we knew and as everybody knew, with the proper technical advice and skill and expertise. It was financed by EOCN which is an arm or an organ of the British Government. And there was other financing. When it was put there, Mr. Speaker, I am sure that every person in Newfoundland and Labrador wanted that to succeed. I was not in politics -

MR. SMALLWOOD: Not everyone.

MP. WELLS: No, perhaps not every person,

MR. WELLS: but most persons in this Province wanted it to succeed. I remember myself thinking about it and I was not in politics at the time, perhaps I had it in my mind to enter, but at any rate I remember thinking about it and I thought to myself, well look, as long as the environment is protected, as long as Placentia Bay and our coastline is not destroyed by oil, here, you know, we would be coming to some extent a manufacturing country, oil would be brought from the Middle East or Venezuela, wherever it was coming from, it would be processed here in Newfoundland and it would be sold, and I think the objective was at that time to sell it in the US. I believe that was the whole underpinning of the scheme that it should be sold in the US market. Well I thought to myself, and I am sure thousands of other Newfoundlanders did also, could we wish for more really than to see raw materials brought into this Province, processed here and sold elsewhere, because this was something different from what had ever happened in Newfoundland before to my knowledge and in my reading, because always we bemoaned our lot that we were hewers of wood and drawers of water, we took our raw materials out of the ground or off the earth or out of the sea and they were sent off to be processed elsewhere, and we lost employment by it.

And here was something that reversed that trend and something which I am sure most people in Newfoundland hoped would succeed. Now the factors which brought about and have brought about the closure of that industry are factors, and I think we should say this, are factors beyond the control of this government and beyond the control of any government, or whatever party or political stripe that could conceivably be present here and governing Newfoundland, factors completely beyond that control. They had to do with the price of crude oil, beyond our control. They had to do with regulations of the export of oil from Canada and the import of oil products into the United States, completely beyond our control as a Province. So that these are the factors. They had to do with the management of a company which although incorporated in Newfoundland is controlled by an American company incorporated in New York State, as I understand it.

MR. WELLS: All these factors - the management, the price of crude, the price of refined products, the price of tankers, the price that oil can be sold for in the US and elsewhere, the world price - all these factors, Mr. Speaker, completely beyond the control of Newfoundland and the people living in Newfoundland. So I do not want to hear it said, Mr. Speaker, that in any sense the insolvency or the bankruptcy, if it turns out that way, of that company and that refinery is any fault of the Government of Newfoundland or the previous government or a government which may follow, because it is not and I think we should make that point and I would expect every member of this hon. House to make that point clearly to the people of Newfoundland. The people of Newfoundland, Mr. Speaker, get a deluge of things as people do everywhere today from press and radio, from politicians, from forces and people inside and outside the Province, so if we cannot agree on anything else can we not, Mr. Speaker, for the sake of sanity in the approach to this problem of the refinery, cannot we not all agree that whatever it is it is not the fault of any government of Newfoundland? So what is our position? What is our stance? What can we do? If that refinery is found to be bankrupt by our courts then the trustee in bankruptcy, whomever he is or whomever he may be, will have to proceed according to the bankruptcy laws of Canada and I presume, Mr. Speaker, he will have to offer the refinery for sale, and I hope that if that happens, I hope that someone buys it, I hope someone buys it at the best possible price that will pay off some of the, if not all of the secured creditors, and I hope that some money will be available for the unsecured creditors although from the size of the figures mentioned I doubt if that is likely.

But I do not want to hear anybody suggest anywhere along through the piece, Mr. Speaker, whatever happens, that there was some way that the Government of Newfoundland can put money into this and keep it open, or something like that, because that would be totally and completely and utterly beyond every possibility

Mr. Wells.

because our resources, Mr. Speaker, are stretched to the limit to provide the public services for Newfoundland that we are providing, and to provide the small help for industry that this Province can afford, help for the sawmilling industry, help for the fishing industry, help for whatever, for agriculture and the fisheries, and the various things that we help industry for. So let nobody suggest ever, I hope, because, as I say, we want in this Province, as much as anything else, we want common sense and sanity in our public affairs, so I hope in this House we can all agree that the Government of Newfoundland cannot underwrite this. When the refinery was closed by the receiver, it was losing, we are told, something of the order of \$10 million to \$12 a month.

MR. ROBERTS: Has anybody suggested that the government underwrite it?

