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VERBATIM REPORT

THURSDAY, MAY 20, 1976

SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER

The House met at 2:00 p.m.

Mr. Speaker in the Chair.

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

MR. WELLS: Mr. Speaker, I move the adjournment of this House from now, two o'clock, of course, until three o'clock this afternoon.

On motion the House adjourned until three o'clock Thursday, May 20, 1976.

MR. NEARY: Is there any reason for this?

MR. SPEAKER: I do not know.

MR. WELLS: Mr. Speaker, it will become evident at three o'clock.

MR. SPEAKER: The House is now adjourned until three o'clock.

The House resumed at 3:00 P.M.

MR. SPEAKER: I would like to welcome to the gallery on behalf of all hon. members fifty-one Grade X students from Beothuck Collegiate in Baie Verte accompanied by their teacher Mr. Barclay. I know all hon. members join me in welcoming these young men and women to the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

STATEMENTS BY MINISTERS

MR. SPEAKER: The hon. Premier.

SOME HON. MEMBERS: Hear, hear!

HON. F. D. MOORES: Mr. Speaker, first of all I apologize for the hour's delay in the House today but the events of the last couple of days, but particularly this morning, the last few hours dictated that some further research and work be done on the statement I am about to give. And the statement I am about to give, Sir, relates to the energy situation as it applies in this Province and as it applies particularly with recent negotiations with the Province of Quebec.

We have had, Sir, over the past weeks a great deal of work and, I suppose, tenseness, one could say, as regards the negotiations with our neighbours in Quebec on the issue of hydro electricity, particularly in Labrador, and what a major concern that is for the future of this Province and the generations of people who will live in this Province in the future.

For well over a year now we have been holding talks with the Province of Quebec, and all during that time it has been the position of this government to have a negotiated settlement which is obviously more desirable rather than even to be approaching a position of confrontation. Mr. Speaker, the options that were opened to us from the beginning were, first of all, Gull Island, and after that the reclaiming of power from the Upper Churchill.

As I have said, Sir, the administration have been struggling with its most important decision since we have taken office in early 1972. The decision is in relation to the energy resources which exist in Labrador, and which at the moment are either under-

Premier Moores:

developed or are developed and producing benefits for the Province of Quebec. This Province has been trying to initiate a full-scale development of the Gull Island project since 1973. However, because of the significant costs involved which are estimated at about \$2.5 billion, and because of the slowness of negotiations with the Federal Government over financing the project, and over the uncertainties surrounding negotiations with Quebec, most importantly, Sir, this particular part, for the purchase of Gull Island power in the early years of its production, we have reached the conclusion that the full project could not be proceeded with. A phased approach to the Gull Island project was announced in the Fall Budget of 1975. And since that date government has been forced to consider the option of closing down the Gull Island project completely because of the financial implications involved in the proceedings.

After we had decided to slow down the development of Gull Island, Mr. Speaker, then it became obvious that if it had been delayed for two years we obviously had to have power during that two year period to put over the transmission line, and the only source of that power was the developed facility at the Upper Churchill.

The option we had, Sir, other than those two items was to install thermal power here on the Island part of the Province which is totally unacceptable because of the cost involved. It also, Sir, seems ridiculous to us that we would have to invest an equivalent amount of money for thermal installation and operation here, when at the same time we were producing so much hydro power for the benefit of Quebec, and very little benefit, if any, to ourselves.

During the negotiations there was, Sir, a great deal of frustration of not being able to make the progress we wanted to on behalf of our Province. The fact was that the more waffling that was done, the more indecision shown, meant that it was hurting us all the more where Quebec was no worse off because the more procrastination there was the least they would be harmed in any manner.

Premier Moores:

We, Sir, had to make a decision regarding the transmission line and the tunnel. These had to be made because of the huge amounts of money that would have to be committed in order to keep them going. And to commit that money without having a source of energy would, taking into consideration negotiations, have been irresponsible to carry on just for the sake of carrying on without having tried to reach a position to make it meaningful.

But, Sir, negotiations, I suppose, could be said to have bogged down somewhat, bogged down somewhat, Mr. Speaker, when we consider the ludicrous demands that were made by the Minister of Energy of Quebec, when after a meeting, which I will review in a moment, he started to talk about the boundary of Labrador and other such items which, of course, from the very beginning were never a matter of negotiation with us. Because, Mr. Speaker, I think it is important to point out now that while we were talking about negotiation with Quebec, we never, ever at anytime planned to bargain with Quebec where they would give us something and we would give something back.

SOME HON. MEMBERS: Hear, hear!

PREMIER MOORES: What we were trying to do, Sir, -

SOME HON. MEMBERS: Hear, hear!

PREMIER MOORES: We, Sir, tried to be as statesmanlike as possible and as responsible as possible. We have tried to be good neighbours; we have tried to be good Canadians, because the undeveloped rivers of Labrador are still sources of hydro potential which can be to the advantage of all Canadians because the people of our Province in Labrador and Newfoundland with the potential that is there could never use all that potential for a great deal of time in the future.

But, Sir, the time arrived yesterday for a firm position to be taken for some of the reasons that I have outlined above, and I wrote a letter to Premier Bourassa which I will now read into the record of the House. I spoke to Premier Bourassa this morning and he advised me that if questions were asked he would be making the contents of the letter public, so I, Sir, have no qualm about doing the

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Premier Moores:

same thing here. It was a confidential document until this conversation and now I feel free that we can take our position and declare the contents of this letter.

PREMIER MOORES: Also, Mr. Speaker, it became known that the Quebec-Hydro are having a bond issue in New York and obviously the prospectus for that bond issue will be changed as a result of this letter.

AN HON. MEMBER: Province.

PREMIER MOORES: The Province of Quebec, rather. I might say, Mr. Speaker, and I will now actually read the letter into the record of the House and I will circulate these copies to all members, to yourself, Sir, and to members of the press, who would care to have a copy of it.

"Honourable Robert Bourassa, Premier of the Province of Quebec. My dear Premier: It is with some reluctance that I find myself in the position of having to write to you, formally, regarding the discussions which have been taking place over the past several months concerning the request of the Province of Newfoundland and Labrador for access to power from Churchill Falls. I had hoped to deliver this letter personally but as you were unable to arrange a time to see me this week, I felt its contents were of such importance to this Province that I have arranged its hand delivery to you today, Wednesday, May 19th, 1976.

As you know, my Government regretfully concluded last November that it could not proceed at that time with the full Gull Island project, notwithstanding the fact that a new source of energy was urgently required to meet the Province's needs in the 1980's and that Gull Island was the preferred source of such energy. We did, however, make a decision that rather than abandon our efforts to develop Gull Island and to build a transmission line, connecting the Island portion of this Province to Labrador and to the Eastern Canadian grid, we should continue with our original plans but on a phased basis.

This decision involved postponing all work on the Gull Island hydro site but continuing with the construction of the transmission lines and tunnel. At that time, my Government stated that the decision was conditional upon early receipt of assurances regarding the availability of power, on reasonable terms, from the Churchill Falls and of financial

PREMIER MOORES: support from the Government of Canada.

Discussions between Newfoundland and Labrador Hydro and Hydro-Quebec, regarding access to the required quantities of power from Churchill Falls, were commenced shortly after this decision was taken and these discussions culminated in a letter dated January 6th, 1976, from Mr. Denis Groom, President of Newfoundland and Labrador Hydro, to Mr. Roland Giroux, President of Hydro-Quebec. In his letter, Mr. Groom formally asked Hydro-Quebec to provide Newfoundland and Labrador Hydro with access to power from Churchill Falls, commencing January 1st., 1982. As you may be aware, Newfoundland and Labrador Hydro require at least a total of 800 megawatts in order to fully utilize one transmission line.

Following receipt of Mr. Groom's letter, Mr. Giroux and Mr. Groom met to discuss Hydro's request and in view of its nature, they agreed that the time had come for this matter to be dealt with at the political level. This decision resulted in Mr. John Crosbie and myself meeting with you and Mr. Cournoyer in Quebec City on Monday, March 22nd.

At our meeting, I emphasized the importance of a very quick response from the Government of Quebec and pointed out that my Government could no longer afford to permit work to continue on the construction of the transmission lines and tunnel, in the absence of the necessary assurances regarding the availability of power from Churchill Falls. I also advised you that we had been told that these assurances were a prerequisite to any commitment of financial support from the Government of Canada. At the conclusion of our meeting, it was agreed that Mr. Cournoyer would contact Mr. Crosbie, within four weeks, to provide a reply to our request.

It was with some considerable disappointment that I noted the various public statements which were attributed to Mr. Cournoyer during the period following our meeting and prior to

PREMIER MOOPES:

his meeting with Mr. Crosbie. It was clear that these comments did not augur well for the meeting which Mr. Crosbie was to have had with him and indeed my concern and disappointment were increased when Mr. Cournoyer and Mr. Crosbie met on April 28 and the Labrador boundary proposal was formally raised as being the price of access to power from Churchill Falls. During the meeting Mr. Cournoyer did move from his demand that the boundary be changed and instead suggested that the Province of Newfoundland should sell to Quebec the land comprising the watersheds of the five rivers which rise in Labrador and flow through Quebec into the Gulf of St. Lawrence. Payment by Quebec for the land acquired would be by way of a reduction in the price that Newfoundland would pay for the power from Churchill Falls. In this connection, Mr. Cournoyer's suggestion was that the price should be set at Newfoundland's cost of providing the power from the sources on the Island of Newfoundland. This, Mr. Speaker, proposal was clearly equally unacceptable.

Mr. Cournoyer's response to our request for access to power from Churchill Falls has placed my Government in a very difficult position. His territorial demands are clearly unacceptable and furthermore, we are not able to contemplate paying a price for Churchill Falls power which is related to our Island replacement costs. Under these circumstances, we would obviously be much better off saving ourselves the cost of transmission and producing the energy on the Island of Newfoundland.

At our meeting on **March 22nd**, I alluded to the possibility that the Province of Newfoundland and Labrador might be forced to take a somewhat different approach to the question of gaining access to power from Churchill Falls, in the event that its efforts to secure the co-operation and help of Quebec failed. I also stressed my hope that this would not become necessary, and notwithstanding the response we have so far received, I continue to hope that an equitable and amicable arrangement can be concluded. However, it is clearly my duty to take all the steps necessary to ensure that the interests of

PREMIER MOORES:

this Province are protected. I therefore regret that the point has now been reached when it is necessary for me to be somewhat more specific regarding the alternative approach which my Government is prepared to take.

During the past several months, my Government has sought the advice of legal experts regarding the Province's rights under the Lease which was executed on May 16th, 1961, by the Province of Newfoundland and by Churchill Falls (Labrador) Corporation. The statutory Lease sets forth the respective rights and obligations of the parties and it is clearly one of the prime documents in connection with the arrangements which were made for the development of Churchill Falls.

In particular, the Province has requested advice as to its rights under Clause 2 (e) of Part I of the Lease. This clause states that the lessee is entitled to - and I quote - "the right to transmit throughout the Province any electric power generated as a result of the harnessing of the whole or any part of the Upper Churchill and to export from the Province such power: Provided that upon the request of the Government consumers of electricity in the Province shall be given priority where it is feasible and economic to do so", end of quote. This advice we have received indicates that the Province can exercise its rights under the Lease.

In view of the fact that my Government can no longer postpone a decision on whether or not to continue with work on the transmission line and tunnel, I am advising you that unless we receive a favourable response by Monday, May 31st, 1976, to our request for an additional 800 megawatts of power by 1982, without prejudice to any other rights we have, and at the same costs as are paid by Hydro-Quebec, I shall have no alternative -

SOME HON. MEMBERS: Hear, hear!

PREMIER MOORES: - but to terminate all work on the transmission lines and tunnel and to announce institution of the necessary steps to seek clarification of our legal rights, by appropriate Court action.

PREMIER MOORES:

As I have stated earlier, it is still my hope that this matter can be resolved in an equitable and fair manner, without recourse to the Courts. I am also mindful of the fact that any prolonged period of litigation could be harmful. Once any right of access is established, the Province could conceivably eventually take the entire output of Churchill Falls. I am, however, willing to negotiate regarding this Province's right of access to Churchill Falls power with a view to a fairer apportionment of the benefits to both Quebec and Newfoundland.

Premier Moores.

It is also my hope that as part of the new relationship which I would like to see established between Quebec and Newfoundland, we can agree on the joint development of the rivers which are common to both Labrador and Quebec and that we can also agree to co-operate in the development of hydro resources in Labrador. I am sure that arrangements to do this can be developed in a manner which is beneficial to both our Provinces.

I look forward to a favourable reply from you by May 31st so that this Province can continue with the transmission lines and tunnel to bring energy to the Island while we continue to discuss and settle the other matters mentioned by me and thus avoid a reference to the courts on this matter which cannot otherwise be avoided. Yours sincerely."

SOME HON.MEMBERS: Hear, hear!

PREMIER MOORES: Mr. Speaker, as I stated to Premier Bourassa this government can no longer postpone the decision on whether or not to continue with work on the transmission lines and tunnel, nor can it any longer postpone the decision on the future direction and even ultimate survival of this Province. We do not want a court battle with Quebec over the Upper Churchill contract. We do not believe that either of the provinces, nor indeed the Canadian nation, could benefit from such proceedings. What we do want is a fair and equitable distribution of the benefits which are flowing from the resources of Labrador to both Quebec and Newfoundland. It is not our objective to harm relationships with our neighbours in Quebec, but rather we want to strengthen them through a united effort by both provinces on the joint development of the rivers which are common to both Labrador and Quebec, and which can provide cheap hydro electricity to not only both provinces but to the Eastern Canadian grid. And obviously, Mr. Speaker, the rivers I am referring to are the ones with the head waters in Labrador that in fact flow into the North side of the Gulf of St. Lawrence.

Premier Moores.

What we are dealing with here, Sir, is the future of our Province. We cannot allow the hydro resources in Labrador to remain undeveloped whilst this Province has a crying need for additional energy generation.

SOME HON. MEMBERS: Hear, hear!

PREMIER MOORES: Nor can we stand by and allow the power from the Upper Churchill project, which is a fully developed Labrador resource, to benefit only the people of Quebec, particularly at a time when Newfoundland needs a share of that power to ensure the continuation -

SOME HON. MEMBERS: Hear, hear!

PREMIER MOORES: Mr. Speaker, if I were not to carry out every possible option open to the Province of Newfoundland and Labrador to increase the benefits from the hydro resources in Labrador, then I would not be carrying out the major responsibility which my government currently faces. We do not look forward, Sir, to any sort of confrontation with the Province of Quebec because we believe that this will be harmful to the Canadian Confederation, and we believe, Sir, that in some ways it will be harmful to both Quebec and Newfoundland in particular. However, our negotiations to date with the Province of Quebec have not been very successful and any suggestions from that Province that the Labrador boundary must be raised as the price of access to power from Churchill Falls will be unequivocally rejected by every single person in this Province.

SOME HON. MEMBERS: Hear, hear!

PREMIER MOORES: Mr. Speaker, Sir, it is our intention to strive for a negotiated settlement in an arrangement surrounding the Upper Churchill contract. However, if a negotiated settlement cannot be reached to the satisfaction of the Province of Quebec and to our Province, then we will have no choice but to take all steps necessary to ensure that the interests of this Province are fully protected and that the future of this Province is not jeopardized. This is a responsibility which, Sir, I have as Premier of our Province

Premier Moores.

and to do otherwise, particularly under current circumstances, would be irresponsible, unjustifiable and history would record that I and my administration had given up on the future of this Province because we did not have the will and the strength to fight for it. Mr. Speaker, this we will not do.

The fact is, Sir, that in this letter I have reviewed with Premier Bourassa what led up to the present situation. We have talked about the legal opinion which, Sir, in fact if we never listened to, we should be run out of office because, Sir, the fact is that legal opinion means that we have an obligation to every person in this Province to make sure that we get the full benefit that that legal opinion brought to a successful conclusion could mean to our people. We

PREMIER MOORES:

set out the deadlines and the minimum terms of negotiation that we will accept. We have said that we would rather negotiate. But, Sir, we have not said that we would negotiate under any conditions. The conditions have been laid out very clearly as to the minimum position we could take before we sit down again.

MR. NEARY: Who gave the legal position?

PREMIER MOORES: That will be reviewed in a moment, Mr. Speaker. The fact is, Sir, that we have an obligation here. We have an obligation for the energy position for Canada. But first of all, and most, Sir, we have an obligation to the people of our Province. The ramifications, Mr. Speaker, of the position this government is taking are considerable. We hope that by May 31 Quebec will have come up with a position that is satisfactory to both of us. That, Sir, will be much more desirable than any other position. Until we have heard officially we would still rather negotiate - and that, Sir, as I said earlier does not mean bargain - than to take drastic steps.

Mr. Speaker, I will say now in concluding that if drastic steps are needed drastic steps will be taken.

SOME HON. MEMBERS: Hear, hear!

PREMIER MOORES: This, Mr. Speaker, is a critical time in our Province, not a time to back down or to give in, but rather to take a stand as a people for the rights that we must have from our own resources as a people. These, Sir, will be difficult times. I call on all members of this House and all Newfoundlanders and Labradorians to support their Province on this very critical issue.

SOME HON. MEMBERS: Hear, hear!

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

MR. E. ROBERTS: Mr. Speaker, the Premier's statement is obviously of the utmost significance to the House of Assembly and, even more importantly, to the people of this Province. It is, I think, right and proper that I say a few words now, that we all say a few words. But it is difficult to

MR. ROBERTS:

make a measured and a considered response simply because - and I do not say this as a complaint, I think in the circumstances it would have been unreasonable of me to expect any other treatment - but simply because, by the very nature of the statement, we have not been informed, or I suspect could not have been informed, and it is a matter of such gravity that I do not want to respond in detail.

If the gentleman from Twillingate (Mr. Smallwood), Mr. Speaker, could do me the courtesy either to carry on his conversations outside the Chamber or to carry them on a little more quietly, Sir, I should be grateful. I do not mean to be rude. But I think it is an important matter and I wish to say a few things. I am anxious to hear what the gentleman from Twillingate (Mr. Smallwood) has to say as well.

Mr. Speaker, as I have said the matter is of the utmost importance, the utmost gravity. I would suspect that the statement which the Premier has just made is as important a statement as has ever been made in this House of Assembly by any Premier, -

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: - by any Premier of the Province of Newfoundland and Labrador or by the Dominion of Newfoundland which preceded us. Let me, Mr. Speaker, make three points which I think are relevant in an initial response to this very important matter. First of all, Sir, the people of the Province of Newfoundland and Labrador need power, need electric power. It is the duty of the government to provide that power. We do not need to debate that. I think we can all accept that. It is one of the fundamental duties, not the most fundamental perhaps, not as fundamental as the protection of law and order, but it is a fundamental duty of the government of this Province. If the government of this Province do not take all steps within their power to achieve that goal they have failed in their duty. It is equally clear, Mr. Speaker, that the government of the Province of Quebec has been speaking and acting in a spirit contrary to that of Confederation, a spirit contrary to that, -

SOME HON. MEMBERS: Hear, hear!

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MR. ROBERTS: - a spirit which is contrary to that which should and must underlie relations between two sister Provinces. I find it hard to understand that the Government of Quebec or any government of any province would

MR. ROBERTS:

take such an attitude. But the Premier's letter and what he has told of his conversations with Mr. Bourassa, and his minister's conversations with Mr. Bourassa's colleagues, makes it crystal clear that the Government of the Province of Quebec apparently feels not only no obligation to approach the need of this Province for power in a reasonable and fair-minded manner, but indeed, Sir, are trying to take advantage of us to extort an unreasonable and an unreasoning price for access to a resource which after all is ours.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Mr. Speaker, I think those are two points which must be made. And let me make it quite clear, speaking for my colleagues and for me, and I am sure I speak for all on this side and for all in this Province, because I think everybody in this Province would agree that whatever steps must be taken should be taken and the people of this Province will support those steps, Sir.

Mr. Speaker, the other point which I wish to make is one which requires a great deal more discussion, but I wish to make it because I think, Sir, that this announcement today by the Premier shows the complete bankruptcy and failure of the government's policy with respect to the development of the Churchill Falls and the Lower Churchill. I think it is a complete and an utter failure and I think, Sir, that this House and this Province have been labouring under misapprehensions for two years past. I do not think we have been given the information we should have been given and I do not think we have been given the information we were entitled to have. Sir, this House voted and I voted, as a member of this House, to support the government's policy to take over the Upper Churchill, the equity position, and to buy back the rights to the Lower Churchill on the assurance and with the clear understanding that the

MR. ROBERTS: development of the Lower Churchill was both possible and feasible and that it would go ahead without delay.

MR. ROWE: That is right.

MR. ROBERTS: That was two years ago, Mr. Speaker, and now hundreds of millions of dollars later, hundreds of millions of dollars spent or committed, it turns out, Sir, that that promise and that assurance was an illusion. It was ill-founded or totally unfounded. What we have seen, Sir, is a bankruptcy of policy.

MR. NEARY: The member for St. John's East, (Mr. Marshall) was the only one who told us.

MR. ROBERTS: The money is gone and the power which we must have is no closer to being available today than it was two years ago, and now we are embroiled in what will be a long and costly and difficult court action with the government of a sister province. I shall support that court action but I think, Sir, that we are in a pretty position today due to the way in which this government, Sir, have handled this matter.