MR. WELLS: No, not in this House, but I have heard it.

MR. ROBERTS: Heard it outside the House.

MR. WELLS: Yes, I have heard it. I heard it myself on television.

And this is the sort of senseless and irresponsible statement that can be made, and I feel that this House has a duty to make it clear. You see people nowadays, as we know, expect everything from government, as I have said, and as many more have said. It is for people who do not understand the complexities of a thing like this - and I do not pretend to understand all the complexities. I understand some of them - but, you know, it is very easy for people to think that somehow government could take this over and underwrite the thing and run it. This is the sort of thing that we should discourage, the kind of thinking we should discourage rather than encourage in Newfoundland. Because this government is as deeply involved in industrial and commercial processes, I feel, as it can possibly be. And I think the quickest road for bankruptcy of this government is to go too far in to the commercial and economic field. We have limited resources, limited financial resources. We have to be very careful that we keep the current account position

Mr. Wells.

proper so that we can borrow in the capital markets, and we cannot afford - and I think this should be made clear to our people. Members in this House I am sure know it, it should be made clear to our people - that we cannot go into vast financial undertakings which are beyond our capacity. So on the refinery I think our position must be one where we will do everything to assist in a buyer being found, if that is the way it goes, but that certainly we cannot be expected ourselves, as a government, on behalf of the people of Newfoundland, to underwrite the cost of keeping that thing open.

Mr. Speaker, in other areas, in the woodlands areas, in the fishing areas -

MR. NEARY: Are you still on your feet?

MR. WELLS: Indeed I am still on my feet, and I would suggest that it is most uncalled for, for the hon. member for LaPoile (Mr. Neary) to suggest that I ought not to be on my feet.

MR. SMALLWOOD: It is not like him to suggest it.

MR. WELLS: What?

MR. SMALLWOOD: It is not right for him -

MR. ROBERTS: I still say that the hon. gentleman is still on top.

MR. NEARY: We do not have a quorum but we are not going to call for one.

MR. ROBERTS: Your own crowd do not want to hear you.

MR. WELLS: My own crowd are out having a cigarette, listening with bated breath on the intercom.

MR. NEARY: No, I was just in there and had a coffee with them, and I can tell you they are not listening.

MR. WELLS: Not listening? Well the hon. gentleman will not be treated to coffee in our common room again.

MR. NEARY: They are talking about the next election.



MR. WELLS: Talking about the next election? I guess what has happened, Mr. Speaker, I have so suffused them with confidence that already they would love to go to the polls again, a month from now, two months from now, they would love to go the polls, love to demonstrate again and do again the victory which we did so -

SOME HON. MEMBERS: Oh, oh!

MR. WELLS: That is right.

SOME HON. MEMBERS: Oh, oh!

MR. WELLS: Oh, yes, they were here earlier, but once I started to speak and got going they rushed out, full of confidence and if it was not so snowy out they would be down asking the Premier to dissolve the House, that we should go once again to the polls.

MR. ROBERTS: Actually they are investigating a provincial senate and they all want to get appointed.

MR. WELLS: God forbid! I do not know what it was like when we had an Upper House. It was before I was born. There is

Mr. Wells:

a word that is used often by the media "to politicize". I do not like the word. I do not know if there is such a word.

MR. ROBERTS: It is used but it is bad.

MR. WELLS: It is bad, you know, but it is a word that is used. All I can say, Mr. Speaker, is that to use that word, which I do not like for the moment, that Newfoundland is so heavily politicized that, God forbid! We should ever have an Upper House, I do not think I, for one, could take it.

MR. ROBERTS: A lower House is bad enough.

MR. WELLS: Yes. But to have another House on top of this I think would be too much altogether.

MR. SMALLWOOD: Anyhow if you do not have an Upper House, one thing will be for sure, it cannot get any lower.

MR. WELLS: I have thought that. I have thought that at times. It is unfortunate. It is unfortunate. I think we have a duty though as individuals to try and raise the tenor and the tone of this House. It is something -

MR. NEARY: Starting now.

MR. WELLS: Well - no, the hon. member can say all sorts of things about me if he wishes,

AN HON. MEMBER: No, no! I am not saying anything.

MR. WELLS: but I do not think he can say that since I have been a member of this House I have ever done or said anything that would lower the tone. I do not think so.

SOME HON. MEMBER: The hon. member from LaPoile was not being serious.

MR. NEARY: ... what he said yesterday.

MR. WELLS: No, I may not always agree with the hon. member but to me, in my own humble way, this House is important, and I am proud to be a member of it, and -

MR. ROBERTS: I did hear the hon. gentleman set out to release the word humble. Nobody would consider that appropriate then, Sir.

MR. WELLS: Oh, I think that is most unfair.

MR. ROBERTS: The hon. gentleman is protesting too much.

MR. WELLS: No, no, no.

MR. ROBERTS: He is very like Yon Casius. He hath a lean and hungry look.

MR. WELLS: No, no, no, the hon. member - the hon. member may be lean this last couple of years.

MR. ROBERTS: And hungry.

MR. WELLS: No, no, no, he is not hungry. He is not -

AN HON. MEMBER: A lean and hungry look.

MR. WELLS: No, no, no, not me. Lean for the purposes of good health, but not hungry. Not hungry.

MR. ROBERTS: Now, Yon Casius.

MR. WELLS: No, no, no!

MR. NEARY: He is only carrying on.

MR. WELLS: Ah! Ah! I am warned. I am warned.

MR. CROSBIE: I have lost a few pounds myself.

MR. WELLS: To get back to what I am saying -

MR. ROBERTS: The hon. gentleman has a point.

MR. WELLS: Yes. To get back to what - no, I am going to visit my - what I am going to do now, I am going to sit down shortly and finish -

MR. NEARY: Let the old professor get going.

MR. WELLS: I am going to let - I am going to let the hon. member - I asked the hon. member from Twillingate (Mr. Smallwood) earlier, but he was absorbed in some papers on his desk. If the hon. member had spoken to a House - see the House has moods as even in my short years have determined. This afternoon is a mood when hon. members are not sure whether they really should be here or should be out fighting the snowdrifts and trying to get home.

MR. ROBERTS: We could always leave early.

MR. WELLS: That is right. And so it sets an entirely different tone and mood. You know, the hon. member for Twillingate a brilliant speaker, and I so enjoy listening to him. I am going to be interested when I sit down in a moment to see if the hon. member for Twillingate, if he does, in fact, stand up to speak will be able to handle the situation,

Mr. Wells:

and I am sure he will be able to handle it, but to speak to the House with quite the same fire that he does to a full House and to full galleries, it is quite a different thing. There is no question about it. I think it imposes rather a strain on a member.

MR. SMALLWOOD: Where two or three are gathered.

MR. DOODY: In my name.

MR. WELLS: Well, well, I see. I do say yes, I agree, I am the same way myself. And the hon. member for LaPoile notwithstanding.

MR. NEARY: What was that again?

MR. WELLS: The hon. member misses the odd pearl that is cast, you see, by reading the newspaper. I know the hon. member is just reading up on what I said yesterday, but that is history. It is more important for the hon. member to grasp what I say today.

MR. ROBERTS: The hon. gentleman is his own best audience.

MR. WELLS: What is that?

MR. ROBERTS: What the hon. gentleman from Kilbride is saying, when he is saying it, he is his own best audience.

MR. WELLS: No, no, no! No that is not so at all. I was urging the hon. member from LaPoile to listen also, so that he can -

MR. SMALLWOOD: And Twillingate.

MR. WELLS: And Twillingate.

Mr. Speaker, to stop the levity and to bring my remarks to a close, I would say this: That I feel in this non-confidence motion that I am speaking to, I feel that the record of this government, granting the times in which we have lived in the past four years and are facing now, that the record is good. We may have made mistakes, errors of judgement which all governments will make as long as there are governments, but our record, I think, is good. I believe we have a duty in these times, Mr. Speaker, to tell the people of Newfoundland how it is, how their finances are. We have a duty, I think, to bring this Province to a state of reality. I think we are going to be unpopular doing this. I think we are going to be unpopular telling the truth about how far we can go in capital account expenditures, how far we can go in current account expenditures.