MR. SPEAKER: Order, please!

I call to the hon. gentleman's attention the rule with respect to comment on Ministerial Statements and that those who are entitled to comment are limited to comment or questions of explanation, but the rules do not allow debate.

The hon. the Leader of the Opposition.

MR. ROBERTS: Thank you, Mr. Speaker. I am grateful for your ruling, Sir, and I shall heed it.

Mr. Speaker, I think it is imperative, Sir, that the government, who are responsible for the business of the House on every day except on Wednesday, should immediately set aside whatever other business will be called today, which would normally be the debate on the budget, and should immediately provide for and carry out a debate on the Premier's announcement so that every hon. member who wishes to speak may speak. I think

MR. ROBERTS: that we should get a fuller disclosure of the facts. I believe we are entitled to that and I should like to hear, Sir, you know, I think the Premier should speak, and the ministers concerned should speak, and I think gentlemen on this side should speak, because, Sir, I believe this matter should be debated and should be debated this day.

MR. ROWE: Hear, hear!

MR. ROBERTS: Mr. Speaker, let me conclude by saying, Sir, that every Newfoundlander and every Labradorian feels as strongly as do I or as does the Premier on the subject which he raised today. The government will not find any citizen of this Province, Sir, from Trepassey to Nain or from Cape Spear to the Bill of Cape St. George, who will not stand firmly behind them in doing whatever must be done to protect and to defend and to advance our rights.

SOME HON. MEMBERS: Hear, hear!

Mr. Roberts.

Every Newfoundlander, Mr. Speaker, and every Labradorian feels that way. But, Mr. Speaker, we must be careful. This is a time for cool heads. We all feel strongly, Sir. Every man in this House today feels strongly, and every man in this House today feels so strongly, Sir, that we will take any step. I think, Sir, but we must be very careful as a House of Assembly, and the government in particular must be careful as a government. It is time, Sir, for courage, for resolution, a time for cool and reasoned and rational counsel, not a time, Sir, for blind-headed or bullheaded emotion. It is a time, Sir, to take all of the people into our confidence, to tell all of the people all of the truth, and then say to our people, "Let us stand together in what is a great cause, the cause for which every Newfoundlander and every Labradorian will stand and will take whatever action is necessary and whatever action is appropriate." I say, Sir, for the men and women who sit with me on this side, that we shall not flinch. Whatever action the government take, if we are convinced it is in the best interests of this Province, we shall support it. We shall support it.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: And furthermore, Mr. Speaker, if the government, Sir, feel that they need the support of this House - and I believe they should seek that support - we stand ready, Sir, to lend our support in this House or outside. Whatever action must be taken should be taken. Mr. Speaker, it is a great day in the history of Newfoundland, a great day in the history of Labrador. The question now, Sir, is whether we can make it into a great day that will benefit the people of our Province. I believe we can, Sir, and I believe we must. We on this side, Sir, shall do our part. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Twillingate.

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MR. SMALLWOOD: Mr. Speaker, Sir, the heart of the Newfoundland people I believe will beat in complete unison with the heart of the Premier. I believe that the people of this Province, to the last man and the last woman and the last child, will be with the government thoroughly, whole-heartedly, with enormous, fathomless enthusiasm and patriotism. Not only that but I believe that in this showdown, if it becomes a showdown, and it is the beginning of a showdown, a very proper one, a very legalistic one, going to court if necessary, that in this showdown not only will the people of Newfoundland be whole-heartedly and unanimously behind the government, but the people of Canada will, all across Canada.

SOME HON. MEMBERS: Hear, hear!

MR. SMALLWOOD: The people of nine provinces all but unanimously will support Newfoundland in this, and a large number in Quebec.

What the government are asking is so modest, so reasonable. Under the contract made by Churchill Falls Power Corporation with Hydro-Quebec, under that contract, something a bit below half a million horsepower of the electricity and shipped off to Quebec can be brought back. In other words, not shipped, it can be retained in the Province here. But the government want a bit more than that. They feel that half a million or four hundred odd thousand is not quite enough. They need somewhere around one million horsepower. Out of the seven million being generated by the Upper Churchill, they want one-seventh. They do not want it as a gift. They do not want Hydro-Quebec to make a donation to this Province of our own power, even though Hydro Quebec will have bought it and paid for it at a bargain price. It was not such a bargain price when the price was set away back there, when oil was \$1.25 a barrel. But it turned out to be a bargain price. But they own it, they bought it, they are paying for it at a bargain price. But the Government of Newfoundland says to Hydro-Quebec, to its owners, the Government of Quebec, the Premier of Quebec, the Newfoundland Governments says,

Mr. Smallwood.

"Look, we have a legal right under the contract to something close up to half a million horsepower. That is not quite enough. We need a bit over one million horsepower, roughly one-seventh of this hydro energy. We need it, and we need it badly, and indeed if we do not get it, we have to abandon an announced plan of ours, the announced plan being to build a transmission line from the Upper Churchill down to the Lower Churchill and then down to the Strait of Belle Isle, and then across underneath the Strait of Belle Isle and then down the West Coast of Newfoundland to Deer Lake and then across here to St. John's. That is our plan. We have announced it. But we cannot go ahead with it. We have to abandon that, because it would never pay us to spend a couple of billions, a couple of thousand million dollars to build such a transmission line and tunnel as that for the sake of a half a million horsepower. That would be the most expensive electric hydro generated electricity in the world. So we will have to abandon our plan unless you, Quebec, will reasonably sell us at the same price that you are paying for it, without making any profits for yourselves out of us, out of it, sell us that extra half million or six hundred thousand to bring us up to a total of somewhere around a million horsepower."

Now for the Newfoundland Government to say that to the Quebec Government is as reasonable, as modest, as fair a thing that any government can say to another, especially when it is said by the government that is the host to the power itself at Churchill Falls. The Newfoundland Government are the hosts. This is in our Province. It is on our sacred Newfoundland soil in Labrador. And when the government of that sacred soil says to the next door neighbour, "Look, we would like to have back, and we will pay for it, and we will pay the same as you are paying, we would like to have that so we can go ahead with our programme," that is as modest a thing as could be said.

Mr. Smallwood:

Now I negotiated with Quebec for seventeen years with several Premiers, and so more perhaps than any member of this House I can feel for the present Premier in his dealing with the same province, a different Premier. It is the most maddening, it is the most infuriating, it is the most exasperating, it is the most unendurable experience a Premier of a sovereign Province can have in Canada, to deal with the Premier of Quebec in any matter where Quebec's own selfish interests are at stake. You are up against a complete stone wall, impervious, immovable, thoroughly selfish, no Canadian patriotism. That is a laugh, that is a joke in their eyes. What serves Quebec is all that matters. That is all that matters. Nothing else matters. Does it serve Quebec? Is this the best for Quebec? Can Quebec squeeze another inch or another ounce for itself? Thoroughly, wholly, completely, exclusively, selfish! I found that out in seventeen years of bitter negotiations. The Premier is now finding it out. And so I have good reason to sympathize with him, though I disagree heartily, and have from the beginning, with the whole mad idea of the Newfoundland Government going out and borrowing, you know, the best part of a couple of hundred millions to buy Churchill Falls, to buy the company that owned the shares. To me that has been madness. It is still madness to me. But that is not the point. The point is that the Newfoundland Government, the sovereign government of the territory where the power is, goes reasonably to its next door neighbour and says, "Look, you know, we can have half a million without any argument. Look, let us make it a million, a bit more than a million, and this is the reason. Here is what we are doing. Here is what we want to do. We have announced it publicly. If you do not do this, you are going to shame and disgrace us!"

MR. SPALLWOOD:

And I say, "No! Give us 8,000 miles of your territory in Labrador. Change the border of Labrador. Tent us some land in Labrador."

MR. DOODY: Over our dead body.

MR. SPALLWOOD: Yes, over every Newfoundlander's dead body.

Now the government say we are going to court. Well, God help us that we should have to go to court! But perhaps we have got to go to court. The Premier has told us he is going to court, going to sue in the courts of Canada as to what our rights are, getting power back, what are our rights under the contract, the contract between Hydro-Quebec on the one hand and Churchill Falls Power Corporation on the other. Churchill Falls Power Corporation is now owned primarily by the Newfoundland Government.

MR. CROSSIE: It is a lease.

MR. SPALLWOOD: All right, a lease. Okay, a lease. They are going to sue to see what their rights are. Now I do not mind saying, Mr. Speaker, that I have already expressed privately to the government, or to a very powerful minister of the government - and I have no doubt thereby indirectly to the Premier - I have expressed this opinion, that if Mr. Bourassa says no, instead of going to court what I would do is come into this House with a piece of legislation asking this House to enact it into law, get the Lieutenant-Governor to sign it and make it the sovereign law of this Province, that the power shipped out of the Province from Churchill Falls shall be shipped out less one million horsepower, if one million is the amount needed, or one and a quarter million, whatever is the amount that is needed to justify this proposed transmission line.

SOME HON. MEMBERS: Hear, hear!

MR. SPALLWOOD: I would pass it here as a law in this House.

Now, what will Quebec do then?

MR. NEARY: The lawyers -

MR. SPALLWOOD: Let them go to court. Let them be the ones to go to court. Let this House say, 1 million horsepower that shall not

MR. SMALLWOOD:

leave Newfoundland. Remember this House could pass a Law - I would not recommend it - nationalizing the whole thing. But if we were to nationalize it and the contracts expired or were cancelled, then where is the money coming from every month, where is the power going to be sold, where is the money coming from to pay the interests on the frightful, the fearsome bond issue that had to be sold to raise the capital to build it in the first place?

MR. NEARY: Let them take us to court.

MR. SMALLWOOD: It would be madness, it seems to me, to nationalize it. That would be the last straw that would destroy Newfoundland or Newfoundland's credit. But it would not destroy Newfoundland's credit if this House at the government's request were to pass a law saying that the power that goes out may continue to go out at the price at which it was arranged to go out, all that can go on but 1 million horsepower of it does not go out. And the Newfoundland government or Newfoundland Hydro will pay for it, the same price that Hydro-Quebec is paying for it. Now this House will pass that. Newfoundland will back it. All Canada will back it and you can perhaps get the result not by going to court but by just passing legislation here.

MR. NEARY: Why can we not do that?

MR. CROSBIE: It is ultra vires.

MR. SMALLWOOD: It is ultra vires of whom or of what?

MR. CROSBIE: This legislation.

MR. SMALLWOOD: This legislation if we enacted it would be ultra vires of what?

MR. CROSBIE: The courts would knock around that.

MR. SMALLWOOD: This House is sovereign in matters of property and civil rights. It is sovereign. It is above all the courts in Canada. It is above the parliament of Canada. It is above the government of Canada. This House is absolutely sovereign in Newfoundland in matters of property and civil rights. It is sovereign. If it passes a law saying that 1 million of that horsepower shall not leave this Province,

MR. SMALLWOOD:

that is a sovereign law. I do not think anybody can question it. However, Mr. Speaker, it may be I am no lawyer, I am no constitutional authority. I have no desire to rub in anything I have already said and I will not repeat it, what I think about the whole idea of taking over Churchill Falls to begin with. But now that has been done. Now we are up against a practical problem.

I want the Premier to know that this little group - the Leader of the Opposition has told the Premier about his much larger group - I want him to know that therefore everybody on this side of the House, as everybody on that side, this House is unanimous as I believe the Newfoundland people will be when they hear about this, unanimous as I believe the vast majority of Canada's 24 millions will be unanimous in backing the government in fighting for Newfoundland's rights.

SOME HON. MEMBERS: Hear, hear!

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MR. ROUSSEAU: Mr. Speaker, I would like to make a Ministerial Statement if I may.

MR. SPEAKER: The hon. gentleman by leave has reverted to Ministerial Statements.

The hon. Minister of Forestry and Agriculture.

MR. ROUSSEAU: Just a short one. Last night I was out in Grand Falls and I thought the members of the House would like to know the results of it. I think it is a matter of courtesy. I am pleased to announce last night the signing of an agreement with Price (Nfld) with respect to timber rights in the Mooney Block on the Great Northern Peninsula. The agreement represents nearly two years of discussions and negotiations with Price officials. It was signed last night at Grand Falls, that was at a press conference. Signing on behalf of the Price Company was the president, Mr. Charles Tittermore and the newly elected chairman of the board of Price (Nfld), Mr. Frank Ryan of St. John's.

MR. BOUSSEAU:

The agreement grants to government exclusive cutting rights of 400,000 cords of timber which may be cut over an eight year period. Government has agreed to pay Price stumpage at the rate of \$1.50 per cord for softwood pulpwood and \$3.00 per thousand board feet of softwood sawlogs and the stumpage for hardwood would be one half the stumpage rate of softwood. The Mooney Block which is located in the central part of the Great Northern Peninsula consists of 120,000 acres of productive forest land and contains nearly 2 million cords of timber.

The agreement exemplifies the sort of co-operation that can be achieved within the spirit of the government forest policy. Essentially the agreement came about because the timber in question is surplus to the present needs of the Price Company. While the agreement is for eight years only the company has indicated to me the agreement may be extended as long as the timber is not required by the Price Company pulp and paper mill at Grand Falls. The timber on the Mooney Block in the vicinity of Hawkes Bay represents one of the options available to the government and it is a long-term solution to the wood supply problem of the Newfoundland Forest Products mill in Hawkes Bay. The pulpwood in the area represents a sort of wood supply for Labrador Linerboard.

Agreement has been reached with Bowaters with respect to the sharing and use of the existing forest access road in the Hawkes Bay area. My officials are preparing tender documents for new forest access roads which will open timber on the Mooney Block. This is the first agreement achieved as a result of the government's forest policy on management and utilization of the forest resources and my department is involved in intensive discussions and negotiations with Bowaters and other areas that may be surplus to that companies needs. And I expect to be making an announcement on this in the very near future.

SOME HON. MEMBERS: Hear, hear!

NOTICES OF MOTION:

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Ratify, Confirm And Adopt An Agreement Made Between The Government And The Government Of Canada Respecting Price And Income Controls." (No. 59).

ORAL QUESTIONS:

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

MR. ROBERTS: Thank you.

MR. DOODY: I want to table this.

MR. ROBERTS: If the hon. gentleman wishes to table something I am quite,

MR. SPEAKER: I recognized one hon. gentleman.

MR. ROBERTS: Mr. Speaker, I thank the minister and now I will go ahead and ask my question, and I will doubtless have some more. I may say for the minister's information that I have had about eighteen phone calls last night and today from people who did not get the raise, and one of them was not from the gentleman in Treasury Board who got the \$7,500 raise down there.

Mr. Speaker, my question is for the Premier and of course it grows out of his statement, Let me say I have a number of questions. Are we going to have a debate on it today? If we are I would refrain from the questions and raise them in debate.

PREMIER MOORES: If I could comment on that, Mr. Speaker. I would like to have a debate on it today, but I think it would be improper until we have actually heard officially from Quebec what the position is and at that time it certainly should be discussed.

MR. ROBERTS: Well, Mr. Speaker, I disagree with the Premier's opinion. But I mean that is as far as we can go on that point. I would like the Premier, Sir, to tell the House how much money the government through Hydro have spent or committed as of a current date in respect of the Lower Churchill project?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Mr. Speaker, I have not got the information with me now, but certainly it is relevant. But I think it would be relevant for the debate as to what is being involved as opposed to just

PREMIER MOORES: in isolation.

X
MR. ROBERTS: Well, Mr. Speaker, a number of supplementaries, well a supplementary can have a number of parts. The Premier may want to take them all as notice. I want to know, Sir, how long it will take to wind down the project if in fact it winds down? How much it will cost us to get out of it to the extent that we can get out of it? In other words what commitments there are and what further costs must be incurred?

MR. SPEAKER: The hon. Premier.

X
PREMIER MOORES: Mr. Speaker, as I said originally, I think that it qualifies all under the same thing because there are a lot of questions to be asked. There are a lot of questions to be answered. And on the whole subject, I mean as I said, I would enjoy a debate on it very much but the fact is, Sir, I think until we have heard officially from Quebec as to what their position is on our letter, I think it would be wrong to bring up just segments of a total picture, which is so important.

MR. SPEAKER: The hon. member for LaPoile followed by the hon. member for Burgeo - Bay d'Espoir.

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MR. NEARY: Mr. Speaker, would the hon. Premier tell the House from whom the government received the legal advice in this particular matter, the legal advisers to the government? Was it the government's own legal advisers or did the government seek outside legal advice? And would the Premier also indicate to the House why it is not possible, I saw the Premier nodding his head when my friend from Twillingate (Mr. Smallwood) spoke, why it is not possible for us to legislate in this House to take the 1 million horsepower that we need and let Quebec sue us instead of us suing Quebec?

MR. SPEAKER: The hon. Premier.

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PREMIER MOORES: On the second part of the question first, Mr. Speaker, it has been the advice we have received and it is something that we should discuss further. It is ultra vires to pass provincial law

PREMIER MOORES: when you are dealing with inter-provincial trade and this is what you are talking about here, and there has been several cases of that previously.

The first part of the hon. gentleman's question is that our own solicitors with the department and a very reputable firm in Canada. I do not think until such time as we actually file documents, which would not be until we have heard back officially from Quebec, and that I think would be wrong to start once again bandying around these names until actual action is started.

MR. NEARY: A supplementary, Sir.

MR. SPEAKER: A supplementary.

MR. FEARY: Do I understand correctly from the Premier that we do now have a firm outside the Province under contract to advise the government in this matter, is that my understanding?

PREMIER MOORES: Yes, we have already received their full opinion, Mr. Speaker, and substantiating the position we have taken.

MR. NEARY: Then, Mr. Speaker, supplementary; would the Premier be prepared to table the opinion of the legal advisers to the government in the House?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, on behalf of the people of the Province, I would suggest that that would be much better done in a court case rather than before the House.

MR. SPEAKER: The hon. member for Burgeo - Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, to the Premier and on the same subject arising out of his statement earlier today, I am interested in the telephone conversation he had with the Premier of Quebec this morning. Would he indicate who initiated the conversation, the call, and whether we can assume it was in response to his letter to Mr. Bourassa, and also if so whether he is in a position to brief the House on what Mr. Bourassa's initial reaction might have been to the contents of his letter to Mr. Bourassa?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker,

PREMIER MOORES:

I meant to mention in the statement, I thought I had, but the call was from Mr. Bourassa to myself. It was obviously in response to the letter because of the fact that Quebec have a loan pending in New York which is now being delayed somewhat, to say the least.

MR. ROBERTS: Mr. Bourassa advised that the substance of the Premier's letter would become public?

PREMIER MOORES: Well, this was the second part that I was going to refer to. He mentioned that for political reasons if he was asked questions he would have to answer on behalf of the people of Quebec and Quebec's position. That being the case I felt free this afternoon to make the statement I did. Having not had that call I would have waited until I had his official reply. But as the possibility was there that Premier Bourassa was going to be divulging the content of this letter, and said that he intended to, then I had no qualms about doing it here. As a matter of fact I was glad of the opportunity to be able to do it.

MR. SPEAKER: A supplementary. The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: A supplementary. A part of my question also related to what might have been Premier Bourassa's reaction. Is the Premier in a position to discuss now in the House what Mr. Bourassa's initial reaction to the request containing the letter was? Or may I say it another way: Is the Premier here optimistic that he is going to get any kind of a favourable response by the deadline of May 31?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I have no idea, Mr. Speaker. I have no reason to state what the opinion is of Quebec. They have not stated it. Their lawyers are obviously meeting and their economists and a few other people. They are obviously going to be as involved in the procedural, and the ramifications of this particular approach as we are, and just having received the letter yesterday, other than having got it to his financial people in New York yesterday afternoon, shortly after having received it, and the ramifications of the particular bond issue now that they are pending raising in New York,

PREMIER MOORES:

other than that obviously it is a time now for their legal people and, as I say, economists and others to get together just to see what the ramifications are. I do not think we will hear officially until Quebec has made up its mind. I do not think they have yet, Mr. Speaker.

MR. SPEAKER: A supplementary. The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: A further supplementary. Is the Premier in a position to indicate whether he and Mr. Bourassa discussed the possibility of meeting on the matter between now and the end of the month, a meeting between him as Premier and the Premier of Quebec on this subject before the end of the month?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I did not, Mr. Speaker. I endeavoured this week to visit with Premier Bourassa to deliver this letter, but he was busy and time would not allow for an appointment. But, Sir, I can assure the House and Premier Bourassa as well that if he wants to discuss it I will be here until the thirty-first.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, by the way, that is about as insulting an offence of a position as one Premier could take towards another - he is too busy to receive him. That is Quebec-for you! That is not what I rose to ask. Would the Premier consider that it would be helpful to him and to the government and to Newfoundland if this House were today to pass a resolution? If it were introduced it would pass unanimously. There is no doubt in that. Once before in our history we passed something in the House and we did it uniquely by standing vote. We could add something to it. I saw a resolution adopted in the House of Commons once by standing vote and they stood and sang "Oh Canada". Now we have a song. I would like to show all Canada that this House, to show all Canada that never was a government of any Province more ardently and unanimously supported than the present government are in this matter, by the House and by the people

MR. SMALLWOOD:

of Newfoundland, a resolution unanimously adopted by standing vote and then sing "God Guard Thee Newfoundland". Now that is not a court action. But things are not always won - the court of public opinion is going to play an awfully big part in this. If Quebec is shown in the eyes of the world to be in the wrong, and that is not too difficult to do, and it could start right here in this House this afternoon. I do not want to move it. If the Premier thinks it is a good idea somebody could move it.