MR. WELLS:

The government cannot get into everything and rectify it, that we live in a harsh world with economic laws that originate beyond our boundaries and that we cannot rectify every wrong and put everything right and supply public dollars to correct everything, to ease every burden. I think we have a duty to tell the people of Newfoundland that. I think we have done a good job, Mr. Speaker. With all our faults and with all our shortcomings, I think we have done a good job. I believe, and I say this, I believe we have done and are doing a better job than the hon. members opposite would have done had they been elected and not us to form the government this past Fall. The people of Newfoundland, as I say with all our faults, watched us for four years, for three and a half years, whatever it was, and they made a judgment and I believe and I have the confidence to believe that they made a right judgment, and that we will do our part to bring this Province to a better future. I am not one of those, as the hon. the Leader of the Opposition said, he said a tired old government - What was that?

MR. ROBERTS: Extinct volcanoes.

MR. WELLS: Extinct volcanoes - poetic phrase, Mr. Speaker.

MR. ROBERTS: Not even original.

MR. WELLS: No. But I do not consider myself an extinct volcano. It may be hard to engage in a fiery debate this afternoon, even though it is only two or three gathered together. But I would debate the issues of this Province in this House and anywhere in this Province or abroad and beyond its confines with any member or with anyone. We are not extinct, Mr. Speaker, and we are not tired. We have not lost the will to govern, and the will to lead, and the will to provide good government for this Province. We will go on to do that. Therefore, Mr. Speaker, my colleagues and I on this side of the House will vote against this amendment, because we believe that in these most difficult times we are providing sound government and leadership, and we expect that in difficult times we will be unpopular because of some of the decisions that we have to take. But we believe and

MR. WELLS:

know, Mr. Speaker, that these decisions will be for the good of this Province, not just now but in the years to come. That, Mr. Speaker, is more important than winning quick popularity for the moment. So, Mr. Speaker, I will vote against the amendment which the hon. gentleman has put.

SOME HON. MEMBERS: Hear, hear!

MR. SMALLWOOD: Mr. Speaker, the amendment is what is now being debated, not the original motion. The motion is the usual one, the ordinary one that we thank Your Honour for the gracious speech with which you opened the present session of the House. To that the Leader of the official Opposition has moved an amendment by striking out all the words in the motion after the word 'that' and replacing the stricken words with the following: "That this House reaffirms its faith in the future of Newfoundland and Labrador and calls upon the ministry to present to the House and to the people of Newfoundland and Labrador a detailed and specific outline of their goals for the development of this Province and the means by which they plan to achieve them." We in this group are going to support that amendment. Indeed we are quite pleased that this amendment has been brought in. How could we fail to support it and vote for it sitting on this side of the House? I would say that even hon. members that normally support the government, members sitting on that side of the House, might very well feel like voting for this amendment but for the fact, of course, that it is a non-confidence motion. If this amendment were to carry, the hon. the Premier would have no choice but to go down immediately to Government House and tender his resignation. Automatically the resignation of a Premier carries with it the resignation of his administration of the ministry. Then the Lieutenant-Governor would be faced with a problem. The Queen's Government must be carried on and his first duty is to find a government that will carry on and will vote supply, vote money to the Queen to carry on the public services. The Queen does not indeed personally carry on the public services. Her ministers do it for it so long as her ministers have the continuing confidence of this House, which means really the confidence of a majority of this House. Well, this motion says

MR. SMALLWOOD:

that the government lacks the confidence of this House, of a majority of the members of the House. Now, so far as it goes the amendment is all right, I feel. The trouble with it is that it just does not go far enough. It is very one-sided. That just is not good enough. I intend a little later in this debate to move an amendment to the amendment, that is to say to move a sub-amendment in an effort to strengthen the amendment, to give it more meaning and to give it more balance, make it less one-sided than it is.

Now I followed carefully and with great interest the speech, the able speech of the Leader of the Opposition. I found myself in agreement with much, not all, but much of what he said. However there is one quite unexpected, one very surprising statement that he made in his fine speech. I wrote it down so that I would remember it accurately. His precise words were, "The Province must reject the big industry syndrome." His precise words were those, namely, "The Province must reject the big industry syndrome." Mr. Speaker, "the big industry syndrome," the big industry. Well, the biggest industry we had in all our history up to its coming, the biggest industry in 400 years was the railway, the building of the railway across the Island, and that was big.