MR. SPEAKER: The hon. Minister without Portfolio.

MR. R. WELLS: I think, Mr. Speaker, it would be a good idea. I would take it that if we have the indication that it would be unanimous and without debate, fine. But if it is going to be a hassle then it would be pointless. But if it could be unanimous, by all means.

MR. ROBERTS: Well, Mr. Speaker, for our part I can say neither an "aye" or a "nay" until I see the text of any resolution. I may say I do not know in what good voice the government are, but there are some of my colleagues, Sir, it would do little to have them sing anything. But if the House Leaders wish to meet to consult on a resolution we are quite ready, Sir, my colleague, the gentleman from Trinity-Bay de Verde (Mr. F. Rowe) will be quite happy to hold himself available at any time for such a meeting.

Mr. Roberts:

I do not know what about the non-debatable part, I want to debate this matter and to debate it urgently, but at the same time I would not suggest to my colleagues that we stand in the way of an expression of feeling if that is of some value to the government. But let me suggest as a gloss upon the suggestion made in the question asked by the hon. gentleman from Twillingate (Mr. Smallwood), and this was a supplementary question of course, Mr. Speaker, to the question, that we might be much further ahead in view of the fact that today is the twentieth and it is the thirty-first before Premier Bourassa's letter cachet, the letter of the French kings arrives here that we might try to have a debate and by agreement limit the debate to a day or two or three so that we have some prospect of concluding the debate before the appropriate time.

I want to debate the matter. I am very anxious to debate it. And I do not agree with the Premier's view, but I cannot argue with that now. At the same time I will not stand in the way nor will my colleagues, Sir, of -

MR. SMALLWOOD: The hon. gentleman -

MR. ROBERTS: A further supplementary again, Mr. Speaker.

A further supplementary from down here?

MR. SMALLWOOD: No. I just want to ask the hon. gentleman a question.

MR. ROBERTS: Well if that is in order.

MR. SMALLWOOD: Why is -

MR. ROBERTS: Well all right.

SOME HON. MEMBER: By leave.

MR. SPEAKER: By leave.

MR. SMALLWOOD: Why be sticky?

The hon. gentleman has indicated, more or less, approval of the idea. He wants a debate. Well, I want a debate. But apart from a debate could we not adopt unanimously a resolution? Could not his House Leader move out and the other House Leader and ours and in a few minutes bring in - we heartily approve the government's actions in this matter, it could be that simple. Let us have a debate.

MR. ROBERTS: Mr. Speaker, in reply to that question, I already said that my colleague from Trinity-Bay de Verde (Mr. Rowe) would be available to meet with the gentleman, the Minister without Portfolio, the gentleman from Kilbride (Mr. Wells) or whoever else should be involved, and whether or not we could consent to a resolution depends on what is in the resolution.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: That is a penetrating insight into the obvious. But that is really all I need say, Sir. And, you know, I think the Minister of Mines and Energy would like to debate. I think we all would. And I think the House should get at it today.

MR. WELLS: Mr. Speaker, on a point of order.

MR. SPEAKER: Does the hon. gentleman have a point of order?

MR. WELLS: On a point of order. I notice that we appear to be filmed from the doorway. I do not believe this is allowed without permission. I do not know if permission has been obtained for this filming Mr. Speaker.

MR. SPEAKER: No permission has been obtained to my knowledge, and certainly I would know it. So I would ask perhaps the Sergeant-at-Arms if he would have that matter investigated, that people obviously are not allowed to take film without permission of the House.

I was about to recognize the hon. member for Conception Bay South who has been endeavouring for sometime to get the Chair's recognition, and following him the hon. Member for LaPoile.

MR. J. NOLAN: A question for the hon. Premier, Mr. Speaker. And that is since in his letter to Premier Bourassa he indicated that unless we reach a favourable response by Monday, May 31, 1976- let us assume that we do receive a response, whether it be favourable or otherwise before that time or on that date- will the hon. Premier, since we have one side of the story in print, table Premier Bourassa's response in this House?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, at the time of debate or discussion

Premier Moores:

on this subject I would think that virtually all documentation will be made available. The other thing is that I think it is fair to say that if we had an official reply from the Province of Quebec, Premier Bourassa, prior to that date, immediately upon that reply the House will be so advised.

SOME HON. MEMBERS: Hear, hear!

MR. NOLAN: Fine.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Would the hon. Premier indicate, Sir, in the interim period if the Premier or any minister of the government will be approaching the Government of Canada or the Prime Minister of Canada to intervene in this matter between the Province of Newfoundland and the Province of Quebec?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: I think as far as intervention is concerned, Mr. Speaker, that probably Quebec would be so upset about Federal intervention in an area where they have no concern as to lose sight of the issue. However, I can tell the hon. member that the Federal Government have been kept fully informed of the recent events.

MR. SPEAKER: The hon. member for Trinity - Bay de Verde.

MR. ROWE: Mr. Speaker, a question to the hon. the Premier.

Could the Premier indicate in the event that they have to terminate work on the transmission lines and the tunnel, and basically the Gull Island site, the Lower Churchill, could the minister indicate what alternative sources of power on or off the Island he is contemplating and what back up work has been done to date to tap these alternative sources of power?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Once again, Mr. Speaker, a great deal of work has been done obviously for the situation should it arise.

Once again there is so much detail and back-up to the hon. member's question that once again it is part of a pretty major debate. And in that debate, I do not know, Mr. Speaker, probably it would be very advantageous to get a full list of the concerns of the Opposition but also a thorough documentation. It will be a major debate. It has to be by definition with a great deal of detail as well.

MR. ROWE: A supplementary.

MR. SPEAKER: A supplementary.

MR. ROWE: Does not the Premier think, Sir, that a specific indication of our back-up sources of power would indicate to Quebec or anybody else that we are not bluffing on this issue, that the Province could afford to terminate work on the Lower Churchill and still be self reliant on power within the Province if the Premier indicated specifically what alternative sources of power we have in the Province?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: In the letter itself it says, Mr. Speaker, that not having done this, I am not sure if it was in my letter, but it was certainly in my statement, that the only option, not having availability to hydro power, would be further installed thermal capacity which is oil generation, which is just so expensive as to be totally unrealistic.

MR. ROWE: We have other hydro sources.

PREMIER MOORES: Very little and in essence if you take them all, the other hydro development's potential in the Province, they would last for about a year and a half at our present demand per year and there are also, as the member for Windsor - Buchans (Mr. Flight) can well justify, ecological reasons that today are being much more taken into consideration than in some of the hydro developments in the past.

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

MR. NEARY: Mr. Speaker, just to change the subject for a moment, I wonder if the hon. the Premier could tell the House in view of Mr. Shaheen's performance the other night on television and his suggestions that he had the money to re-open the oil refinery, would the Premier tell the House if the government yet has a firm proposal and if the Shaheen flag will indeed again fly over Come By Chance in the near future?

PREMIER MOORES: The last part of that question, Mr. Speaker, is one I certainly cannot answer because I do not know. I have grave reservations. However, to the first part of the question, we have not received an official proposal by Mr. Shaheen. There have been conversations. But the fact is that we have advised him, really verbally, that when he does have a firm proposition and money available then we will be prepared to talk but not before.

MR. SPEAKER: The hon. member for Fogo.

CAPTAIN WINSOR: A question to the hon. Premier. If the case has to go to court, would the Premier hazard a guess how long that would take, and then what would happen to the development of the Lower Churchill and the tunnel across the Straits in the interim period?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, first of all it is impossible to guess at this point in time the length of time the court case would take. The Gull Island project has already been postponed, as was announced last Fall for the very reason that we as a Province

PREMIER MOORES: do not have enough money to do it and the transmission line and tunnel.

Now having said that, Mr. Speaker, it also is required to develop Gull Island that Quebec take a certain amount of that power until such time as we require it here in the Province. That was the first part of negotiations, which also were very difficult. There was 1800 megawatts to be developed there of which we could initially use about 800 or 900 megawatts. And obviously once you have developed the site you just cannot take half the capacity and nothing to do with the rest.

Equally it would be crazy to go ahead with the transmission line and tunnel if there is no supply source at the other end. So unless we get the power from the Upper Churchill, or unless we make arrangements for Gull Island, and we will in time, but until we do obviously we cannot just go ahead spending money without having put the package together.

CAPTAIN WINSOR: A supplementary.

MR. SPEAKER: The hon. member for Fogo on a supplementary.

CAPTAIN WINSOR: Mr. Speaker, in view of the Premier's statement, if by chance it takes a year or two, does that mean that the tunnel and the transmission line now are all cancelled?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: As I said in the letter to Mr. Bourassa, we would have no alternative unless we have a source of energy to put over it, Mr. Speaker. There is no question about that. We just cannot go spending money without having a source of energy. But the whole approach now, Sir, is that we make sure, through one means or another, that we get that energy.

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

MR. FLIGHT: Mr. Speaker, this is a less exciting subject and a less emotionally charged one, but, however, very important to the area that I represent. My question is to the Minister of Transportation and Communications. Would the minister indicate to the House if he has received any representation from the central area, Badger, Windsor, Grand Falls, about the deplorable conditions that exist on the detour West of Grand Falls? The detour on the Trans-Canada Highway.

MR. SPEAKER: The hon. the Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, I have not received any representation from the area, but the hon. gentleman did bring it to my attention yesterday, and as a result of his representation I will be in the Central Newfoundland area this weekend and will be inspecting that detour myself over the weekend.

MR. FLIGHT: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. FLIGHT: Yes, I acknowledge what the minister said is indeed correct, but I have had all kinds of representation this morning, and apparently the road is in a hazardous, deplorable condition now. In view of that would the minister advise the House as to whether he is prepared to reconsider his decision of keeping the Trans-Canada closed, reconsider that, and have the Trans-Canada open, at least until such time as the detour is completed and possibly paved?

MR. SPEAKER: The hon. the Minister of Transportation and Communications.

Y MR. MORGAN: Mr. Speaker, my decision will not be changed today, but it could be changed after I carry out an inspection myself over the weekend.

MR. SPEAKER: The hon. the member for Eagle River.

Y MR. STRACHAN: My question is maybe Premier Bourassa's first move. To the Minister of Transportation and Communications; is the minister aware of the impending decision by MOT to close down Border Beacon Weather Station, a weather station situated on the border and controlling a 100,000 square miles of air traffic area?

MR. CROSBIE: Sitting on the line of fire, are they?

MR. SPEAKER: The hon. the Minister of Transportation and Communications.

Y MR. MORGAN: No, Mr. Speaker, I am not aware of it but I will take it under advisement and have my officials check it out.

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

Y MR. NEARY: I would like to put a question to the Minister of Finance, Sir. In view of the fact that the Come By Chance oil refinery closed since the minister last went to the bond market, and now this hassel with Quebec, and maybe the cancelling of the tunnel and the transmission line, and the minister just about ready to go to the bond market now, does the minister think this is going to affect Newfoundland's credit rating in the bond market?

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

Y MR. DOODY: It is kind of speculative, Sir, hypothetical. We have no indications as of now that it is going to affect the bond market. Certainly we are going to have to go to the investing community and explain to them what the position is, where we stand, what Newfoundland's rights are as we see them. My own opinion is that under the terms of the legal advice that we have, that Newfoundland's position in terms of energy supply is a great deal better than it was earlier. I do not really think it will affect us

MR. DOODY: adversely, but I have no doubt that there is some concern right now.

MR. SMALLWOOD: It may adversely affect Quebec.

MR. DOODY: It will certainly affect Quebec.

MR. NEARY: A supplementary.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the minister indicate when he expects to go to the bond market and for how much will the minister be looking for? How much will the minister borrow?

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

MR. DOODY: Mr. Speaker, we have no immediate plans for going to the market, Sir. We are fortunately in a fairly liquid position at the present time and it will give us sufficient leeway to weather the storms and dangers that the hon. member just mentioned. We have no immediate plans.

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

MR. CALLAN: Mr. Speaker, in the absence of the Minister of the Environment, perhaps this question could go to the Acting Minister, the Minister of Tourism. I am wondering what is the status of Affiliated Marine Metals and the government contract with that group, and whether or not government, if they cannot get any co-operation from Affiliated Marine Metals - because obviously there is no co-operation. They are making promises every day to go and pick up car wrecks all around the Province and they never, never do so. They have the phones taken out and so on - so how soon will the Province decide to break off with this group, Affiliated Marine Metals, and hire or contract with another group to clear some of the car wrecks around?

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

MR. HICKEY: Mr. Speaker, I have already asked my officials to give me a report on this matter. I do know that there is some shipping going on, some shipping of stock that has been stockpiled. I cannot give any further information, but as I indicated I have asked my officials to give me a report.

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

MR. NOLAN: Mr. Speaker, this is a question really in the form of information, I hope, for the Minister of Tourism, and others who may be interested, in reference to the advertisement that I distributed the other day in reference to a campaign being carried out by

Mr. Nolan.

Mr. Davies and Company in the United States at great expense and provided for obviously by the public. I mention this because I want to bring this to the attention of the minister from the Ontario Humane Society, and I am going to send it over to him who says, "Silliness will not save seals." And he takes the position of advising people or the editors and the people associated with this paper not to be persuaded by this. And in fact they say, "If for no other reasons the Humane Societies in Canada must disassociate themselves publicly from the more extreme elements," referring to Davies and his group who are raising large sums of money as we know. So I would like to table this for the minister if I may and perhaps he might want to check with the Humane Association in Ontario and maybe we might do something similar if he would please.

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, I might tell my hon. friend that I thought to have a ministerial statement ready for today, but it was late in coming, on the very same matter. We have requested, and we are told that we can have made available to us the CBC film entitled "The Seal Hunt." And we have plans to get this film and to distribute it and make it available to the appropriate groups and individuals.

MR. SPEAKER: The hon. member for Bellevue. This will be the last question.

MR. CALLAN: Mr. Speaker, I want to ask the acting Minister of Recreation once more whether or not he can give a candid answer, number one, will there be a stadium built or are there plans or is there a commitment made to build a stadium in the Placentia area this year and also in the Ferryland area? If the answer is, yes - I cannot find out whether or not it is - but if it is, yes, how does the government justify doing this under an inflationary period?

MR. SPEAKER: The hon. acting Minister of Recreation.

MR. WELLS: The other day I told the hon. member on that question that I had asked the officials in the department to give me the files

Mr. Wells.

on that. I understand the files are ready. I will bring them here tomorrow, Friday morning, and give the member complete details then. Is that satisfactory?

MR. ROBERTS: A supplementary, Mr. Speaker.

I have asked this same question a number of times before. Could the minister tell us whether to his knowledge any commitments have been made for this stadium at Placentia - was it the hon. gentleman mentioned? - and at Ferryland?

MR. WELLS: I do not think a commitment was made for Placentia.

MR. ROBERTS: I did not hear the minister, I am sorry.

MR. WELLS: I do not think there has been any commitment made for Placentia.

ORDERS OF THE DAY:

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

MR. NEARY: Mr. Speaker, I move that the regular order of business of the House be suspended today to debate a matter of urgent public importance; namely, the crisis that has arisen between Newfoundland and Labrador and the Province of Quebec in connection with the recall and purchase of power from Quebec Hydro which is developed at the Upper Churchill.

MR. SMALLWOOD: Mr. Speaker, would it not be better to have that resolution if we are going to have it before we have a debate?

MR. WELLS: Mr. Speaker, if I may explain the position now.

MR. SPEAKER: Is the hon. gentleman now speaking on a point of order, because what I have to decide is whether the matter is in order?

MR. WELLS: Well yes, all right. Then I will make it a point of order. The point of order is this, Mr. Speaker, that I have prepared a few lines here which I was going to discuss with the other House Leaders now with the closing of the Question Period. It may be acceptable to members of the House. On the question of the matter of urgent public importance we feel, Mr. Speaker, that this is not the time. We feel that we ought to wait until some indication is received from the Province of Quebec in reply. Then the matter can and, as the Premier said, will be debated. But I think to at this stage before we know what the reply is going to be, I think we would be prejudging the situation to say that the crisis has arrived or that there is a crisis and that we should debate now. I would suggest to the House that we consider the resolution mentioned by the member for Twillingate (Mr. Smallwood). It may be that we can adopt it unanimously or could work out one that can be adopted unanimously. But on the question of a crisis and an urgent debate this afternoon, no, we will oppose that as being unnecessary at this time, Mr. Speaker.

MR. SPEAKER: As hon. members know there are in a sense two decisions to be made depending on the first decision. One, the Chair has to decide whether the asking for leave is in order. If that is decided affirmatively, then it is up to the House according to the procedures in Standing Order (23), whether the hon. gentleman in fact has leave. The Chair does not grant the hon. gentleman leave. It rules whether the matter is in order. It is one of the more difficult, perhaps most difficult, but certainly more difficult areas in which the Chair is put when this comes up. Beauchesne, page ninety, paragraph three, actually it is section (100), subsection (3) gives some definitions. It refers to urgency and it says the usual thing does not apply to the matter itself, but means urgency of debate. "When the ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately."

MR. SPEAKER:

Now the matter that was - yesterday, Private Members' Day - before the House was the amendment to the budget. I understand approximately ten or eleven members have spoken on that. So while the budget is a - if one wishes to put it this way - a wide open debate, the matter which must come in terms of time first, the amendment, is not because approximately twenty per cent of the hon. members have already spoken. Also when I bear in mind that I am directed to make a decision on deciding whether this is in order or not, I have to make a personal decision, a personal judgment with which hon. members may agree or disagree, and different ones may have different views, but whether public interest demands that discussion take place immediately. That is the position that I am in and I have to make my own decision on that. I have had a brief consultation with the hon. member who submitted this motion. Of course, the Chair, as hon. members know, can make changes of words or as to form in any motion either with or without consultation. I did it with consultation and suggested that the matter would, in my opinion, more clearly come and more properly be worded as a situation rather than as a crisis. That is a different kind of value judgment. The situation is a neutral position.

My ruling is that the matter is in order. Does the hon. gentleman have leave?

MR. ROBERTS: Well, it depends how many men stand, Your Honour. I am sure my colleagues will stand. I am sure hon. gentlemen who think it is in order will stand.

MR. SPEAKER: Will the clerk please count the House?

SOME HON. MEMBER: Will we vote?

MR. ROBERTS: No, it is not a vote yet.

MR. SPEAKER: Fifteen members have stood.

MR. ROBERTS: Now we can vote.

MR. SPEAKER: Standing Order 23(a) decides the matter. "Leave to make a motion for the adjournment of the House must be asked after the ordinary

MR. SPEAKER:

daily proceedings."

MR. ROBERTS: Mr. Speaker, (d) is the one.

MR. SPEAKER: (d), right, (d). "If less than twelve but not less than three members rise in their place the question whether the member has leave to move the adjournment shall be put forthwith without debate.

MR. ROBERTS: My apologies, Mr. Speaker, number (c) -

MR. SPEAKER: Yes, indeed.

MR. ROBERTS: "And if not less than twelve members rise accordingly Mr. Speaker calls upon the member who has asked for leave."

MR. SPEAKER: That is the operative sector here. Fifteen members did in fact stand. So I now call upon the hon. member who asked for leave. Technically the motion before the House is that the House do now adjourn to - that the House do now adjourn is the technical motion before the House.

MR. ROBERTS: He has lost his right to speak.

MR. SPEAKER: Well, I do not know.

MR. ROBERTS: Mr. Speaker, if nobody else rises to speak, I - although in all seriousness I do not know where the hon. member -

MR. SPEAKER: Order, please! I would have to consider now if the hon. gentleman who introduced the motion, whether -

MR. ROBERTS: Here he comes. Well, Mr. Speaker, I mean I -

MR. J. MORGAN: The motion is -

MR. ROBERTS: No, no. For the benefit of the gentleman from Bonavista South (Mr. Morgan) the motion is never carried because if the motion was carried the House adjourns. We are now debating - it has happened at least once before in my time in the House - we are now debating leave to adjourn.

MR. ROWE: That is right.

MR. ROBERTS: The gentleman from LaPoile (Mr. Neary) was not in his place when the Speaker called. But since he is now back I will yield to him on the understanding that when the hon. gentleman is finished my

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MR. ROBERTS:

right to speak exists as before, because I stood only when the gentleman from LaPoile (Mr. Neary) was not here. He was outside the Chamber for a moment.

MR. SPEAKER: Yes, certainly the Leader of the Opposition

MR. SPEAKER:

by ceding now to the hon. member who made the proposal would not lose his right to speak. Is there general agreement to that?

MR. ROBERTS: We are debating it now. You can debate the motion. The debate is on.

MR. NEARY: Mr. Speaker, I thank Your Honour very much for -

MR. WELLS: To a point of order.

MR. SPEAKER: A point of order has been raised.

MR. WELLS: To a point of order, Mr. Speaker. Would Your Honour give a ruling. I take it this debate, this motion which we are now debating must be limited strictly to the question of crisis or urgency.

MR. NEARY: Or situation.