Then eight or ten years later we got Grand Falls, a very big industry. Then twelve or fourteen years later again we got Corner Brook, long after that, for many years after, the biggest industry of its kind in North America, probably the biggest industry of its kind in the world. Those were three truly big industries in Newfoundland, the biggest in all our history up to then. The Right Honourable Sir William Whiteway was the father of the railway. The Right Honourable Sir Robert Bond was the father of Grand Falls. The Right Honourable Sir Richard Squires was the father of Corner Brook. Those three men, Whiteway, Bond and Squires were the leaders of the Liberal Party of Newfoundland covering a period of more than forty years. I wonder did the spirits of those three Liberal leaders hang their heads

MR. SMALLWOOD: as the Leader of the present official Liberal Opposition laid down the new Liberal philosophy?

MR. NEARY: And their portraits hanging in this House!

MR. SMALLWOOD: Did they feel unworthy, just a little ashamed? Did they perhaps begin to doubt their credentials as true Liberals Whiteway, Bond and Squires? And for myself, I wondered if I should not apologize for Bay d'Espoir and Churchill Falls and Labrador City and the City of Wabush; if I should not apologize for Tilt Cove, and Baie Verte and the Whalesback and Holyrood and Come By Chance and Stephenville and Marystown and Humbermouth and a few dozen others. I wondered whether I should not be offering my apology until, Mr. Speaker, I began to reflect on what Newfoundland's condition would be now, today, without all those industries beginning with the railway, those industries that in the aggregate now give jobs, are now presently giving jobs to at least 30,000 Newfoundlanders directly, and another 80,000 Newfoundlanders indirectly in our Province today, they being of course the multiplier jobs, some 110,000 Newfoundlanders right now earning around \$1 billion, that if \$1,000 million a year between them. Then remembering that, instead of giving in to the temptation to apologize I managed to recover some at least of my self confidence and a little of my self respect and the feeling once again that perhaps I may truly be considered to be in the Liberal tradition after all.

One of those industries that I just listed was Come By Chance. May I say one special word about Come By Chance? The House is to debate Come By Chance pretty thoroughly, I imagine, and I will hope to have my part in that debate. It may or may not, as the hon. minister just said, be bankrupt. It may or may not -

MR. CROSBIE: The Court has handed down its judgement.

MR. WELLS: The Court has given judgement as I understand.

MR. SMALLWOOD: The judgement has been given?

MR. WELLS: Yes.

MR. SMALLWOOD: And it is bankrupt.

MR. WELLS: Yes.



MR. SMALLWOOD: Well the note I had made is that it may or may not be bankrupt, it may or may not be declared to be bankrupt. In any case it is in dire trouble and Newfoundland is saddened by these events.

But, Sir, all is not lost. This is not a last final disaster that confronts us today at Come By Chance, for Come By Chance is one of the world's great refineries, one of the big ones, one of the very advanced, very

MR. SMALLWOOD:

sophisticated oil refineries, one of the most scientific because one of the newest oil refineries in the world. It is built at one of the best locations in the world for an oil refinery. It is situated at the head of one of the great deep water bays of the world. Now it is true that this magnificent refinery is still not working perfectly in its every part, especially in its most important and valuable part for the production of high priced products. But that is only a detail, a most important and most unfortunate detail, a very expensive detail indeed, but in the long run only a detail. For that detail will disappear and the refinery will function and will make big profits for its owners whoever they may be, whoever they may become. The big pulp and paper mill built at Corner Brook quickly became the biggest integrated newsprint pulp and paper mill in the world. But do hon. members realize that Bowaters, their present owners, are the third outfit, the third company to own Corner Brook. The first owners were Newfoundland Power and Paper Company made up largely of the Sir W.G. Armstrong Whitworth Company in England and the Reid family in Newfoundland and a few others. The second owners were the great International Power and Paper Company of New York; Bowaters becoming the third owners when they bought it from International. Why did it have a second and subsequently a third owner? Because, Sir, and I remember it so vividly, the first company, the Newfoundland Power and Paper Company, did not succeed in earning enough money to pay the interest as it fell due on the bonds. As the Newfoundland Government had guaranteed those very bonds, principal and interest, the company not being able to pay the interest were about to send the bill to the government. It was a bad moment for the government, one of the worst in our modern Newfoundland history, for the government just did not have the money to pay that half-yearly instalment of interest let alone the next succeeding bills to fall due every half year thereafter.

The problem was however temporarily solved in a most interesting if primitive fashion, the pitprop deal under which the government sold a large volume of pitprops in England and used the proceeds to pay that first instalment of interest. It was nip and tuck. They barely made it.