MR. WELLS: Otherwise it is simply debating under another guise the whole question and that surely cannot be, Mr. Speaker.

MR. SPEAKER: The topic is that the situation that has arisen between Newfoundland and Labrador and the Province of Quebec in connection with the recall and purchase of power from Quebec-Hydro developed at the Upper Churchill. That is the topic for debate. The situation that has arisen between Newfoundland and Labrador and the Province of Quebec in connection with the recall and purchase of power from Quebec-Hydro developed at the Upper Churchill.

MR. NEARY: I thank Your Honour for the ruling -

MR. SPEAKER: The normal rules of debate apply. And as I understand it, perhaps it is because it is not very frequently that the House does debate a motion of this kind, as I understand it as well, that it does not hold over until the next day. In other words, a minute or so before the time when the House no longer usually sits, then either the motion is withdrawn or it is voted on affirmatively, and that is the same motion as the motion to adjourn. In other words, it does not carry on and it does not have to go until the House usually adjourns. But when it comes to that time it is disposed of either by withdrawing it or by voting to adjourn.

MR. NEARY: Mr. Speaker, I want to thank Your Honour again for allowing this urgent matter of public importance to be debated right away rather than wait, Sir, for a couple of weeks, waiting until the end of the month as has been indicated by the hon. the Premier. I regret that I was out of the House at that particular moment, Sir, but I was doing an interview on television. I want to thank the hon. Leader of the Opposition for -

MR. SPEAKER: A point of order has come up and I must ask the hon. gentleman to wait until I hear the point of order.

MR. CROSBIE: A point of order, Mr. Speaker. Under Section 23 (a) (c).

MR. SPEAKER: I am sorry. I did not hear the hon. member.

MR. CROSBIE: Under Section 23 (a) (c).

MR. SPEAKER: Section 23 (a) (c).

MR. CROSBIE: The procedure is outlined. If more than twelve members rise you call upon the member who has asked for leave. The member who asked for leave was not here, that is the end of the matter. Under the rules we proceed on with business. We are certainly not consenting on this side to any suggestion that the Leader of the Opposition has spoken in the debate now and this is a debate. We are consenting to nothing.

As we see it over here the member who asked for leave was called upon. He was not in his place. The matter is concluded and Orders of the Day should be called.

MR. ROBERTS: To that point of order. The first point I would make is that if the hon. gentleman's argument has any merit - and I submit that it has not for reasons which I shall explain - he has slept upon his rights in that Your Honour has recognized him and the debate was about to begin and all was in order. That is point one.

Point two, Mr. Speaker, is that Your Honour had gone through the rules and the House had gone through all the procedures specified in Standing Order 23 for a debate on a motion under Standing Order 23. When Your Honour calls upon the member who has asked for leave that is

MP. ROBERTS:

beginning the debate. Now the gentleman for Twillingate (Mr. Smallwood) who is not here, but the last time we had a debate in this House on this was during the Placentia situation. We had one on Placentia when it was announced the Americans were cutting back. It does not require unanimous consent. It requires twelve members and as it happened fifteen stood.

Mr. Roberts:

The debate has begun. The gentleman from LaPoile (Mr. Neary) was not here. And the rule is that when, you know, he did not stand, any hon. member could stand. We were in the debate then. I stood, was ready to speak, but then the hon. gentleman came along and I said, look I will yield to him on the understanding, and Your Honour made a ruling, and no objection that I heard -

MR. SIMMONS: No. None.

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: Oh, no, no. And Your Honour made a ruling, now after it is all over, and the member for LaPoile has begun his speech, or his speech on the matter then there was some objection taken. Well, Mr. Speaker, I submit that the hon. gentlemen opposite if they have rights, and they have not in my view, have slept upon them, they have let the point go. And secondly, Sir, they do not have any merit to their point, no substantive merit to their point. The debate has begun in the normal and proper way. It carries on in the normal and proper way and is subject only to the consideration Your Honour mentioned which is this is an adjournment motion. And either if it is carried the House adjourns, and if it not be carried when the debate is finished, if the debate finishes at say five o'clock, it is now four thirty o'clock, normally the matter would be withdrawn, we would then go on with other business.

As further proof, if I might, Mr. Speaker, of the fact that the government slept on their rights, the House Leader for the government was heard to say to Your Honour, "What are the bounds for debate?" And Your Honour made an answer. I mean, now at the last minute when all that is gone the gentleman from St. John's West (Mr. Crosbie) raises a point of order. It is not well-founded, Sir, and in any event, if it was well-founded the point at which it could be raised is gone. I think the debate is in order. The gentleman from LaPoile has the right to speak, and then I have the right to speak after him, Sir, and any other hon. member has the right to speak according to the rules of this House.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: With reference to the point of order brought up, the relevant Section (c) of (23) says, "if not less than twelve members rise accordingly Mr. Speaker calls upon the member who has asked for leave." I, in fact, called upon the member. He did not immediately get up. It is a moot point whether if the hon. member who calls for leave is not here or does not wish to speak, which is hypothetically possible, whether that necessarily drops the matter. But the hon. member has now been recognized. I would certainly in good faith between the Chair and members who would certainly recognize the Leader of the Opposition's right to speak, the hon. gentleman did get up and say a few words. He was not, in fact, recognized by the Chair, and I was not at that time until the hon. member came in, I was probably going to call order and consider the matter because then the question would have come up whether the hon. gentleman who asked for leave, and if he is not here, whether the debate continues, and any other hon. member can then speak to it, or whether it requires the presence of the hon. member who asked for leave, but that does not have to be decided.

MR. J. LUNDRIGAN:

Mr. Speaker, -

MR. SPEAKER:

Yes. Another point of order?

MR. LUNDRIGAN:

Yes, Your Honour. Your Honour has raised a point of order.

MR. SPEAKER:

No, I have not, but I will hear one.

SOME HON. MEMBERS:

Oh, oh!

MR. LUNDRIGAN:

One second, please! Your Honour in making Your Honour's ruling has raised a question in my mind about the moot point as to whether a member need be present in order to sanction, or give sanction or proper authority to a motion which has been raised. And in that respect, Your Honour, because of the precedent which might very well have been established, or could be anticipated to be established, I wonder would it be in order for me to suggest on a point of order that that be considered further, Your Honour, and perhaps, I am not suggesting a recess or anything of that nature

Mr. Lundrigan:

because it is something which I do not have any authority to suggest to Your Honour, but it is a very important matter, and Your Honour has raised in my mind the doubt as to whether in fact a ruling could be made on a motion when a member is not present to substantiate his position, and consequently I am not wanting to challenge Your Honour's authority, although that is the proper procedure for that matter.

MR. ROBERTS: No.

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

MR. ROBERTS: To that point of order, Sir. I am sure the hon. gentleman from Grand Falls does not mean this, but I think his suggestion is offensive to Your Honour and to the House in the extreme. Your Honour has made a clear ruling. Now if the gentleman from Grand Falls, and I think I am quoting him, "he is unable to understand it or has a question in his mind," Sir, I submit that is not a matter which the House as a whole can deal with. That is a matter for him. And Your Honour has recognized the gentleman from LaPoile. Your Honour in doing so said the hon. gentleman from LaPoile has the floor. Now if hon. gentlemen opposite wish to challenge Your Honour's ruling there is a procedure laid down and, of course, they can follow it. Unless they so challenge it, then I submit the gentleman from LaPoile should be allowed to go ahead. We only have fifty-five minutes before we must interrupt for the late show, and the matter ends at eleven o'clock tonight unless the House agrees to sit later. So I think we should get on with it. Well, in any event I submit that there is no point of order, Sir, and we should go on.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: To the point of order, Mr. Speaker, I would like to lay this matter to rest. Whatever the technicalities, and we certainly do not want to challenge Your Honour's ruling, whatever the technicalities

Mr. Wells:

we feel, as it happens, that this is not the appropriate time to debate it. That is neither here nor there. If twelve members rise and want a debate under the rules of this House they are entitled to it.

MR. NEARY: And twelve stood.

MR. WELLS: And twelve stood, and that is the end of it, and I would say, let the hon. member go on.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER: Order, please! Before recognizing the hon. gentleman, I am required to deal with a point of order brought up by the hon. Minister of Industrial Development which was essentially a request for a ruling on a moot point or on a point which has not come up for decision. And as a matter of fact it would be improper for me to do so. The Chair is not supposed to give rulings on matters unless and until they come up. So unless and until that matter comes up it would be improper for me to rule on it.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: I have been also advised that there are thirty Grade VIII students from Holy Cross High School in Eastport with their teacher Mr. Major, and I know all hon. members will join me in welcoming them.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: And finally, the hon. member for LaPoile.

MR. NEARY: Again I want to -

MR. ROBERTS: Mr. Speaker, I -

MR. SPEAKER: On a point of order?

MR. ROBERTS: No, I have I think a valid point, Mr. Speaker. This is Thursday and Standing Order 31 (g) requires at 5:30 certain matters take place. I would ask Your Honour whether that means that this debate now ends at 5:30 or whether it goes from 5:30 to 6:00, the House rises at 6:00 and comes back at 8:00 in the normal course. I think that is important because that will determine whether, you know,

Mr. Roberts:

the hon. gentleman will be the only member to speak or whether other hon. members may speak.

MR. SPEAKER: As I would see it the regular procedure will follow. At 5:00 o'clock hon. members will be informed what is to be debated at 5:30. At 5:30 the regular procedure will follow, then the technical motion before the Chair, two of the same kind, but the technical motion before the Chair is that the House do now adjourn, if the House votes to adjourn -

MR. ROBERTS: That ends it.

MR. SPEAKER: - then that ends it, and tomorrow we would start off with the regular order of business. So if the House votes not to adjourn then -

MR. ROBERTS: We will come back at 8:00 o'clock on the Standing Order (23) motion?

MR. SPEAKER: Yes, if not disposed off.

MR. ROBERTS: So it is up to you guys whether we meet tonight or not.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEAPY: Mr. Speaker, again I want to thank Your Honour for his ruling and I want to thank the twelve gentlemen who stood in their places to bring on this debate this afternoon, Sir, which I think is a matter of urgent public importance. If Your Honour did not think it likewise I am sure that we would not now be debating this matter.

I want to congratulate the Premier for outlining and making a very fine presentation this afternoon, in outlining the position of the government in connection with the recall of power and the purchase of power from the Upper Churchill. On the basis of it Sir, just listening to the Premier reading the letter and after browsing through the letter myself, I am not so convinced, Mr. Speaker, even with all the desk thumping that went on, I am not so convinced that this position that we have taken in this Province is strong enough, and I may end up my few remarks by moving a resolution that the House unanimously endorse the government's position of not putting up with any more guff from the Province of Quebec.

I do not know if the court - Sir I am getting all kinds of feedback. I do not know where it is coming from. I can hardly hear myself down here. I do not know, Mr. Speaker, I am not convinced actually that the court is the right procedure to follow. The government, the Premier indicated to the House earlier, that they have sought and have been given legal advice by a firm of lawyers outside of this Province.

MR. NEARY: Mr. Speaker, the Premier did not name the firm, would not name the firm at this particular time.

MR. SPEAKER: Order, please! Order, please! I would ask the constable to ensure that silence is kept in the corridors.

The hon. member for LaPoile.

MR. NEARY: The hon. the Premier would not name the legal firm, Sir, that the government had commissioned outside the Province to do their legal work. The hon. Premier said it would not be in the best interest of the people of Newfoundland at this time.

Sir, I claim that that is a wrong position for the hon. the Premier to take. By divulging, by disclosing the legal firm that the government have employed is certainly not going to damage our position, not going to weaken our position in any way, shape or form, and I think that is a piece of information that the Premier should give the House. It is very important that we know, that we on the Opposition side of the House know that we are in the hands of the best legal advisers that the government can get in Canada. It is important that we know that. So therefore I see no reason at all, Sir, why the government should withhold this particular piece of information. I think the Premier in this debate, before it concludes, should give us the name or names of the law firms and the lawyers outside of the Province, apart from the legal advisers to the Crown who are on the government's payroll, but the firm of lawyers that the hon. the Premier referred to outside of the Province. That is very important. Because we have been hoodwinked and bluffed so often on this matter, Sir, of an energy policy in this Province that I think that the government, without jeopardizing their case, without weakening the case at all, should give us all the pertinent information that is available. And I think that is one piece of information that the hon. the Premier should not withhold from the people of this Province.

MR. NEARY: Now, Mr. Speaker, it is a very, very serious matter that we have before us. The Province of Quebec, I understand, had just gone to the bond market yesterday, and today or yesterday had to withdraw their prospectus. They had to withdraw their application to float a bond issue. They were, I presume, a little bit scared that this may affect their credit rating in the bond market, and perhaps the hon. the Premier can confirm whether my assumption of what the hon. the Premier said is correct, that they did in fact, so I have been told, withdraw their application for a bond issue. So when you are faced with a situation, Sir, that can affect the credit rating of a Province the size and the magnitude, with the population of Quebec, then obviously it is a very, very serious situation.

Now I am not so naive, Sir, at all as to think that this threat of a law suit against the Province of Quebec is in any way, shape or form going to affect the credit rating of the Province of Quebec. I would say it was only merely a temporary thing, and probably a technical thing just to withdraw their application for this particular bond issue. I do not think for one moment, Sir, that this is going to cause a ripple as far as the credit rating of Quebec is concerned.

MR. DOODY: Do you know what Quebec-Hydro made last year?

MR. NEARY: Quebec-Hydro probably could buy and sell this Province.

MR. DOODY: They had a net surplus of \$400 million.

MR. NEARY: Well, that is right. So therefore it is not, you know, somebody, I think it was the hon. the Premier that made reference to it, and stressed it, laid some importance on it, that the Province of Quebec were going to the bond market yesterday or today. It is not going to cause a ripple as far as the credit rating of the Province of Quebec is concerned. It is going to develop, if it reaches the stage, if the Government of Canada does

MR. NEARY: not intervene, if the Prime Minister of Canada cannot be convinced that this is going to help destroy Canadianism and to destroy Confederation, if the Prime Minister cannot be convinced of that, and obviously he cannot, somehow or other I get the impression from the remarks of the hon. gentleman on the government benches that they feel that the dice may be loaded in favour of Quebec, that the Government of Canada will not intervene.

Well, Sir, failing that the Government of Canada does not intervene, and we do not know yet whether or not that will happen, the hon. the Premier still left the door open as far as talking to the Prime Minister of Canada is concerned, but it would seem that from a political vantage point that it may be so, that the dice may be loaded in favour of Quebec, that the cards may be stacked, as far as the Government of Canada is concerned, and that they will not intervene. Well, Sir, that is certainly a sad reflection on Confederation, if the Government of Canada, for political reasons or because a majority of the ministers in the Government of Canada are from Quebec Province, that they will not intervene in this matter, Sir, that in my opinion is a sad reflection on Confederation, because I think it is the duty of the Prime Minister and the Government of Canada to intervene when you have such a serious dispute between two provinces.

That is what Confederation is all about, Mr. Speaker. Unless the Government of Canada, which is the last hope that we have as far as I can see, because this little threatening letter that has gone out to Mr. Bourassa to me is a kind of a false alarm. The House was delayed one hour today, the hon. the Premier could have come into this House and could have interrupted the proceedings at any moment to make an important statement, to make an important announcement, and the House by leave could have given the Premier the right to do that and the hon. the Premier could have at any moment, and if he was in a telephone conversation with Mr. Bourassa

MR. NEARY: he could have rushed into the House and could ask the House permission to make a statement and the House would have given it to him. But instead of that the government decided to be dramatic about it and delayed the House opening for one hour when we all had to parade around the corridors on centerhooks. We thought the Premier had gone down, passed in his resignation to His Honour the Lieutenant-Governor, prorogued the House and we were going to have a general election. There were all kinds of rumours and speculation. We thought for sure that the Premier had resigned. We thought there had been a major Cabinet reshuffle, that the Minister of Mines and Energy, because of the way he has bungled, the minister had bungled this energy situation, had gotten the Royal Order of the Boot, we thought any number of things.

Members were going around, for the first time in my life, and it all happened so fast that my usual source of information, I presume, was unable to get to me on time to tell me what the crisis was, what emergency situation had developed that delayed the opening of the House for one hour. But finally a few of us on this side came to the conclusion that it had to do with the Upper Churchill. We came to that conclusion before the hon. the Premier made his statement. We felt that the hon. the Premier would not have the nerve at this time to call the by-elections or call a general election because it would mean annihilation of the government. But when we came to the conclusion, Mr. Speaker, that it had to do with the Upper Churchill, we were convinced in our minds that the Government of Quebec had come to an agreement. Premier Bourassa had picked up his phone, called the Premier of this Province and said, "Mr. Premier and government and people of Newfoundland, we are going to sell you the power that you want at the price that you want to buy it back for." That is the conclusion that we came to.

That is why I say, Sir, the whole thing turned out to be a false

MR. NEARY: alarm, heap big smoke and no fire. Because, Sir, unless we are prepared to take more drastic measures in this Province, unless we are prepared to do what the hon. the former Premier indicated that we should do, and that is through an act of this House, to bring a piece of legislation into this House and take the million horsepower that we want, do not allow it to go out of the Province. Keep it in the Province. And the hon. minister says that that cannot be done because of inter-provincial trade. Well Quebec is not worried about inter-provincial trade or good relations with this Province and I would think, Mr. Speaker, that we had a precedent for that only recently when the government changed the lease for Newfoundland Fish Processing and turned the company over to another company, Fishery Products, and that agreement was made by a statute of this House,

Mr. Neary:

the same as the lease was made in connection with the Upper Churchill. And unless we are prepared to go that far, Sir, this is all smoke and no fire. It is all wind and no rain, because all it is going to mean, Sir, is a bonanza for the lawyers. It is going to be a long-drawn-out court battle. That is all it is going to be. And it is going to take probably years in the courts before the matter is settled. In the meantime the energy crisis in this Province will still go on, go on, and get worse.

And, Mr. Speaker, I hope that this is not just a bluff on the part of the government, and I hate to be political about a thing like this, but, Sir, maybe I got a little bit of a reason to be political. I hope this is not just a bluff to get the government off the hook for having to cancel the construction of the transmission line and the tunnel underneath the Straits of Belle Isle.

Last Fall when this matter came up in the House the member for St. John's East (Mr. Marshall) voted against the government for putting up \$50 million to continue with the construction of the transmission line and the tunnel. And the reason that the hon. gentleman gave at that time, and I will never forget it, was that we were delivering ourselves right into the hands of Quebec, that they would have us by the short hair, that they would have us right across a barrel, that we would lose our bargaining position. And as it turns out the hon. member is absolutely correct, because that is precisely what has happened. We are at the mercy of the Province of Quebec. And now, Sir, we find ourselves in the position where the best we can do is threaten, and this is only a threat, this is not yet gone to court. I do not know what legal advice the government received from its own legal advisers or from the lawyers they have employed outside of the Province. I asked to have the advice tabled in the House, and the hon. former Premier (Mr. Smallwood) said, "Oh, no! The court." Well, this is the highest court in the land! Why should we not have, why should we not have access?

MR. SMALLWOOD: Be serious now.

MR. NEARY: I am being serious, Sir. I am not talking about anything that would be given in evidence, but why would we not have a right in this House to have access to recommendations that are made by lawyers who are employed by the government? And that is serious. Why should we not have it? Can the minister think of any reason why we should not have it?

MR. ROUSSEAU: We do not have to reveal our advice.

MR. NEARY: Well the minister may have to tell me before it is all over. Maybe these lawyers did not recommend that we had a legal case, that we had a strong legal case. They may have said that we have a weak legal case. Why does not the government take the Opposition into their confidence, and instead of tabling the recommendation as the former Premier once did when he invited the Opposition over to Roaches Line to discuss a very serious matter and took the Opposition into his confidence.

PREMIER MOORES: When was that?

MR. NEARY: Does the hon. former Premier remember that? And what was the issue at the time? I believe it had to do with the Upper Churchill.

MR. SMALLWOOD: If the hon. gentleman will allow me. On numerous occasions I invited the Leader of the Opposition and his right hand man, whoever that might have been at the time, and I think it was the present Mr. Speaker, into my office and also into the private dining room that I maintained on the ground floor here, and also at Roaches Line.

MR. NEARY: That is right.

MR. SMALLWOOD: - to inform them of matters of vital importance and serious importance to Newfoundland, especially Churchill Falls.

MR. NEARY: That is right.

So there you are, Mr. Speaker, we had ample precedent. In view of the fact, Sir, that this is such a serious matter why does the Premier not take the Leader of the Opposition, the Leader of the Liberal Reform Party, and the Leader of the Independent Liberals in this Province into his confidence? And the Leader of the

Mr. Neary:

Opposition's Lieutenant I presume would that he be Opposition House Leader. Why does the Premier not take, as has been done before, take all of us into his confidence, and the Leader of the Independent Tories on the government side, if necessary, and let us have a peep at the recommendation, if the Premier does not want to make it public. That is a fair enough request, Mr. Speaker, and there is no excuse -

MR. SMALLWOOD: Would the hon. -

MR. NEARY: Yes, I certainly will.

MR. SMALLWOOD: - yield for a moment?