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MR. SMALLWOOD:

Before more trouble came the new owners, International, had taken over the mill. So perhaps it may be said that Newfoundland would be fortunate if only two owners were needed to make the big refinery the success that was inherent in the project from the beginning. Nobody downgrades the great Corner Brook mill today because it had to have three different owners in succession. The vast majority of Newfoundlanders now living will live long enough to be under the necessity of having it explained to them - not that they will be greatly interested in hearing the explanation, younger people in Newfoundland explained - at the vast

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and successful oil refinery at Come By Chance ran into serious technical, mechanical troubles and therefore, of course, financial troubles in its very second year of operation under its first owners. Big industry syndrome, how are you! I wish to God, and the people wish to God that we had a lot more big industry than we have -

AN HON. MEMBER: Hear, hear!

MP. SMALLWOOD: - to offer job opportunities to the tens of thousands of young Newfoundlanders pouring out of the university, out of the technical college, out of the fisheries college and out of seventeen magnificent trade schools! Of course, Sir, when I speak thus of big industry in Newfoundland it does not mean that we should not have a lot of small industry too. What we need is big industry. What we need is medium industry. What we need is small industry. What we need is little industry. What we need is tiny industry. But always remembering, always remembering that the best customers that small or even tiny industry can have are well paid Newfoundlanders in the big industries at Grand Falls and Buchans and Corner Brook and Marystown and Labrador City and the City of Wabush and Stephenville and Come By Chance and all the others.

The best thing you can do for small industries is to provide customers for them. The best way you can provide customers is to establish big industry where the men at Come By Chance making an average of \$14,000 a year can be excellent customers for all kinds of small industries. Big industry, you see, creates thousands, tens of thousands of multiplier jobs.

Now, the first time I mentioned that in this House I was Premier. I sat over there and there was an audible laugh at my term, multiplier jobs, because the term was not known, it was not a familiar term to most hon. members and so it sounded humorous to them. They were not aware that all around the world economists, public men are deeply and profoundly interested in that aspect of industry, the multiplier jobs.

Every economic study that I had made of this or that or the

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other possible industry in Newfoundland, every cost benefit study I had made, that is every study showing what it would cost the treasury to have such an industry and what the treasury would get back from that industry that it would not get and could not get if the industry were not started, the cost-benefit relationship, in all those studies you would count up of course the number of men who would probably have jobs. You would count up the probable amount of their wages. You would count up the number of them who might be on relief if they did not have those jobs, and what you would therefore save to the treasury on welfare. You would count up what they would spend, those men, in the industry about to start, what they would spend, how much sales tax they would contribute to the government on their expenditures, how much on the

MR. SMALLWOOD: average they would drink, what profit the Treasury would get through the Liquor Board on the purchases by the workers and their families, all that is on the benefit side. Then you would make an estimate of the numbers of jobs that would be created as multiplier jobs, taxi drivers and bus drivers and motor mechanics and doctors and lawyers and teachers and hotel and motel and restaurant and snack bar and tavern workers, and bank clerks and office workers and stenographers and shop clerks and beauty parlour workers and barbers and dentists, nurses, yes, and farmers and carpenters and sawmill operators and house builders and electricians and plumbers and dozens and scores of other kinds of jobs, so that one way to get small industry, even tiny industry employing two or three or four persons, one way to get ancillary industries that do not require the building of new towns, that do not require the building of new schools, that do not require any additional expenditure because the jobs would be going to people who already have their own homes, have their schools, have their churches, have their lodges, have everything more or less they need, but would be getting new income, income from something or other flowing out of one of the larger new industries.

So I have always through my life been wonderfully keen on the idea of small industries, especially small industries based on our natural resources, but not only so. Many industries do not need any natural resources. Many activities are consumers, not fabricators or processors, still less producers of raw materials—a hotel, a motel, a cabin, a snack bar, a restaurant, a tavern and scores of other activities employing people in hundreds and in thousands. Do not forget as you go along to remember that there are about 2,000 of our flesh and blood, our own Newfoundland people, 2,000 now at this moment who are employed in taverns. In production there—a lot of consumption, but no production. So when you talk of small industry, of small commerce, of small job-giving enterprises, they do not have to be based, all of them, on the use of natural resources.