He must be aware, I am sure he is aware, that it is a strongly established practice in the Mother of Parliament at Westminster for the government on every occasion of serious national importance to call in the Opposition or Opposition Leaders - there might be, well might be more than one - and keep them well informed which is the way by which they procure national agreement so that England faces the world as a united people and a united government.

MR. NEARY: Right!

MR. SMALLWOOD: In this matter I absolutely agree with the hon. member, I agree that the government ought to keep in very close and confidential touch with the leadership on this side of the House, because the government do not own Newfoundland, Newfoundlanders do, all of us, where our lives are at stake and our children and our grandchildren. And we should approach this matter as a united people, starting by having a united House. And the way to get that is for the closest confidential collaboration between the government on the one side and the various political leaders on this side.

MR. NEARY: I thank the hon. member for Twillingate for his contribution, Sir. I think that is the best piece of wisdom, if that is proper grammar -

MR. SMALLWOOD: That is good wisdom.

MR. NEARY: - that I have heard in this House for a long, long time. Because, Sir, if we are going to keep this matter, this serious matter

Mr. Neary:

above partisan politics, if we are going to just make it a Newfoundland issue, instead of a political issue, then the government has to take the Opposition members into their confidence, and so far the government has not done that.

MR. SMALLWOOD: To some extent.

MR. NEARY: No. to no extent, Sir, at least I can speak personally.

MR. SMALLWOOD: Well I can speak and say to some extent.

MR. NEARY: Well maybe the hon. member for Twillingate has been taken into the confidence of the government, but I, personally speaking, Sir, can only go on, and nobody in the Liberal Party, only what we have been fed out in this House, and the government will only feed out information as they see fit.

So if we are going to put up a united front, if we are going to fight this battle, and if we all are going to stand here patriotic and sing the Ode to Newfoundland, before we do that, Sir, I would like the government to get together with the Opposition and show us the documentation, take us into their confidence, give us all of the details, and all of the information that is available, give us the name of the legal firm that they have hired outside of the Province, and give us the knowledge, give us the advice, give us the -

MR. NOLAN: Give us the tools and we will do the job.

MR. NEARY: That is right. Give us at least the confidence of seeing the recommendations that are being made by the legal firm being hired outside of this Province. That is a fair and reasonable request, Sir. Then we can shove partisan politics aside. Then we can, as the hon. member for Twillingate pointed out, "We can all then go forward together. Put up a united front." But the government has to get away from playing politics with this whole matter.

I said a few moments ago, Mr. Speaker, and I do not want to be misquoted, and I do not want to be quoted out of context on this thing because I think it is too serious, that I sincerely hope

Mr. Neary:

Sir, and I somehow or other believe this because the Premier sounded so sincere, that I sincerely hope that this is not just a political gimmick for the government to get themselves off the hook, to make excuses for not being unable to go ahead with the development of the Lower Churchill, the tunnel and the transmission line because of the goofs that they have already made in connection with the Churchill Falls in kicking out BRINCO.

And my hon. and learned friend from St. John's East (Mr. Marshall), I am sure when the hon. gentleman participates in this debate that he will give us - because on that one issue alone I think the hon. gentleman is outstanding, the hon. member stands alone, And I am sure that hon. members of this House must respect the hon. gentleman who wrote an article, not only spoke in this House and warned us and told us that we were putting ourselves at the mercy of the Province of Quebec, but also wrote a feature article in The Evening Telegram, I read every word of it, and I thought at the time that the hon. member -

MR. NEARY: I did not agree with everything the hon. member said, but certainly the hon. gentleman's words have come true.

MR. SPEAKER: Order, please! I now wish to inform the House of the matters which will be up for debate at 5:30. I have notice of two matters. The first one, notice was given by the hon. the member for LaPoile (Mr. Neary) referring to a question asked the hon. the Premier and on the subject matter of the 78,000 man-days lost last year through strikes, legal, illegal and lock-outs.

In the second matter, notice was given me by the hon. the member for Baie Verte-White Bay, arising from a question asked the hon. the Minister of Health on the subject of the cutback of 200 hospital beds in this Province. These are the two matters which will come up at 5:30.

The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, I understand that the various leaders of the parties are trying to agree on the wording of a resolution to bring into the House, that we hope will be unanimously approved by the members of the House. Does the hon. the House Leader have something to say on this?

MR. WELLS: I was going to say, if the hon. member would yield for a moment, I have drafted just a very simple resolution which I think would suffice, if it is agreeable, "That this House unanimously endorses and supports the government's stand with the Province of Quebec on the matter of the recall of power from Churchill Falls to the Province of Newfoundland and Labrador." I think that would suffice, if it is agreeable.

MR. ROWE: Was anybody consulted?

MR. WELLS: No, I am consulting now. If we wish to discuss further it can be arranged.

MR. NEARY: Mr. Speaker, this brings me back to the main point of my discussion again, my main debating point now, Sir. Before the resolution is put, and I probably would have no hesitation in voting for it, but before the resolution is put, Sir,

MR. NEARY: I believe that the Premier of this Province and his Lieutenant, the Minister of Mines and Energy, should take the Opposition into their confidence and give the Opposition more information, instead of asking us to vote for a resolution to give the government a blank cheque. I know you would want to be crazy, you would want to be bonkers, you would want to be a lump-head, Sir, not to agree with that resolution that the hon. Government House Leader just read out there. You would want to be a mutton-head not to agree with it, but before we put the resolution, before we again, Sir, and we cannot afford to make any mistakes in this matter, again before we have the consensus of the hon. members of the House, I believe the government should take the Opposition into their confidence, and give us the full story in connection with the negotiations with Premier Bourassa and his government and Quebec-Hydro.

That is not asking too much is it, Mr. Speaker? And maybe, maybe, Sir, the Opposition may move an amendment to the resolution that the hon. gentleman just read. Maybe we would beef it up a bit. Maybe we do not think the resolution is strong enough. There are those of us on this side of the House who think that the government should pull the switch, and I happen to be one of those. That is how far I would go. That may sound radical, it may sound irresponsible, but rather than for us to sue the Government of Quebec, I think it would be far better to have the Government of Quebec sue us, We would be in the driver's seat. Right now we are on the defensive.

MR. ROBERTS: We are not on the defensive.

MR. NEARY: We certainly are, Sir, on the defensive. We certainly are. And I think it would be far better if we brought a piece of legislation into this House withholding the million horsepower, the 1,250,000 horsepower that we require and let Quebec sue us, and that will be their problem. Let us get in the driver's seat. The source of the electricity is on Newfoundland and Labrador soil. I do not know what this nonsense is about inter-

MR. NEARY: provincial trade. I can tell the Minister of Mines and Energy one thing about inter-provincial trade as far as Quebec is concerned. Try to get Public Utilities licence plates to truck from Newfoundland and drop off and pick up in the Province of Quebec and see how far the truckers in this Province would get. They are nothing but a crowd of dictators. The Quebec Mafia, Mafioso. That is all you could call them, Sir.

MR. SMALLWOOD: That is right.

MR. NEARY: The Quebec Mafia. And that is what we are dealing with here. We are dealing with the Quebec Mafia. And the Government of Canada, in my opinion, should intervene and they should say to Quebec Province, "Look, we have had enough of your foolish nonsense. Trying to cram bilingualism down the throats of other Canadians, jeopardizing the safety of people in the air through this foolish air traffic control policy that you are trying to develop, trying to force bilingualism into the public service, costing millions of dollars to the government and the taxpayers of Canada! Forget this foolish nonsense or give Newfoundland back their power." That is what the Prime Minister and the Government of Canada should be doing. And I blame the whole thing on them. And if they are not prepared to take a stand we should not - we have a by-election coming up in St. John's West in this Province that I am sure Mr. Trudeau would like to win, And I guarantee you if the Government of Canada would not intervene and lay the law down to the Province of Quebec and say, "Look, we have fooled around with you long enough, we have wasted enough time on you, you are after getting us in enough trouble with your corruption, and with your gambling, and with your Mafia. You are after getting us in enough trouble."

Does the Prime Minister of Canada, Sir, realize that if the Prime Minister took that kind of a stand that his popularity would go up in Canada overnight? If he used the Royal Order of the Boot on the Quebec Mafia instead of kowtowing and catering to them and tell them, "We are going to cancel this

MR. NEARY: foolish policy of bilingualism that is costing so much money unless you give Newfoundland back their power." Because all they are doing it for, Sir, is to try to appease, to try to please the Province of Quebec. And as I say, we have a by-election coming up, and if the Minister of Mines and Energy goes up and runs in that by-election, as we hear he might do - the present Minister of Mines and Energy offers himself as a candidate in that election - I do not know, Sir, but I would go up and support the hon. minister if the Government of Canada will not step in and intervene in this situation. Because the alternative, Mr. Speaker, the alternative to the Government of Canada letting the Quebec Mafia get away with this is a long drawn out court case that is going to go on for years and years, that nobody will benefit from but the lawyers.

Mr. Speaker, no wonder members are getting emotional about this situation. I would not mind standing up in the House and singing the Ode To Newfoundland, but before I do, and before I vote for a resolution, I want to know what I am voting for. I want the hon. the government, the Premier to take us into his confidence. We are not a bunch of juveniles. We are elected representatives of the people, and I believe the Leader of the Opposition and his Lieutenant, and the Leader of the Liberal Reform Party - apart from asking the Leader of the Liberal Reform Party to make a little minor contribution to this whole thing, and I do not think the Leader of the Liberal Reform Party even knew they were bringing this letter into the House this afternoon -

MR. SMALLWOOD: No.

MR. NEARY: - even though the hon. gentleman said they had to a certain degree taken him into their confidence. The hon. gentleman did not know.

MR. SMALLWOOD: If the hon. gentleman will allow me, so that I will not be misunderstood. The government have not taken me into their confidence. In one or two small aspects of the whole

MR. SMALLWOOD: problem with which they would think I had some particular knowledge, because it happened at the time I was Premier and when the negotiations were going on, they asked me if I would be willing to give any information I had. And of course, obviously, I would. Now then, in conversation, chatting, one or two facts were stated by ministers, important ministers, and I was appreciative, and I am appreciative. But I must repeat that I think it is the duty of the government to do in this matter what is the regular practice of the Government of the United Kingdom, whenever an important, a matter of national importance is at stake, to consult with the leaders on the other side of the House with the view to getting unanimity, unity, harmony, so that we all speak with one voice. And in this matter of facing up to Quebec, if we do not speak with one voice Quebec will only laugh at us.

MR. NEARY: That is

Mr. Neary.

true, Mr. Speaker, and if I make no other point, Sir, in my debate this afternoon it is certainly that one. And I think that the government owes it to the Opposition and to the people of this Province to take the Opposition into their confidence on this particular matter. It is a very, very serious matter, and I do not know what the hon. Minister of Mines and Energy is muttering under his breath there. But maybe, Sir, they do not want to do that. We can only wait and see. I will just see how the debate develops. Maybe I will have a chance. I do not know if I am allowed to speak again in this debate, to conclude the debate. Is that the way it works? Once you have had your say that is it.

MR. ROBERTS: And you cannot amend it either.

MR. NEARY: You cannot amend the resolution? Oh, I see. Well, I did not know that, Sir. The last time I spoke in this kind of a debate I think it was when it involved the closing of the Bell Island mine. And somebody reminded me this afternoon we had a -

MR. ROBERTS: I think there was one on Placentia.

MR. NEARY: I do not know. There may have been. I can only remember one since I came in the House and that had to do with the closing of the mine on Bell Island.

MR. ROBERTS: The gentleman from St. John's West (Mr. Crosbie) was over here as a Liberal Reform party for that era.

MR. NEARY: Well this is indeed, Sir, even a more serious matter than the phasing down of the Argentia Naval Base or even the closing of the Bell Island mine. As serious as these situations were, this situation, Sir, is more serious.

MR. CROSBIE: Be relevant. You are struggling for words.

MR. NEARY: I am not struggling for words, Sir. I am merely trying to impress upon the government the fact that they should not

Mr. Neary.

in any way, shape or form leave any doubt in anybody's mind that they are playing politics with this matter, that they just wrote this little threatening letter to the Prime Minister of Quebec to get themselves off the hook for all the goofs that they have made in connection with the energy policy of Labrador and the development of the Lower Churchill, and the tunnel under the Strait of Belle Isle, and the transmission line. I am not struggling. I have been duped before, and I am not going to be fooled again by that hon. minister or his administration. And I am only grasping, Sir.

MR. CROSBIE: Straws!

MR. NEARY: No, I am not grasping straws. I am trying to get information. It could be a gigantic bluff, I do not know. The only way, Sir, that we can find that out is for us all to get together and persuade us all that this is not a bluff, that there are no politics involved in it. The government are not trying to get themselves off the hook. The government are not boxed in, that they do have good legal advisors, and they do have a fairly strong case to put before the court. I do not know. Maybe it is a weak case. How do we know this unless the government would take us into their confidence? If we have not accomplished anything else by this debate this afternoon, it will be that. And before the resolution is put we should all get together somewhere, even if we go down to the golf course - where the hon. Premier spent part of yesterday afternoon - and hold our meeting down there on the golf course. I do not care where it is as long as the information is put out, laid out in front of us, and that we will not all be sucked into another gigantic bluff. And I hope, Sir, that it is not. I am not saying it is, but it could be. It could be. But certainly it is, at least, I suppose, a position that the government have taken. And by

Mr. Neary.

the end of the month, if the answer is not favourable, bang! away we go into the court, and then the batteries of lawyers and legal fees will be paid out. It will go on. The next election will come and go before it is settled. In the meantime it will not do anything to solve the energy crisis that seems to be developing in this Province. So, Mr. Speaker, I would like to give the Leader of the Opposition, who was gracious enough to yield the floor to me, Sir, I would like to give the hon. leader a chance to have a few words before we get to the Late Show. So I am not going to delay the debate any longer, Sir, except to thank my hon. friend for giving the floor. And I look forward to hearing what the hon. gentleman has to say. Thank you.

MR. ROBERTS: Mr. Speaker, let me first of all thank the hon. gentleman for LaPoile (Mr. Neary) for his courtesy. I am deeply grateful, Sir, and I very much appreciate what he has done.

Let me be sure, Sir, that all hon. members of the House understand the procedure, because I am not so sure I do. The procedure under which we are now proceeding is quite proper, of course, or it would never have been entered upon by the Chair's leave as it has been, but it is unusual, and it is certainly the first time since the present administration took office in 1972 that we have had a debate of this nature. As I understand it, Mr. Speaker, and so that hon. members at least on my side - I have not had any opportunity to inform them - so that they will be aware and other hon. gentleman that at 5:30 P.M., Your Honour, ends this debate - oh, I am sorry - interrupts this debate and we then have the so-called Late Show, and there are, I am sure, three questions which will be debated. At 6:00 P.M., Your Honour -

AN HON. MEMBER: Two only.

MR. ROBERTS: Two only? Well at ten of six o'clock when the twenty minutes on the Late Show have elapsed, ten minutes for each question, Your Honour then puts the question that this House do now adjourn.

Mr. Roberts.

That is a matter that will be decided, of course, by a majority of the House in the proper way. If that motion is carried the House forthwith adjourns, and we do not come back until tomorrow morning. If that motion is not carried, then the House rises until 8:00 P.M. You know, the normal evening session and we come back at 8:00 P.M. and we carry on until 11:00 P.M. unless, of course, the Standing Order has been waived. It is possible to do that to carry on until later than 11:00 P.M. if we wish.

My colleagues and I shall vote "nay" on the motion to adjourn, because we want this particular debate to carry on this evening, and I hope the government do as well.

MR. WELLS: That is a a bit of a switch.

MR. ROBERTS: Yes, it is. The House Leader says it will be a bit of a switch. The House Leader will remember the day when he was caught, as it were, and he learned about Standing Order, - whatever it is, - Standing Order 31 (h) or something or (g). He learned about it from vivid practical experience. Well, you know, I just want to be sure that, at least, my colleagues on this side, and any hon. member who is interested, is aware of the fact that if we vote to pass the motion at 6:00 P.M. that ends this debate. If we vote "nay" we are back at 8:00 P.M.

MR. WELLS: I am aware of it.

MR. ROBERTS: Well, the House Leader says he is aware of it. I am glad, and I am not surprised, but I am glad. And I want to make sure that we do not inadvertently cut off this debate tonight.

MR. WELLS: I will say now that there will be normal sitting hours tonight.

MR. ROBERTS: Well I appreciate that, and I think it is the right thing, if I may be so presumptuous as to advise the government, and I think it is the right and proper thing from everybody's point of view.

Mr. Roberts.

Mr. Speaker, let me also touch briefly upon the resolution, which I understand, has been discussed between the House Leaders - and I am not sure. Has the wording been given to the House?

MR. WELLS: No!

MR. ROBERTS: Well then I will not give it. I mean that is straightforward.

MR. ROWE: Yes, it is.

MR. WELLS: If the hon. member will yield for a moment. The resolution when it was suggested by the hon. member for Twillingate (Mr. Smallwood) - and we thought it might be a very good idea, but, of course, the thought in our minds, at least, was not predicated on having a full debate of this which now seems to be the case. So this is going to be debated and debated and debated.

MR. SMALLWOOD: The debate has nothing to do with the resolution or the resolution with the debate.

MR. WELLS: Well, I think probably it might well depend on what is said in the debate, which I think would be very pertinent.

MR. ROBERTS: Mr. Speaker, I think both hon. gentlemen are right, and both to an extent are wrong. The debate we are now on - which is on an adjournment, an unusual procedure on an adjournment motion, but a proper procedure - is not quite the same as a debate on a resolution which could be amended or, you know, in the normal way as any resolution to be dealt with. What I was going to say is that my colleagues and I will support the resolution, but we are not prepared to allow it unless the government wish to debate the resolution, and the House Leader says they do not, and I accept that. We are prepared

MP. ROBERTS:

to support it. There may be some improvement in wording we could talk about over supper or during the evening. But we are not prepared, for our part, to allow it to be moved, and I think we have that right because there is a motion before the House now. The motion before the House now is that the House do now adjourn and we are debating it. You know, we will see it moved at ten to eleven or whenever the government last in the evening, and time enough for it to be put, and if it is the wish of the House to be carried. I would hope that is an acceptable procedure. It would meet all the points but it would still allow us to debate the issue before the House and yet it would allow this motion to be put and carried, if that is the wish of the House, without debate. I think that is a fair way to go at it really.

MP. WELLS: I think it is sensible. We will have to see, of course, what happens.

MP. ROBERTS: Well that is fine. I cannot move the motion or I could at ten to eleven or at some point if it were in order, but I cannot now. So it is up to the government whether they move it or not. But the point is that we are prepared to support this resolution or a similar resolution at an appropriate time this evening. But we are not prepared to do it at this point because that would cut off what we believe to be a broader debate.

Now, Mr. Speaker, it is twenty after five and the House at five thirty will interrupt what we have to say. I have ninety minutes, although I do not want to use them. I do not intend to use them and I would ask my colleague, the House Leader on our side, to make sure that if I am getting a little long to keep me quiet because it would be very unfair to use up ninety minutes when, you know, this debate must end - well, not must, but will end at eleven tonight. I am very anxious, as we all are, to hear the Minister of Mines and Energy or the Premier or some spokesman for the government

MR. ROBERTS:

as well on this.

So let me talk, if it is in order, Mr. Speaker, for the seven or eight or nine minutes, whatever it will be, until we come to the five thirty point and then I will carry on for fifteen or twenty minutes or so after supper, if that is agreeable, and then somebody from the government can speak and we will listen to what they have to say.

Mr. Speaker, let me deal with one other procedural matter, or a matter which has arisen in the course of debate. That is the suggestion which I think came originally from the gentleman for Twillingate (Mr. Smallwood) but which my friend from LaPoile district (Mr. Neary) raised. It is the matter of being taken into confidence.

MR. NEARY: I raised it.

MR. ROBERTS: I am sorry. The gentleman from LaPoile (Mr. Neary) tells me that he himself raised it. Let me say, Sir, that while there are certainly precedents - indeed I know of at least one occasion when the hon. gentleman from Twillingate (Mr. Smallwood) when he was Premier - he may have mentioned this - but he consulted with the then Leader of the Opposition, the hon. W.J. Brown and Mr. James J. Green, or I guess perhaps Mr. Green was Leader of the Opposition and Mr. Brown was a colleague of his. That would have been in the 1962 House.

MR. DOODY: The time they had the fist fight.

MR. ROBERTS: No, no. That was not the time that the gentleman from Twillingate (Mr. Smallwood) and Mr. Brown had the fist fight. That was in the National Assembly - it could not have been in the National Assembly. No, no -

MR. SMALLWOOD: I never had any fist fight with Mr. Brown nor Mr. Brown with me, because some colleagues of mine intervened.

MR. ROBERTS: Ah, well there you are.

MR. SMALLWOOD: It never actually came to an exchange of fist fights.

MR. LUNDRICAN: Who was the aggressor?

MR. SMALLWOOD: Oh, he was the aggressor.

MR. ROBERTS: In any event -

MR. SMALLWOOD: He was the would-be aggressor.

MR. ROBERTS: Mr. Speaker, whatever the occasion of the events, and the aggressor and the aggressee, and the transgressor and the transgressee, it was not on the occasion of any consultation between Mr. James J. Green, Q.C. or the Hon. W.J. Brown also Q.C. with respect to Churchill. You know there were talks. The gentleman from Twillingate (Mr. Smallwood) was then Premier and he briefed the Leader of the Opposition and I happened to be present for part of it but I do not think I was present for all of it. So I know about it. There was no secret the meeting was held. It was quite public at the time.