MR. SMALLWOOD: Now I am saying this now but do I believe what I am saying? "When the devil was sick, the devil the monk would be, / When the devil was well, the devil the monk was he!" I hope I am not a devil, sick or well, and after all handsome is as handsome does and I was head of the administration of the government for twenty-three years. How did we perform in this field that I am now discussing? Did my administration do anything to create jobs, to create medium and small, even tiny industries, any kinds of jobs over and beyond the big industry jobs? Did my administration do anything about land clearing for farmers, new pasturage acreages for farmers, bogland reclamation for farmers, sheep raising, hog raising, egg production, broiler production, controlled temperature stores, storages for farmers, poultry, pork, beef, processing plants for farmers? Did my administration do anything in those fields, anything about berry-barren burning and improvement, anything about berry farms?

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Did my administration do anything about fishermen's loans, fishery development loans, fishing boat construction, longliner construction, mid-water trawler construction, Larsen trawler construction, dragger construction, fish plant construction? Did my administration do anything about hotels and motels and cabins for travellers and tourists? Well we did, Sir. We did indeed, and we provided loans running to tens of millions of dollars for such enterprises. And insofar as the present administration are following in our Liberal foot tracks in this matter, I applaud and congratulate them without hesitation. No meanness of spirit! As a Newfoundlander proud and glad and happy to find young ministers going out, almost with love in their eyes, following so carefully I am happy and proud to say in my footsteps and so long as they keep doing that they will end up all right. They have not made away with our Tourist Development Loan Board. They have not made away with our Co-operative Development Loan Board, our Industrial Development Loan Board, our Fishermen's Loan Board or any others of our various loan boards. They may have changed the names of some of them, but we must not condemn them for that. That is not really important.

And, Mr. Speaker, let me say in passing that everything that I am saying I am saying until it is time to stop today without encroaching on the speech that I intend to make in this House. This is just in passing. These are pick-me-ups, some odds and ends, some loose ends that need to be picked up, and I am happy and proud to pick them up as I go along. I say it would be churlish and small of me not to say a word of praise for the Minister of Industrial and Rural Development, and the Minister of Fisheries and the Minister of Forestry and Agriculture and the Minister of Municipal Affairs and Housing and some other ministers as well for their energetic and ambitious efforts in these same directions. And I think Newfoundland has good reason to be pleased that you have now, as we also had earlier, energetic young ministers who are anxious to get things done. God knows that is what this Province needs! We need talk, we need debate, we need



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argument, and we need the occasional squabble and the occasional row and the occasional bitter word. That makes the House come alive. We need that. After all it was the great Churchill, one of the great parliamentarians in man's history, who took a book and flung it across the floor at a member that he did not like who had said something that he did not like. You have had scenes of terrible disorder in the Mother of Parliament at Westminster, and you have had them in the House of Commons. It is not for nothing, you know, that there has to be a certain distance between the two front rows. It must be more than double sword's length so that you cannot lunge over and stick a man with your sword, and he cannot lunge over and stick you. There has been a very stormy history in the conduct of parliament.

MR. NEARY: Did we not have an inkwell flung in one of the houses here?

MR. SMALLWOOD: Yes. It was not flung. Sir Alfred Morine, who engineered the fall of the government, and then was Minister of Justice, who sat across the floor - not this Chamber - from Coaker and he said, "One of my first acts as Minister of Justice will be to institute an inquiry into the financial state of the Fishermen's Union Trading Company." Well that was a red rag to a bull and Coaker jumped up - he was a thick chested, broad shouldered man - every member had an inkwell, a crystal, a cut glass heavy massive inkwell - I have one home in my collection - he took it up to fling it at Morine. Fortunately for Morine and for Coaker and for everyone W. W. Halfyard, his right hand man, his chief lieutenant was quick enough to grab him by the wrist. He grabbed Coaker by the wrist. The hand was up and the wrist was up and the inkwell was up, but he could not throw it because Halfyard held his wrist. But what happened was that the ink disappeared out of the inkwell, and it all ran up Coaker's sleeve, every bit of the ink, and Coaker did not stop, and he took out the handkerchief and he mopped it, and he never stopped a word," and I tell you when I get you down in Bonavista Bay I will show you," and he did, too. When he got him in Bonavista Bay he slaughtered him. I mean, he slaughtered him at the polls.