I am not particularly anxious to be taken into the government's confidence on this matter. If they wish to do so I would, of course, respect it in the normal and appropriate way, but I think, Sir, that the government should put their case to the House. I have always felt that, and indeed the notes which I have prepared for a speech on the amendment to the budget, which is what I had expected and I guess we all expected we would be debating today, outlined some ideas I wanted to put to the House with respect to the whole Churchill Falls situation as it is obvious it has been coming to a head these last few days and these last few weeks.

One of the strong points, or the points I wish to make very strongly - and it was a strong point - is that I think the government should take the House into their confidence. I do not expect to be privy to negotiations between Premiers or between governments, but I do expect, Sir, that this House would be given the information and we have not been given the information. The government had a debate, a debate on a government resolution, a motion proposed by the Minister of Mines and Energy before Christmas. We had an extensive debate and on rereading it we were much more noted, or the debate was much more notable for the lack of information being given to the House than it was for the

MR. ROBERTS:

information, because at that time the government ought to have disclosed - and we asked questions and we got nowhere with the questions - ought to have disclosed the fact which even then was becoming apparent and has now become grievously apparent, and that is the fact that the whole power policy of this administration is contingent upon the Government of Quebec or, if you wish, Hydro-Quebec. I do not propose to draw a distinction between them.

Hydro-Quebec are the agency - and I do not use that in law - but are the agency of the Government of Quebec. They are the creature of the Government of Quebec just as the Newfoundland and Labrador Hydro Corporation, our equivalent of Hydro-Quebec, is equally the creature and an agent of this government, although not necessarily in law.

MR. LUNDRIGAN: That is correct. But does the hon. member wish to explain 'contingent', in which way he understands it?

MR. ROBERTS: Well the gentleman from Grand Falls (Mr. Lundrigan) asks about contingent. That is the point I do not want to go into because I am not using the term agent in the legal sense. I am not suggesting - agent in law has a very special meaning. I am not using the term 'agent' here in that sense. It is in that sense that you become involved in questions of whether guarantees are contingent or direct or what. All I am saying is that the Hydro-Quebec are the creature of the Government of Quebec. They do their bidding. And the Government of Quebec set the policy. The Minister of Mines, or whatever he is called, the Minister of Energy, I believe Mr. Cournoyer acts - you know Hydro-Quebec are irrelevant. We are dealing with the Government of Quebec and it is the Government of Quebec that are calling the shots on the Quebec side of it, even though it may be the Hydro-Quebec that is firing the gun. I use that as a metaphor only, I hasten to say. It is an unfortunate one, perhaps.

MR. ROBERTS:

Mr. Speaker, the first point I would make - and I will not have time to make more than this at this stage - the first point I would make is that it ought to have been made known to the people of Newfoundland and Labrador, and it was not made known to the people of Newfoundland and Labrador, that the entire power policy of this administration is predicated, utterly predicated, on the co-operation, the giving up by Quebec of substantial amounts of power. In fact, Sir, it is predicated on more than that. It is predicated on the willingness of the Government of Quebec, as the Premier said today, to buy that surplus on the Lower Churchill until such time as we can use it, the surplus of the power that could be produced right from the start, and buy it until such time as the government of this Province needed it in this Province; and secondly, it is predicated upon the willingness to make available to us the extra 800 or 900 megawatts or however many megawatts we need to go with our own recallable power to justify the power line across Labrador and then the tunnel across the Straits and the power line running from Yankee Point onto the Island grid.

Now, Mr. Speaker, if it is five thirty, and I think it is, I for one will - I do not know if I move the adjournment of the debate on the adjournment or what it is I do.

MR. CROSBIE: You have a couple of minutes yet.

MR. ROBERTS: The hon. Minister of Mines and Energy says there are a couple of minutes yet but it is one of these things I -

MR. CROSBIE: It is hard to speak when you know there is only a minute or two left.

MR. ROBERTS: Well not only that. I could certainly speak for a minute or two, as can the hon. gentleman, and has. But the point is I do not want to launch into another point. I would just go on repeating. I have made the point and I do not need to make it a second time, surely. Once is enough.

MR. DOODY: It is five thirty.

MR. ROBERTS: Well I mean I am willing to call it five thirty if the Chair feels that it is five thirty. But the Minister of Mines and Energy is on Atlantic daylight time instead of Newfoundland Daylight time apparently. But if Your Honour sees the clock as five thirty, let us call it five thirty and we will come back at eight and go on with it.

AN HON. MEMBER: Hear, hear!

MR. SPEAKER: The hon. Leader of the Opposition has adjourned the debate and the motion before the Chair in the understanding of Standing Order 31 is that the House adjourn and I call upon the hon. member for LaPoile (Mr. Neary) on the subject of the man-days lost through strikes and lockouts last year.

MR. NEARY: Mr. Speaker, it must be of some concern to members of this House, Sir, that in the calendar year 1975, 380,000 man days were lost through work stoppages of one kind or another. And that it cost the Workmen's Compensation Board, according to statements made recently by Mr. Blanchard, \$25 million in claims for time lost caused by industrial accidents. Mr. Speaker, the Canadian Labour Congress, in its current discussions at its annual convention that is presently being held, is centring a great deal of its thinking around the demand that labour be regarded as an equal partner with business and government in the operation of our economy. This sort of thinking, Mr. Speaker, goes back to a suggestion that hon. members have heard me make so often both in this House and outside the House and one that I have submitted to the hon. Premier in writing and that is, Mr. Speaker, that we institute in this Province without further delay a Newfoundland Productivity Council not only, Sir, to restore order to the tumultuous industrial relations scene but also, Mr. Speaker, to revitalize and re-energize our faltering economy on a whole host of fronts other than the two examples that I have just given the House.

We must, Mr. Speaker, for example, restore to our people, especially our young people, the very basic relationship between productivity and deserved entitlement to a high standard of living. With our record in this Province of precious man hours lost through work stoppages and industrial accidents, Mr. Speaker, it is imperative that our government, Sir, immediately abandon its futile bandaid policy that we have been following over the past several years and set to work right away, Sir, at reorienting our whole economy that will see labour brought more into the confidence of business and government and become directly involved in the decision making policies both in the private and public sector of our economy. Unless government acts at once, Mr. Speaker, to restore to our people the old adage, the old-fashioned idea that we should do an honest day's work for an honest dollar and that if we continue to live high off the hog without taking remedial action to

Mr. Neary.

cure our precarious situation in which we find ourselves through this record lost time, through work stoppages, through industrial disputes and industrial accidents that are so drastically affecting production in this Province, Sir, unless we do something about this, the bubble of expectation will surely burst and the wrath of our people, Mr. Speaker, who get more desperate and more disillusioned with their government and indeed with all the elected representatives of this House, the wrath of the ordinary people will come tumbling down around our ears. After nearly six months since this House opened, Sir, it is about time that we made at least one positive decision that will benefit the ordinary people.

So again, Mr. Speaker, I urge the government to get on with the job of setting up a Provincial Productivity Council that may be of some help to this Province in maintaining our present standard of living and reaching our objectives and our desires and our wishes and the expectations of the people of this ancient Province of ours.

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

MR. MAYNARD: Mr. Speaker, I have listened to a lot of disjointed statements since I have been in this House of Assembly, but I think that one has to take first prize, because I am sure if the hon. member read the statement over again, which he did - one that was obviously written by his usually reliable source - and he read it over a dozen times no one would be able to understand what he said. He started off in his first sentence by talking about the man days lost through strikes and then immediately went into a sentence about the cost of industrial accidents. Now what relationship there is between the two escapes me, and I am sure it escapes everyone else -

MR. NEARY: Loss of production.

MR. MAYNARD: - in this House, Mr. Speaker.

MR. NEARY: Loss of production.

MR. MAYNARD: Yes, but the two are hardly tied in together as being related, and I thought from the question that was asked a couple of

Mr. Maynard.

days ago that the hon. gentleman was asking what was being done to prevent work stoppages. As far as the proposal regarding a Labour Productivity Council or whatever kind of an elusive animal that might be, Mr. Speaker, it has never been fully explained to me, either on the Order Paper or any letters that I have seen or any documents that I have seen what possible good a Labour Productivity Council is going to be or what the terms of reference of such a council would be. I would suggest that if the hon. gentleman wants to talk about such a council that he be a little bit more specific and give some terms of reference. The motions that I have seen on the Order Paper regarding a Productivity Council have been a great of mishmash that really means nothing.

MR. NEARY: Well do you want to see the proposals that I got from the Premier?

MR. MAYNARD: We have had a lot of discussions, a lot of correspondence, a lot of input from labour and employers over the years regarding all aspects affecting the workers of the Province, both the man days lost through work stoppages, new legislation, the industrial accident rates, and go right on down the line. We do not need a council as such, and it is of no use whatsoever except to set up maybe another bureaucracy that can sit and discuss -

MR. NEARY: Well the Premier thinks so, because he wrote me two letters telling me that he approved of it.

MR. MAYNARD: I would like to see the letters that approve of -

MR. NEARY: They are down in my office, I will bring them up tonight.

MR. MAYNARD: - the hon. member's suggestion that he just made now of a Labour Council to tie into two things, work stoppages and losses of productivity through industrial accidents.

MR. NEARY: It has to do with all aspects.

MR. MAYNARD: We are all anxious, Mr. Speaker, to see an honest day's work for a honest day's dollar, and I am sure that the people in Newfoundland, who are working, are trying to give an honest day's work for

Mr. Maynard.

the dollars that they are receiving. There is much more to a solution to the work stoppages, finding a solution to it than merely setting up a council. But if the hon. gentleman has any specifics that he would like to put forward -

MR. NEARY: I have given them to the Premier.

MR. MAYNARD: - I mean sensible specifics that really outline something that is going to work, then I would only be too happy to read and discuss it with anyone.

MR. NEARY: Well you better take it up with the Premier, because the Premier approved of it and wrote me two letters.

MR. SPEAKER: Order, please!

The second item of the Late Show refers to the elimination of 200 hospital beds. The hon. member for Bay Verte - White Bay.

MR. RIDEOUT: Mr. Speaker, in the March budget, Sir, there was no doubt about it, it came through loud and clear, it came through as clear as a bell that in the name of austerity the provincial government was to cut back on 200 hospital beds. That came through as clear as anything could be. So one could only assume from that announcement, Sir, that we had a surplus of hospital beds in this Province, that we could do without 200 beds. We could also only assume that the health of the people of this Province came first, that government, despite restraint, despite the necessity of cutbacks, would not do anything to adversely affect the health care of our people. Then, Sir, came the greatest contradiction of the century. The whole plan then became obvious, the whole contradiction became obvious. If new hospitals, with more beds were needed, for example, at Twillingate and the government says it was, then do we or do we not have a surplus? If a new hospital with more beds was needed at Carbonear and the government says it was, do we or do we not have a surplus of hospital beds? If new hospital

Mr. Rideout.

beds were needed at the Burin Peninsula Hospital and at the extension in Grand Falls, and again with these two items the government said, they were needed, if these were needed, and we had a surplus the contradiction is even more damning, and on and on it went,

Sir. If all these new and expanded facilities were needed to adequately care for our people - and I have no doubt they were, I have no doubt about that whatsoever, I have no doubt that they are needed - then one thing is clear, if these are needed we do not have a surplus of hospital beds in this Province and how, therefore, in Heaven's name can we justify cutting back on what presently exists? That, Sir, must be the contradiction of the century. Now that was bad enough, that was harsh enough, not to go ahead with the planned expansions in those particular areas. But to cut back on what we presently have must be, Sir, courting with disaster.

MR. RIDEOUT:

And now, Sir, the minister in my opinion has grossly added to a confusing situation that already exists. The minister has grossly added to that. The minister is saying now that this is a health budget restraint, that the word has gone out to the hospital boards to restrain their health budgets, not in order to close back any particular number of beds. Now, Sir, that is a clear-cut departure from the language that came through loud and clear in the March budget. The March budget said 200 hospital beds to be cut back. Now the minister is saying that he is informing the boards that they must restrain their health budgets to such a degree it will be equivalent to cutting back 200 hospital beds. That, Sir, is a contradiction. To me it is an evasive departure that now dumps the problem out of the minister's lap and into the laps of the hospital boards.

The hospital boards will now have to suffer for the indecisiveness of the minister and the government in this particular area. They will now have to take the brunt of whatever adverse public opinion comes across. Sir, we cannot cut back on health care programmes without risking the health of our people, without risking the health of the patients. Even children who have to use the Janeway, for example, will be adversely affected by this decision. I appeal to the minister, Sir, to grasp this problem and to solve it now. Do not dump it into the laps of the hospital boards. If there is going to be any dumping let it stay where it belongs at the political level and in the minister's lap. It is too late to close the barn door, Sir, when the horse is out and it is too late to cry about closing down hospital beds when our people begin to suffer undue hardships.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Mr. Speaker, I do not see that there is any contradiction in what this government is trying to accomplish. I think all hon. members agree, the hon. member for Twillingate (Mr. Smallwood) and most

MR. H. COLLINS:

responsible hon. members opposite and certainly those on this side of the House, all agree that we are faced with a period where there is a great need for restraint in government spending, not only in Newfoundland but in Nova Scotia, New Brunswick and every Province of Canada, the federal government and we can go beyond our own national borders and we find the same situation.

It is not unusual to find hon. members opposite cry and plead day after day with the government to spend more money on water and sewer, to spend more monies on roads, to spend more money on hospitals and in fact on all other government programmes and then by straddling the fence or speaking out of both sides of their mouths at the same time, to say that the government is headed for bankruptcy. If we leave them in power any longer, the Province is going to be bankrupt. Now, Mr. Speaker, one cannot have one's cake and eat it too. We are faced with the responsibility today of bringing about whatever cost restraint programmes which we can.

To deal with the hospital bit which is on the carpet again, granted we did defer the extension to the Central Newfoundland Hospital in Grand Falls. We did defer the construction of the new hospital in Burin. We did defer construction of the new hospital for Clarendville. We have deferred a lot of other new hospitals and extensions and what have you for the simple reason, Mr. Speaker, that we cannot find the money. In fact if we listened to the hon. member for Twillingate (Mr. Smallwood) we are not going to be able to find the money which we have approved now in our estimates. The monies which this House has given us approval to spend that hon. member claims that we are not going to be able to find that and consequently we cannot spend it.

So I think we are acting responsibly. And we have had a look at all of the areas whereby it might be possible to save some money on current account because after all everything comes from current account, not everything but the majority of it. And we have come to the

MR. H. COLLINS:

conclusion after a lot of consultation with the medical profession and the people who operate the hospitals, we have come to the conclusion that we can indeed save approximately a couple of million dollars in the hospitals across this Province.

It is not something one does lightly. I have had the benefit of the best advice which I can get in addition to the two organizations which I just mentioned. I have some pretty competent people in the department. My deputy minister and my three assistant deputy ministers plus the professionals who are down there are not about to give me advice which is not realistic. We have come to the conclusion on the basis of, as I said, a lot of discussion, that we can accomplish the saving here which we are talking about.

Now the hon. member says that I am trying to dodge the issue and hide behind the skirts, if we want, or hide behind the hospital boards. Nothing could be further from the truth because I have had numerous meetings with those people. They have been told what the budget restrictions are. We could have taken the approach, I suppose, where I could have said, "I want twenty beds closed in the General, I want so many in Central Newfoundland, I want thirty in Gander", and so on but we did not think this was the right approach to take. The approach we did take, after all of the consultation that was necessary, was that we would introduce the budgetary restraints and let the hospitals decide themselves what would be the best services to close, if that had to be done, and I know it is going to have to be done. But let them do it from a local level so that on the basis of having the expert knowledge of the local level, having that input, I think, we will be able to accomplish what we set out to do with the least impairment in terms of quality of care.

I understand there have been a couple of hospitals today, if not today certainly tomorrow, will be announcing some bed closures. They know and I know, we all know in government, that we stand behind this and we take the responsibility for it. We are not passing any

MR. H. COLLINS:

responsibility over to the boards. But what we are doing, Mr. Speaker, is giving the boards some flexibility, some responsibility in the area to have some input among themselves so that this can be accomplished with the minimum of interruption in terms of the health care needs of the Province.

MR. SPEAKER: In accordance with Standing Order 31 (H) I now put the motion which is before the Chair, that is that the House do now adjourn.

Motion that the House at its rising do now adjourn until this evening at eight o'clock, carried.

The House resumed at 8:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please! I have been informed that the Mayor of the Rural District Council of Badger's Quay-Valleyfield-Pool's Island, Mr. Winston Ricketts, and the Town Manager, Mr. Harry Harding, are in the Legislature and on behalf of hon. members I welcome them.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: The debate was adjourned by the hon. Leader of the Opposition.

CAPTAIN WINSOR: Premature. Premature, Mr. Speaker.

MR. ROBERTS: My colleague says it is premature.

CAPTAIN WINSOR: The welcoming of the Mayor of Valleyfield, he just came in.

MR. ROBERTS: Oh I see. I gather my friend from Fogo, who is of course a native of the North Shore of Bonavista Bay, tells me that the Mayor of the Rural District Council of Badger's Quay-Valleyfield, Mr. Ricketts -

MR. SIMMONS: And Pool's Island.

MR. ROBERTS: - and Pool's Island as well, has just arrived in the Chamber somewhat after Your Honour was gracious enough to welcome him and for Mr. Ricketts -

SOME HON. MEMBERS: Hear! Hear!

AN HON. MEMBER: The member was slow.

MR. ROBERTS: Let me say that His Honour did indeed extend a very cordial welcome and all members of the House thumped warmly. It is our matter of regret there was no member from Bonavista North to join in the welcome.

CAPTAIN WINSOR: They want a by-election.

MR. ROBERTS: Mr. Speaker, let us make one thing very, very clear in discussing the situation which was described or which was touched

MR. ROBERTS: upon today, described in part by the Premier's statement, the subject which forms the subject matter of this debate and that is this, that while the Premier's statement was received with support on all sides of the House, and I know will be received with support by the people of Newfoundland and Labrador, and so it should be, Sir, so it should be, that statement in no way represented a victory or heralded a victory or forecast a victory or in any way represented a step forward in the development of this Province. It was a desperation move. It was the only move the government could take. I think it was the right move because it was the only realistic move left open to them. It was a question of defeat or fight, and the Premier and his colleagues have chosen to fight. Well so they should, and they would be poor Newfoundlanders indeed and poor Labradorians indeed if they did not stand and fight, and in taking that position, as has been said many times and will be said again in this debate by many speakers, they will have the whole-hearted support of all of the people of this Province.

But, Sir, let us not delude ourselves. Let us not for a moment think that this is a development we should welcome. It is one that we should look upon with great apprehension, because what the Premier was saying today was that he has served, or the government have served an ultimatum on the government of a sister province, it happens to be the Government of Quebec, and that that ultimatum is that unless that Province accepts certain requests, which are reasonable and proper and which should be accepted, but that unless that province, the government of that province accepts those requests then, Sir, we will take the matter into court, a matter of war, by any means, but a matter of fighting by civilized and proper and lawful and altogether constitutional means.

That is not something of which we should be proud, or of which we should be happy. It means we are in for a long, tough fight

MR. ROBERTS: with no certainty, Sir, that at the end of the road success lies. The government took this position, Sir, because it was the only option left to them, and no amount of words and no amount of speech can in any way take away from that single stark fact. This was the act of an administration that had literally no other options open to them. They could have had the option of capitulation but that, Sir, is unthinkable. Every citizen of this Province feels, as the government does and as we do, that - well the phrase I use is, what we have we hold. Another way to put it is that our boundaries are not negotiable. We will negotiate power but we will not negotiate territory.

So all the government's options closed in on them. And if we look back over the two years and a bit, two years and two or three months now since this government made their move to acquire the ownership of the Churchill Falls Corporation and their move to implement their power policy, we can see, as we come along the road, what I believe were genuinely held great hopes, have step by step been shattered, have step by step been put aside.

We bought the Upper Churchill shares. We paid \$160 million for them. As far as I know every member of the House at that time, and certainly I was one of them, voted in favour of that purchase. There was not a dissenting vote, and while I have not re-read all the debates recently I am quite sure I am correct when I say there was not a dissenting voice. It had the support, Sir, that move by the government had the support of every member of the House of Assembly of the Province of Newfoundland and Labrador, every single one.

There was only one voice of any substance that I recall raised against it in the Province, and that was by the man who is today the gentleman from Twillingate, the hon. member for the district of Twillingate (Mr. Smallwood).

MR. SMALLWOOD: Andrew Crosbie.

MR. ROBERTS: Mr. Andrew Crosbie may have taken that position.

I do not doubt it at all. But I am not aware he took it publicly. I am not aware he made any public comment on it at all. But even if he did, Sir, that then means that two voices were heard.

The fact remains that that policy had the support of every single citizen of the Province, with very, very few exceptions. I think it is worth saying, Sir, that the ownership of the Churchill Falls shares has nothing at all to do with the dilemma which faces the government now. Because the problem would be essentially the same, Sir, whether those shares were owned by the Government of this Province, as they are, or whether they are owned by BRINCO, a privately owned corporation, or whether they are owned by anybody. Because ownership is not the problem. The problem essentially rises from two facts: First of all from the fact which faced the Upper Churchill, and that was the fact at that time that the only possible customer for that power, the only possible customer for the 5200 or 5300 megawatts of power which can be and which are being generated at the Upper Churchill, the only possible customer was Hydro-Quebec.

That is not quite true now. Hydro-Quebec are not the only possible customer for our power, and from the Lower Churchill indeed the fact is that we need that power here on this Island. But it is equally true that without the act of co-operation of Hydro Quebec, there will be and there can be, as far as we can tell, no development. The act of co-operation is needed in two respects. First of all it is needed in the recapture or the recall, whatever phrase we wish, the diversion from Quebec to our own use, to our own Hydro Commission of 700, or 800 or 900 megawatts of power, 300 megawatts - well it is actually less than that. We have recaptured some of the 300 megawatts we are entitled to recapture. But Quebec giving us or allowing us to retain by purchase enough power to justify the cost of the

MR. ROBERTS: transmission line across Labrador from the Churchill to the Straits of Belle Isle, and then the tunnel across the Straits, and then on from Yankee Point at Savage Cove near Flowers Cove, onto the Island grid. That is one and the second, of course, is the other one, the Premier mentioned this today in his statement, and that is the need for a customer to take up the excess power which will be produced as of the moment the Lower Churchill comes on stream and producing 1800 megawatts, and there is 1,000 or 900 megawatts of power which are surplus to our needs for a period of years. I would imagine the amount would decrease over that period starting at 1,000 or 900 megawatts and then going down by, say, 150 megawatts each year if our consumption continues to grow by that figure, until eventually we can use all of the power. But we need a customer, somebody to purchase that power right from the moment the project comes on stream, because of course like all hydro projects you cannot phase it in, you bring it in all at once. Your capital cost is all there. Your production is all there, and the only potential customer for that block of power, if anybody has been able to find any realistic terms, is Hydro-Quebec.

Mr. Roberts.

That is why the problem exists today, those facts, and then the further fact that the Government of Quebec, for whatever reasons, and I cannot pretend to speak for their reasons, I have no idea what their reasons are - the Government of Quebec have apparently decided to adopt a course of action that could only be regarded as being close to extortion - extortion in the sense they figure they have us in a position in which we cannot bargain, in which we must make whatever deal they want. And they are prepared - in a colloquial phrase - "To put the boots to us." The course of action which the Premier outlined in a letter he sent to the Premier of Quebec, Mr. Bourassa, amounts to close to that. There is not a great deal that is new in the letter because much of it has become public before, but just consider: Here is a province that is getting a great part of its power supply from an adjoining Province. That is true. We did not sell to them to do them a favour, and they are not buying it from us to do us a favour. It was a commercial deal. It was the only possible deal that could be made, and at the time everybody concerned said it was a good deal. As events developed it has turned out to be a very one-sided deal. But here they are, they are getting these immense quantities of power without which the Province of Quebec would be badly strapped for power, and the lights would be dim in Montreal and not just at the Olympics, and the factories would not be operating because Quebec needs that. That is a substantial portion of the power being consumed today in the Province of Quebec. So there they have this.

And we come to them and we ask them if they will let us have a portion of that power. What is it? Ten per cent? Fifteen per cent of the production is what we want? That is all we are asking for. We do not need it for two or three years, because even if the construction was going full steam ahead on the transmission line across the Labrador and the tunnel across the Strait, it would be

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two or three years before it could be energized, before power could be put into it. We do not need it right now. We need it in two or three years. And while I do not have the precise dates in front of me, that is about the time that the James Bay power will come on stream. It is not as if we are going to be depriving Quebec of power. She can get that power from the James Bay development. As far as I know, and I have heard no evidence to the contrary, Quebec can afford to let us have that power. They are not going to have to ration electricity in Quebec if they let us have the 500, 600, 800 or however many megawatts of power we need. But no, they do not take that attitude. They first of all take the position, and take it publicly, there is no pretense at negotiations, the Minister of Energy in Quebec comes out and says, "We want a portion of your territory." It is unheard of, an unthinkable demand, a new one, the same demand or the same request, as it then was, was made in 1964 at Quebec City by Mr. René Lesveque who has become since then the leader of the Separatist Party in Quebec. It was rejected then, and the government now rejected it this time, and so they should have. It is almost insulting. It is certainly not the way one government should deal with the government of a sister Province.

And then when it became obvious that there was no way that such a policy could be accepted or would be accepted, then we get almost an equally insulting thing. They do not want our territory any more, not to change the border. All they want is to buy 7,500 square miles, and we are treated to the spectacle of Mr. Cournoyer, speaking for the Government of Quebec, it now turns out, on the television, on the television news making this demand. Insolent if not insulting. It is not the way one province should deal with another, not the way one part of Canada should deal with another. We are not sovereign nations, Sir. We are all part of a

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Confederation. We are all part of one country. Quebec is an integral part of this country. And I for one - and I think every citizen of this Province has always believed that Quebec was entitled to fair and just treatment and no more, but we are certainly willing. This Province has had a long record, Sir, of supporting the moves by the Government of Canada to ensure that Quebec receives fair and proper treatment in this country, and now these insolent and insulting demands! So we are at this juncture now tonight where the government are driven to take this position that unless Quebec - this is what the Premier said today, I am paraphrasing, but I think I reproduce it accurately - that unless Quebec will recant on their publicly held position, their publicly taken position, we will be forced to take it into court. And that is the only weapon we have that I can see, but it is not surely a terribly strong and practicable weapon. It may turn out to be one, but it is not a weapon that can move with speed or with quickness for a finality of decision. I do not know how long it would take to settle such a court action. I have no idea. But I would not be surprised - perhaps the Minister of Justice or the Minister of Mines and Energy or the Minister without Portfolio, all of whom are lawyers, all of whom have experience at the bar, and all of whom I am sure have been in close and constant counselling with the government's solicitors and with the outside counsel who have been retained to advise the government - I would not be surprised if a year or two or three could elapse between the time action is initiated here in our Supreme Court, and we go through all the interlocutory and preliminary motions, and then we go through trial, and we go through the inevitable appeal to our own court of appeal, and then the equally inevitable appeal to the Supreme Court of Canada. A year or two or three could go, and no certainty of the outcome. Our counsel have given their advice, given their opinion. I think it is sound from what I know of the law. But

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nobody could predict what the courts will decide when all the arguments are in. So that is where we find ourselves. I do not understand Quebec's position. I do not think any Canadian could. I do not see why one province apparently sets out to hurt another. They will not be hurt if they give us - I do not mean give us as a gift - if they give us the right to recapture that power. I do not think they will be out at all. They will still have 4,000 megawatts, 4,500 megawatts or however many there are. They will retain of very cheap energy indeed. They will still retain that. They will still have the benefit of that. They will not have to pay for any power they do not get. I do not understand Quebec's position, and perhaps one of the ministers, when they speak, might be able to help us. I just cannot understand it. This is a province, the Province of Quebec, that looks to the rest of Canada for fair treatment, even for special treatment, to meet special needs. They take this position. If Mr. Bourassa maintains this position they will forfeit the sympathy of all Canadians. This goes against the very heart of Confederation, one province, not only to prevent development in another, but almost to try to hurt it. Because if we do not get this power we are not able to develop the resources of Labrador. Then the other alternatives are not pleasant. We must have the power. How do we get the power? We cannot go ahead and develop the Churchill on our own. We have been through that time and time again. That is one of the dreams that disappeared along the road from March, 1974 to May, 1976. That dream disappeared.

Hydro resources on the Island? We have some. They are not all practicable, and we pay a dear price for them. The Lloyds River is certainly a potential hydro development, but we feel that would be too high, the destruction of that watershed, which is what would be involved in developing that power, developing it by bringing it down through the Bay d'Espoir generators. It would be too high a price to pay. I understand that we can take seventy-five

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or eighty megawatts of power out of the Terra Nova Park, the water resources in there. Does anybody want to see the National Park in the district of Terra Nova and Bonavista Bay damaged, as it must be and as it would be if we had that sort of development on that river.

MR. COLLINS: There would be evacuation.

MR. ROBERTS: Well I say to the member for Gander, yes, that, sure, the price is too dear. There are other resources, sure, they can be developed. They might or might not be expensive, but in the long run we quickly would be forced back to thermal power, very expensive power, and not to mention the difficulties of starting power sources that rely on foreign oil, and they must be foreign oil, at least, until we can develop the oil that is off our coasts. So I do not understand Quebec's position. I do not know why they have forced the whole thing out into the public now, because, of course, positions harden very quickly when they become public positions. It would be very hard now for Mr. Bourassa to back off. It would certainly, I would think, involve the resignation of his colleague, the Minister of Energy. Now that would be a cheap price to pay. But it is too bad the whole thing has now become public.

MR. ROBERTS:

I do not blame the Premier and his colleagues for that. Obviously they had no choice. I think the Premier has tried his best to reach an accommodation. I am somewhat shocked that the Premier of any province - in this case Quebec - is too busy to see the Premier of another province at any point during a week. The Prime Minister of Canada, I am sure, is not that busy. It is just a matter of rearranging one's schedule. I think what is obvious is that the Premier of Quebec did not want to see our Premier, did not want to discuss this matter with him. That would be consistent with the other actions of the Government of Quebec. Again I cannot understand why. I suppose speculation is futile and would serve no end anyway.

Mr. Speaker, the fact remains that we are now in this position. We are in a difficult position. I think we must look to the government to tell us how they think we are going to get out of it, and I will come back to that. Before I do, Sir, I want to say a word or two about the full power policy. He called it today, I think, a policy bankrupt of hope and bankrupt of ideas and bankrupt of substance. It was a dream, a dream that has turned into a nightmare. We spent \$160 million, in round numbers, to purchase the shares of the Upper Churchill and the water rights of the Lower Churchill. Financially the returns we get from the Upper Churchill will never pay off that debt. That has been well-established in the House here and I do not need to go through the figures again.

But the extra money that comes to us in respect of the shares which we acquired with that money will not be enough to service that debt in the next twenty or twenty-five years, and by service I mean repay the principal and pay off the interest. If we are paying \$20 million a year in interest on that debt now - and \$160 million at twelve per cent is of the order of \$20 million - then we are paying \$55,000 a day, each day and every day, on the interest of that debt.

MR. ROBERTS:

But the government felt and the government said that we must have the ownership of the Upper Churchill so that we can develop the Lower Churchill. So they bought it. They acquired it. They bought the shares. But now it turns out, Sir, that the development of the Lower Churchill may not be impossible but has certainly become very, very difficult. Only now are the government admitting this. Only now are they admitting it because they are forced to admit it.

We have long feared, Sir, - if Your Honour looks back through the debate in this House before Christmas the fear and concern underlie speeches made by a number of us on this side - that there was no practicable way the government could get out. The same fear, I think it is fair to say, was shared by the gentleman from St. John's East (Mr. Marshall) and the gentleman from St. John's North (Mr. J. Carter), each of whom when the division came, when the vote was taken, voted against their government. And they support the government. They are Tories. Indeed they are better Tories than many who are there, but they stated their concerns and they said that the government had then, before December, come to the point where they should have cried halt. We felt that way. We said it and we voted it.

Go back before that, to late August of last year or September, when I made a statement that I said all this activity of blowing off tunnel tops or mountain tops for tunnels down in Yankee Point and across the Straits and Pointe Amour was just election bait. The then Minister of Energy, Mr. Barry, came out and called me all sorts of things. The kindest thing was some euphemism for liar. Yet, Sir, it turns out now that it was just electioneering, and that there was no more substance for the government pretending, and the Premier pretending when he went down and made that speech - I do not have it in front of me, it is on my table inside - in Flowers Cove and Yankee Point and across the way in Pointe Amour in Labrador, we shall go straight ahead. This government, Sir, have

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got to answer to the people for that.

We have spent not just the \$160 million that has gone into Upper Churchill, \$5 million of which went to purchase the water rights of the Lower Churchill. The people of this Province have spent millions, a \$100 million, maybe more, \$50 million, \$55 million committed according to Hydro's report--or \$50 million spent, I am sorry, and \$25 million committed. It is here in their annual report, the one that has the lovely colored photograph of the Minister of Mines and Energy on the front.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Preliminary estimates of the cost of the Gull Island project total in excess of \$2 billion. It is now up to \$2.5 billion, the Premier told us today. That is an escalation of \$200 millions.

MR. CROSBIE: It is now \$2.3 billion.

MR. ROBERTS: The Premier used the figure \$2.5 billion.

MR. MURPHY: \$2.5 billion.

MR. ROBERTS: The Premier used the figure \$2.5 billion.

MR. CROSBIE: It has not changed.

MR. ROBERTS: Well the estimate has not changed, then the estimate is no longer accurate because the fact remains that time after time what this government have said about the Churchill project has been shown to be inaccurate or wrong. I will not put a stronger term on it than that, although I could. The fact remains we have committed \$26 million, and we have aggregated as of December 31, 1975 some \$50 million in expenditures, according to the Hydro's report. That is \$76 million gone. Then whatever else is gone into it. Maybe we will get our money back and maybe we will not. One thing is sure and certain, we will not get it back quickly.

So the government have to answer for this, Sir. They have to answer for their policy. They have to answer for their failure to be candid with the people of this Province and with the House. They have to answer for the speeches last year, last Fall

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saying, "We are going straight ahead. We are going full steam ahead until we get this power." And they have to answer for the statements made here before Christmas when they said, "Oh, we will take a chance. We think it is a reasonable chance." Maybe it was a reasonable chance. Maybe nobody could have foreseen that any government of any Canadian Province would be as obdurate and as insolent and as insufferable and as anti-confederation as the Government of Quebec have shown themselves to be. But the government, Sir, the government took no heed, took no care to point this out.

The member for St. John's East (Mr. Marshall) raised, as I recall it, almost precisely that point here in this House and for his pains and his troubles he was pooh-poohed by the Minister of Mines and Energy, who was in fine form as memory recalls it to me, denouncing in his most virulent style the thought - I do not remember the words and I do not remember exactly what was said but my memory is vivid and my memory I think on that point is correct.

Mr. Speaker, here we are now. Where do we go from here? Where do the government take it from here? It should never have come to this. The government have not been candid. They have not told the people what the people of this Province have a right to know. The government should have said last Fall, "Look we can only go ahead with this if we can make a deal with Quebec." But instead last Fall they were pretending with \$1.6 billion it could still be done. Let it not be forgotten, Mr. Speaker, that when the government of this Province acquired the shares of the Churchill Falls Corporation in the stated hope and expectation that we could go full speed ahead in 1974 with the project, the cost was stated as being of the order of \$1.3 or \$1.4 billion. And the government stood by that estimate and pooh-poohed and slandered and denounced people who said the estimate was wrong, that the cost would be much higher. They stood by that until last Fall, when the Minister of Mines and Energy makes a \$2.3 billion estimate public.

MR. ROBERTS:

It is now obvious, Sir, the government have known for a long time their policy was not one of a calculated risk, it was one of a desperate gamble. They have gambled with hundreds of millions of dollars of our money, hundreds of millions of dollars. Now we are at this point where either the Government of Quebec give way, as I believe they should - and if they are concerned at all with Canada, forget Newfoundland and Labrador, but if they are concerned with Canada and the future of this country to which we all belong, they should give way and say, "All right, we will make a deal with you, Government of Newfoundland and Labrador. We will let you have the 800 or 900 megawatts and we will let you have it at the same price that we are paying for it and then you do as you wish with it. If we can work out a deal with you to jointly develop the rivers that flow down through Quebec into the North shore of the St. Lawrence, then we will do that. If we find that we need some power at the same time as you have a surplus on the Lower Churchill we will see if we can make a deal to buy that from you at a reasonable rate." If they care at all about Canada, they will take that position. Even now. It may involve some loss of face but so what, so blinking what, if they have some concern at all.

MR. ROBERTS:

And I think that all across Canada when this begins to sink in, when the conduct of the government of our sister province begins to sink in, people will say, "Yes, let them do it. It is not unreasonable. The Government of Newfoundland are not asking for anything unreasonable or unfair." But, Sir, unless that happens or unless we win a protracted court battle- and who knows at what cost, and who knows at what time-we are up the stump. We are up against it, Sir.

Now what about a court battle? Well, not for me, Mr. Speaker, to enter into the legal merits. I do not think it would be appropriate, and I am certainly not well enough seized of all of the problem, and all of the arguments and issues to be able to discuss that. And as I said, it would probably be very inappropriate for us to discuss in this House the points and the arguments which shall be made, quite possibly, we hope not, but may well be made before the courts of this Province, the courts of Canada.

But, Mr. Speaker, let me touch upon a point which comes up in connection with court discussions, and that is essentially the suggestion made today by the gentleman from Twillingate (Mr. Smallwood). I do not know whether it will be possible or not for the Legislature of this Province to pass a law, a valid law, we can certainly pass the law, but a valid law that would say, I think the suggestion was that we just hold a thousand megawatts or a million kilowatt hours, whatever unit we care to use, but a substantial block of power, we hold it here in this Province. We recapture by legislation.

MR. WELLS: One-seventh.

MR. ROBERTS: One-seventh. One-seventh. Well, sure. That is right, one-seventh.

MR. SMALLWOOD: Approximately a million horsepower, not in kilowatts.

MR. ROBERTS: All right kilowatt hours or horsepower, we all talk megawatts now.

MR. DOODY: Eight hundred megawatts.

MR. ROBERTS: Eight hundred megawatts actually is not quite the same, but forget it. Megawatts is what we now talk. It is the amount of power as opposed to the ability to produce power. We by legislation seize some of that power.

Now I do not know whether that is intra vires this Legislature, or ultra vires, Learned gentlemen opposite say it is ultra vires, and I have no doubt that is the advice they have been given, and I am not quarrelling with that. I mean, if it is then that ends it right there, because we cannot pass a law that is not within our constitutional powers to enact. We can pass it, but I mean it is like saying we should keep the fog out of St. John's Harbour. It is the same value as King Canute when he sat in the wash and said, "Keep it back."

MR. NOLAN: If we pass the law how would it reflect on the other commercial enterprises.

MR. ROBERTS: Aw! my friend from Conception Bay South (Mr. Nolan) has raised the real issue, one which concerns me, and the one which led me more than anything else to say today that cool heads must prevail. We feel strongly, all of us feel strongly, but let us not let our hearts run away with our heads. Because my concern would be this, the power from the Upper Churchill, Mr. Speaker, is sold to Hydro-Quebec by Churchill Falls Labrador Corporation, a Crown corporation, 66 per cent of the shares of it are owned by the Government of this Province. It may not be a Crown corporation in the income tax sense, but it is a corporation controlled by the Government of this Province, 66 2/3 per cent or whatever the precise percentage is. The power is sold by CFLCo to Hydro-Quebec by virtue of a contract, called the power contract, logically enough.

That contract, Sir, is pledged as part of the security for the bond issues, the loans. Indeed I would venture to say, I think it is a sound opinion, that that contract is really the biggest single part of the security on which hundreds of millions of dollars was advanced by lenders throughout the United States and Canada to the Churchill Falls project. I think the power contract is

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the real heart and soul, the real guts of it.

MR. SMALLWOOD: There is no possible way they could have raised the money unless there was a contract for the sale of the power.

MR. ROBERTS: The hon. gentleman from Twillingate has said, and he has rephrased my thought the same way; without the power contract there was no project.

Now, Sir, the Legislature of this Province can alter a contract, certainly a contract within the Province. If Your Honour goes down tomorrow and buys a car for \$1,000 this Legislature can pass a law saying that no car shall cost more than \$500. You know, that presumably is well within our legislative competence

Let us assume that we can alter this contract, the power contract by legislation. Let us assume that. There would be a devil of a legal fight if we tried it, and maybe it is *intra vires*, maybe it is *ultra vires*, but let us assume we can.

I have not checked all of the documents, but I have talked to some lawyers who are intimately familiar with them. And the advice which they give me, and it is not a great formal opinion, but it is the result of extensive conversations, the advice which they give me is that alteration in the power contract by one of the parties to that contract represents an active default under the trust deeds. If the Minister of Justice speaks in the debate perhaps he could speak to that point. He may know more than I do about it, and I would certainly defer to his opinion on it. But I am told that an alteration of the power contract by one of the parties to the contract is a default, called an act of default.

Now, Sir, there is no doubt that if one of the parties to that contract held back a seventh of the power that was to be sold each year under the contract, that is a unilateral alteration. It is essentially the same as pulling the plug, except instead of all of the power you are only talking about part of the power, it is the same concept. You cannot be a little bit pregnant.

MR. ROBERTS:

Now, Sir, let me deal first with the question then, is an action by this Legislature a unilateral alteration of the contract? We did not make the contract. It has never been approved by this House, it was made by a private body, CFLCo Limited, we had a very small sharing holding in it then, 9 per cent as I recall it, a private body CFLCo Limited with another corporate body Hydro-Quebec.

Well I do not think that any court in the land, Sir, would say that today, given the fact that the government owns the shares, and that the government have control of the Legislature— that is why they are the government, they have the majority of the members to their backs — I do not think that any court would say that an act of the Legislature changing the contract is anything else other than a change by one of the parties to the contract. We could not hide behind the corporate veil of CFLCo. The hon. gentlemen opposite differ. Well, they are entitled to their opinions. But I think if this Legislature change the CFLCo contract it will be held that that is the same as CFLCo changing. That is the advice I am given.