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with bold and blatant truth. Our Newfoundland's destiny demands maximum - now look up that word if you go home tonight in the dictionary - our Newfoundland destiny demands maximum use of every last individual source of wealth in jobs. Nothing is too insignificant. Nothing is to be left out. Nothing is to be neglected. Every last job is important. We cannot afford to lose one job or one job opportunity. We must use every opportunity that God bestowed on us and we must use the energy, the imagination, the skill, that God gave us and we must use nature's gifts, the gifts of nature, that God gave this Island and to Labrador. Nothing is insignificant. Nothing is too small. We are lost as a people and as a Province if we do not see those truths and if we do not act vigorously on them.

Before I move into the more fundamental area of my thoughts today may I dare to hope that the Leader of the Opposition will be generous enough, forgiving enough, understanding enough, to forgive Whiteway and Bond and Squires for their energetic dedication to the big industry syndrome. And if he exhausts his toleration by the time he forgives Whiteway and Bond and Squires, will he at any rate summon up enough Christian love and compassion to regard me as one who is no more, at the very worst, no more than just an erring brother.

SOME HON. MEMBERS: Hear, hear!

MR. SMALLWOOD: Mr. Speaker, I have myself personally been very much interested, Perhaps I should go so far as to say entranced, by the seemingly endless, the inexhaustible litany of public complaints, grumbings, indictments, the viewings with alarm and so forth of a large number of hon. members of this House. You might be forgiven if you came to the conclusion that nothing, absolutely nothing is right in our Province. Offshore oil and gas, lifesaving facilities, paving, snow clearing, sanding some of the roads, better game licensing system, making Memorial University's budget public, ordering the Memorial University to fly the Union Jack, electricity rates, telephone rates, the school tax, failure to call tenders, proposed

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snowmobile regulations, the Norma and Gladys, too much travel by the ministers, use of the Gander cabin, the use of the Eagle River Cabin, the number of cabinet ministers, the number of executive assistants, free medallions, free hunting licenses, water and sewer systems, artesian wells, the ombudsman, the right location for the dump, water contamination, Marystown shipyard management, who paid for the jet to Montreal, the arterial road, the 200 mile limit, the proposed road through the Colinet River watershed, cable television, severance pay legislation - I could go on and on and on and on again and still not exhaust the list.

Certainly, Mr. Speaker, in an earlier, less sophisticated era all this would impress people profoundly. Nowadays people are more likely to be bored for there simply is too much of it, too much of it. It is all so drearily familiar. Indeed some of it is a weariness to the flesh. Yet, Mr. Speaker, it is so much easier today to get after the government on those grounds than on the basis of things more basic and fundamental.

MR. FORETS: Hear, hear!

MR. SMALLWOOD: The administration's sins of omission as well as those of commission, the errors of judgement, the frustration, the neglect or laziness or poor judgement, these sins always were and always will be committed by governments. Always oppositions gleefully sought to expose them and always in the future they will try with glee to do so, and always oppositions were right to do so, Mr. Speaker, and always they will be right to do so. These are legitimate causes. It is perfectly proper that they should be stated and perfectly proper that they should be stated by members who are opposed to the government. It would be neglectful of opposition members if they failed to speak out, and

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incidentally the House would be a lot duller place if they did not. But let it not be supposed that Opposition members have done their full duty to the people when they have exposed those faults and failures of ministers. Let them not forget that the boot goes on the other foot when they change sides in this Chamber. I have seen sides changed in this Chamber and I remember the questions and the statements and the communiques and the radio and the television stuff. I remember it so well. The boot does get to be on the other foot. Then it becomes tit for tat you see, the smit are smitten. But surely there should be more to politics than merely the business of politicians taking turns at taking pot shots at each other. Let them have the good sense to understand that some of it, at least some of it, is much ado about nothing. Some of it is just sound and fury signifying nothing.

Mr. Speaker, I am now at the point where I would be launching into my speech if I had begun earlier today, I would be launching into the speech I intended to make. But it is now a little too late for that. With the forbearance, the kindly forbearance of the House I would move the adjournment of the debate so that on Monday I might get going by five or quarter past five again if the business does not use up too much of the time before. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. WELLS: Mr. Speaker, I move the adjournment of this House until Tuesday, March 16th at 3:00 p.m.

MR. SPEAKER: It is moved and seconded this House do now adjourn until tomorrow, Tuesday, at 3:00 p.m. Those in favour "aye", contrary "nay", carried. This House is now adjourned until tomorrow Tuesday at 3:00 p.m.

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