MR. CROSBIE: It is wrong.

MR. ROBERTS: The Minister of Energy says, "It is wrong." Well maybe it is wrong.

MR. CROSBIE: I have not said a word.

MR. ROBERTS: All right he shakes his head indicating that he thinks it is wrong. Well maybe he is right, but I will say, Sir, that his record of prediction on this whole Churchill thing has been one of disaster piled on disaster, and misstatement piled on misstatement.

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: But, Mr. Speaker, whether or not I am wrong, the fact remains I am given the advice that the unilateral changing by this Legislature of that contract would easily, and it might almost certainly be regarded by a court as being an abrogation of the contract by one of the parties to it. If that happens, Sir, if that happens two

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things could possibly happen. First of all, the debt becomes due, the debt of the Churchill project, which is what? I do not know if it is in here somewhere. It is of the order of \$600 million or \$700 million or \$800 million, well beyond the capacity of the owners of CFLCo Limited and us, and the people in this Province to pay off.

And also, and we saw this happen at Come By Chance, the holders of the debt would have the power to move in to take over the project. They have that right under the trust deeds, just as the government as mortgagees under the second mortgage, and ECGD mortgagees under the first mortgage at Come By Chance moved in and took possession of the project even before our Supreme Court declared the Come By Chance operation bankrupt. So presumably the trustee could move in and he would then proceed to sell the power to Quebec, I would assume; reasonable, logical to assume he would do that.

Where does that leave us? I do not think the suggestion of legislation is a valid one even if, even if it is intra vires this Legislature. A number of ministers this afternoon gave their opinion, and I think it has probably got a lot going for it, that it is ultra vires. But even if it is intra vires I think it is an option we must reject. Because in addition to the whole CFLCo project falling in, what would happen to our debt? I do not know. But I do know that nobody would ever lend us a nickel again, in my view, if they felt this Legislature unilaterally abrogated contracts on which substantial sums of money were advanced. We would be the worse kind of Banana Republic, Sir. A Banana Republic without even the advantage of the sun and the bananas, the warm weather and the cheap food.

Mr. Speaker, I think that option is one we must reject. Sure I am all for saying, "Sock it to them! Pull the plug! Let the Olympics be dark!" Sure. But if the effect of that is to see our credit ruined or is to see the Churchill Falls

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project with our \$160 million invested in it, going into the hands of a trustee who is carrying on as before, and carrying out the terms of that contract, the it is foolish even to suggest, even to suggest for

MR. ROBERTS: one minute if we think of it.

DR. COLLINS: Would the hon. Leader permit a question?

MR. ROBERTS: Yes, of course.

DR. COLLINS: Just for my clarification, are you giving a case as presented on the basis that the Province would therefore be declared bankrupt and a trustee could come in? Do I understand correctly?

MR. ROBERTS: No, no, Mr. Speaker, I did not say that, and I do not think that would happen. What I have said is that - I did not even say it would be an act of default under the Province's main debt structure - but I think it would be an act of default under the CFLCo debt structure and whether that would be an act of default on our debentures as a Province, I do not think it would be, but it would certainly seriously jeopardize our position in the bond markets, and I think would ruin our position in the bond markets of the world. The bond markets are not that large. Large sums of money -

JOHN NOLAN: What would it do with any future negotiations in any commercial enterprise?

MR. ROBERTS: I mean, you know, it is just unthinkable. Take the ERCO contract; we could pass a statute here in this House ending the ERCO contract, which is irksome and environmentally dangerous. We could do that, it would be perfectly valid, but would any company ever again make a deal with the Government of this Province? I do not think you can do it. I do not think there is any way that any government or any legislature can proceed. But I have not said, nor do I think, that you would have a trustee moving in here to, you know, Clarkson Gordon would come in here to Confederation Building and take us over for bankruptcy. I do not think that would happen at all, but I think it would disastrously impair the Province's position in the markets of North America and the markets of the world.

Mr. Speaker, I do not want to go on very much longer because I think it is right that other people have the opportunity to speak in this debate, but I do want to say

MR. ROBERTS: just one or two things in trying to draw my remarks to a close. It is a matter of regret to me that we do not have a great deal of time. Most members want to debate it. I know almost all of my colleagues said to me they would like to speak, but because we have to use this emergency procedure the debate will have to end shortly and, you know, it is wrong. The government should have allowed this matter to be debated this day as a government motion so that the debate could go on in the normal way. Be that as it may, the fact remains we are allowed this debate and I will be as brief as I can so that as many members as possible can speak.

Mr. Speaker, I want to know from the government, from the spokesman, the Minister of Mines and Energy perhaps, or whoever is to speak, what the government's contingency plans now are. It is no good saying, let us wait for the answer from Quebec. That is only ten or eleven days away and I hope, fervently hope and pray, that Quebec will come to their senses and they will say, "All right, we will make a reasonable deal with you," and even if Mr. Cournoyer goes out of the cabinet well, so what! You know, he is a Johnny-come-lately in that cabinet anyway. Indeed, if I am not mistaken, Mr. Cournoyer was not always politically publicly a Liberal. I believe he represented the Union Nationale in the House for a while, but be that as it may, I am not concerned, this is far beyond anybody's public or political career.

But I want to know what plans the government have. And I think it is time, Sir, this government were candid with the people of this Province on this matter. I have said this time and time again here, and each time I have been scorned and denounced by the minister with all his vituperation and vitriol, and each time they have had to come in subsequently and admit, Sir, that they have had -

MR. H. COLLINS: Shame!

MR. ROBERTS: Shame, yes, shame on the minister, that

MR. ROBERTS: they have had, Mr. Speaker, that they have had to recant and retract. And what turned out as a great development going straight ahead, and all the tunnel tops being blasted off last September or August or whenever it was. Then we saw the great retreat before Christmas and now we see the capitulation today. So let the minister be candid.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Let the minister be candid, let the government be candid, let them take this House, Sir, into their confidence. I think, Mr. Speaker, the government should tell us what plans they have. What of our power needs? How will they be met if Quebec says no? And do not talk about we cannot say. The whole matter is public now. All the linen is being washed now. I did not bring it out. I did not know all of this that the Premier said today. Most of it any one of us could have guessed. Most of us have known about it but we have said nothing. But now it is out. How are our power needs going to be met? We need 100 or 150 megawatts of power each year in this Province, growing, and I am not talking of industrial development. How are they going -

MR. H. COLLINS: (Inaudible)

MR. ROBERTS: The Minister of Health, Mr. Speaker, cannot even run his own department. He cannot even run his own department.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Let him be quiet, Sir, unless he has something of importance to contribute.

Mr. Speaker, I want to know as well, Sir, what are our costs? What have the people of Newfoundland now sunk into this miasma? Is it \$75 millions or is it \$100 millions?

MR. PECKFORD: You are weaseling now.

MR. ROBERTS: The hon. the Minister of Municipal Affairs who has destroyed his department, who has destroyed the department down there, says I am weaseling. Would the hon. gentleman care to say how we are weaseling? No, he would not. Mr. Speaker, let him observe the rules of the House.

MR. PECKFORD: Prove it! Where are your facts?

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: Mr. Speaker, I am not going to be diverted by rabbits when I am after elephants.

MR. PECKFORD: Do not try to be witty now.

MR. ROBERTS: Mr. Speaker,

MR. ROWE: Ah, clam up boy, clam up!

MR. ROBERTS: Mr. Speaker, let the hon. gentleman, let the Minister of Municipal Affairs, Sir, hold his counsel as best he can.

MR. PECKFORD: You cannot prove it. You do not have the face to prove it.

MR. ROWE: Will somebody give him a -

MR. SPEAKER: Order, please! Order, please! Only one person may speak at a time, and while occasional desk thumping is normal, a continuing interruption is not.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Thank you, Mr. Speaker.

MR. H. COLLINS: The hon. the Leader of the Opposition is -

MR. ROBERTS: Mr. Speaker, I also -

MR. F. ROWE: Name him! Name him!

SOME HON. MEMBERS: Name him! Name him! Kick him out!

MR. ROBERTS: Mr. Speaker, the hon. the Minister of Health just defies Your Honour's rulings. Let him heed them.

AN HON. MEMBER: Name him!

MR. ROBERTS: No, not name him. Why give him that satisfaction?

Mr. Speaker, I want to know as well what the government are going to do, what options they can see for the development of that great Labrador resource? What can they see? Are we stymied? Are we, forever? If not, what can we do and when? I think it is time the government told us that. I would like the government to tell us, how realistic this litigation route is? And I do not mean whether we will win the case or not, the Government do not know that. They are not judges. Some of them may want to

MR. ROBERTS: be, some of them may hope to be, but they are not judges, they are members of the House, they are legislators. But, Mr. Speaker, what sort of time do we take, a year, or two year, or three years? Supposing on the 31st. of May the Premier of Quebec writes back and he says, "My Dear Premier; Cherchez l'affaire!"

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: Dear Friend.

MR. ROBERTS: He may say anything. But suppose he tells us to go to blazes in English or in French or in any other language? Cherchez l'affaire en Francais, Mr. Speaker. And by the way, there is a resolution to this House saying that French is perfectly in order.

MR. PECKFORD: Continue on all the way.

MR. ROBERTS: Mr. Speaker, I could say something to the Minister of Municipal Affairs that the Prime Minister of Canada said to a group of strikers, but I do not think I need to. Let him just say -

MR. DOODY: Why do you not use some other great Liberal philosophies?

MR. PECKFORD: Mr. Personality strikes again!

MR. SPEAKER: Order, please! Order!

MR. ROWE: Is he gone cracked or what? Is he gone bonkers?

MR. ROBERTS: Ah, Mr. Speaker, all I need say about the gentleman from Green Bay (Mr. Peckford) is that he is not fit to hold the garment of the previous schoolboy debater who sat there in that chair for two or three years and met his fate at the hands of the people of Burin - Placentia West last September, although we may get him back in St. John's West, I hope. I hope.

Now, Mr. Speaker --

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: No, I suppose I should not be tempted. It is not fair to pick on him like that.

MR. ROWE: Give him a flick.

MR. ROBERTS: Mr. Speaker, I want the government to tell us how realistic this litigation route is. What happens? How long it might take? A year, two, three? I have no idea. I do not know. Where do we go from here? Is it an idle threat or an empty threat? It is a threat. I have no doubt the government mean it, but is there any substance to it? Supposing the Supreme Court of Canada, who would doubtless be required to settle it, say, "Yes, we find that upon the request of the government consumers of electricity in the Province shall be given priority where it is feasible and economical to do so, and we find that it is feasible and economical to do so," what happens from there? What action do we seek? What remedy do we seek? What do we pray for in our statement of claim to the court? That is not prejudicing in any way our legal case, that I can see. I do not want to do anything that would prejudice our case, but I do want the government to be candid and straightforward, which they have not been. They have consistently and constantly misled the people of this Province, Sir. Not deliberately. Not deliberately.

MR. DOODY: False.

MR. ROBERTS: Yes, they have been false. The minister says so and I agree.

MR. DOODY: Yes, very, very little.

MR. ROWE: What is wrong with that guy?

MR. ROBERTS: Mr. Speaker, it is time to take the people of this Province into their confidence. It is time to take the House into their confidence. The people of Newfoundland and Labrador will stand by their government in this matter. I have no doubt of that. I have no doubt of that at all. Every member of this House will stand by their government in this matter provided, provided always that the government deserve the confidence of the people, and that they are truthful, and honest, and candid, and give the people the full story.

Two years ago we were going full steam ahead. Millions lashed out here, there and everything great, and all we have seen since then is a steady backward progress, stage to stage,

MR. ROBERTS: are now today, our backs are to the wall and we have got \$160 million, plus another \$75 million or \$80 million socked into it. And the government have ignored all warning and scorned all warnings and scorned all questions. They have questioned the patriotism of those who dared question their acts, not their motives but their acts. They have questioned their patriotism. They have questioned, Sir, the beliefs and the ability and the sincerity. And before Christmas the Minister of Mines and Energy read his speech, read it.

MR. CROSBIE: Give us some examples.

MR. ROBERTS: Mr. Speaker, I do not - if the government had done the decent thing and given members of the House some warning this thing would come up, perhaps we could have done a little research, but I did not spend my supper hour rereading the minister's speeches. I wanted to have a nice supper, a decent supper, not the minister's speeches. Indeed I had fresh salmon, and lovely it was.

MR. PECKFORD: I did too.

MR. ROBERTS: Mr. Speaker, the government, I think, have got to take the people of this Province into their confidence. The statement today was no victory. It was a backs-to-the-wall statement. It was the only option we had left now. The government have talked of all the strings they had to their bow. Well, let us hope this is a strong string. I do. Let us hope it is. Let us hope it works out to that.

The Government, Sir, have got to tell us what possibilities lie ahead. Are we going to have to look to thermal power, expensive, difficult of supply, difficult to rely on the supply? How much money do we stand to lose now? How much have they hazarded on this madcap policy? The ownership of the Churchill is not the relevant question. Although it is interesting now to repeat, as we established last Christmas or before Christmas, that the

MR. ROBERTS: Churchill will never pay for itself. The dividends we get will not be sufficient to amortize the debt.

Let the government, Sir, answer these questions. If the Minister of Mines and Energy wants to get up and denounce me, let him. I have been denounced many times before by that hon. gentleman.

MR. DOODY: The hon. Leader is coming down squarely on both sides of the issue.

MR. ROBERTS: No, Mr. Speaker, I am not coming down squarely on both sides of the issue, I am trying to get the government to tell us what the issue is. I am trying to get the government to be truthful and level with the people, which they have not done. This is the government that went to Yankee Point and went to Pointe Amour and blew off a great cliff and the Premier's words, I have not got them in front of me but they were something like, "We are going full steam ahead. There will be no relaxation or let up." And all we have had since then is retreat after retreat after retreat, and more millions gone. Before Christmas they would not heed even two of their own men, two of their own supporters who said, "Stop!" We voted against the government's policy before Christmas. We stood and voted against it in this House and we will do it again. And yet the minister then questioned our patriotism. I do not mind him questioning acts but let him not question motives. He did it before Christmas and now, Sir, forget us, that has nothing to do with it. Now all the chickens are coming home to roost and they are badly burned chickens and it is an expensive roost. And it is we, the people, who have to pay the shot, Mr. Speaker, not the ministry. We have to pay for it.

If this government have bungled and bumbled as they have.

PREMIER MOORES: Why the hell did you give it away?

MR. ROBERTS: The hon. the Premier says why did we give it away. I did not give it away. The hon. gentleman from St. John's West and from Grand Bank were in the Cabinet at that time, I was not. I was

MR. ROBERTS: not in the House. The matter never came before the House. How come the Premier is so wise in retrospect? The Premier is the same man, Mr. Speaker, the same man who has many times said in this House that the deal was a reasonable one at the time it was made. How come he is so wise in retrospect? We could all be millionaires in retrospect.

Mr. Speaker, let the Premier confine himself to debating the issues. The Premier can talk about that contract. Let him talk. Let him talk though here as he has talked elsewhere. Let the Premier be at least consistent, if he cannot be anything else.

Mr. Speaker, I have gone on a little longer than I wanted to but I think I have said -

MR. DOODY: We could have done without it.

MR. ROBERTS: No, what I have said I think had to be said.

MR. NEARY: Very important. Good stuff.

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: What I think had to be said, Sir. The government of this Province, Sir, have put us in a position - well the example that comes to my mind, and I think it is a good one, is Dunkirk. Dunkirk was no victory for the British. It represented a triumph of spirit and will, and I hope that the Dunkirk that the Premier announced today will be an equal triumph of spirit and of will. And if Dunkirk led to a victory, and I hope that this today will lead to a victory -

MR. DOODY: Not in this atmosphere!

MR. ROBERTS: - will lead to a victory for this Province. I hope so. We all hope so.

CAPTAIN WINSOR: Hear! Hear!

SOME HON. MEMBERS: Hear! Hear!

MR. ROBERTS: Mr. Speaker, the reason it took Dunkirk and made it into a victory at Normandy, on the beaches of Normandy and throughout Northeast France in 1949 was Churchill.

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: And do we have a Churchill here?

AN HON. MEMBER: No.

MR. ROBERTS: Do we have a Churchill, Mr. Speaker? Do we have a Churchill or do we have a Chamberlains?

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: That is the question.

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

MR. ROWE: Is this the kind of man we have got negotiating for us?

MR. ROBERTS: Do we have a Churchill or do we have a Chamberlains and that is the question, Sir.

MR. ROWE: Is this the kind of thing we have got negotiating for us?

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

The general rule is that hon. gentlemen speak one at a time. Frequently there is some give and take, but then when it goes too far the whole process of intelligent debate is, I think, undermined. And I would ask hon. members to be aware of the result of what may well occur when that rule is not observed, at least if not in its entirety at least in its spirit.

SOME HON. MEMBERS: Hear! Hear!

MR. ROBERTS: Mr. Speaker, I would say only to the Premier that this is not much of a moment of stress for him, but if he reacts this way under a little stress how is he going to react in negotiations of a sort that must go on and decisions of the sort that must be taken? I said earlier today we needed cool heads, and let the Premier show it because what we need, if we are going to turn Dunkirk into VE Day, is a Churchill - and I am not talking of any coalition nonsense. I am talking now of leadership for this Province, and I say it is the Premier and the government that must give this leadership. And if they want to put it to the test in the country let us, let us go to the country and test it. But if

MR. ROBERTS: not, let the Premier and this government do something they have not, provide the sort of leadership that Churchill gave when he said, "I have nothing to offer but blood, toil, tears and sweat." That is leadership, candour, honour, honesty, straightforwardness, and none of the ministers opposite have done that.

Mr. Speaker, I do not pretend to be original. Why should it be original? It was a great phrase. It was not even original with Sir Winston Churchill in 1940. It was a great speech then -

CAPTAIN WINSOR: It helped win the war.

MR. ROBERTS: It was a great speech then, and if it is applicable today I will quote it and if hon. gentlemen opposite would be Churchills and not Chamberlains we may come out of this yet, Sir.

CAPTAIN WINSOR: Hear! Hear!

MR. ROBERTS: But let them give us leadership. And let them show us not this type of conduct they have shown tonight, let them come into this and tell this House and the people of this Province where we stand and where we can go and what we can achieve and what the realistic prospects are, not the pipe dreams that we saw at Yankee Point and at Pointe Amour this Summer, Public Relations puffery of the worst sort, deception and delusion. I am not saying deliberate, but negligent in an extreme, if they were not deliberate.

CAPTAIN WINSOR: They did not know any better.

MR. ROBERTS: Mr. Speaker, I have said what I want to say -

MR. NEARY: Political but not smart.


MR. ROBERTS: The member for LaPoile (Mr. Neary) says they were political. They were not very smartly political. But they were political. Well I do not care if they are political now. But I want them to be candid and straightforward. I want them to tell the people of this House and the people of this Province the realistic position, the full position, something they have not done for two

MR. ROBERTS: years and more on the Churchill project and that is the result; we are where we are today, Sir. That is the reason why.

Mr. Speaker, it should never have come to this. It should never have come to it in this House. If the government had done what they ought to have done, if the government had been manly and straightforward it would never have come to this, and today-nothing we can take pride in. We will stand and fight. Sure, shoulder to shoulder, but, Sir, it should never have come to this if the government had heeded the warnings they were given. If they had looked forward, if they had been straight and taken the people of this Province into their confidence, Sir, it would not have come to this. It is not a proud day for Newfoundland, Sir. It is a sad day. It is a day in which we will show the stuff that is in us, and Quebec will find that the people who have lasted for 400 years and more on this rock are made of tough stuff indeed.

AN HON. MEMBER: They have to be.

MR. ROBERTS: They have to be, but Sir, we deserve leadership and we have not had it. So I say now to whoever speaks for the government, be it the Premier or be it the Minister of Mines and Energy, be it whoever speaks, let them tell us the full story and then they will get their unanimous support for their actions. They will get it when they deserve it.

Thank you, Sir. 

SOME HON. MEMBERS: Hear! Hear!

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MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, I deplore the deplorable speech that we just heard.

SOME HON. MEMBER: Hear, hear!

MR. SMALLWOOD: It was well delivered, it was well worded, but a very deplorable speech. If the hon. gentleman had opposed the government's original mistake, the original mistake from which all the trouble has flown since, because everything that has happened has been merely -

SOME HON. MEMBERS: Oh, oh!

MR. SMALLWOOD: The matter is too serious to the people of Newfoundland and their future to be a subject of this kind of childish catcalls across the floor. Are we not grown up men? Do we not realize what a serious condition we are in in this matter? Everything that has happened in this matter has been inevitable, an unavoidable result of the original mistake. The original mistake was when the government went out and borrowed \$168 million from a bank to buy control of Churchill Falls Power Corporation, CFLCo.

Now the Premier said at the time - I have the clipping somewhere from The Evening Telegram - the Premier said at the time that the government had to acquire control of BRINCO for one reason. And the reason the Premier gave was that the only way to get the Lower Churchill developed was to take control of the Upper Churchill. To do that you would have to borrow the money. You did not have it. You had to go out and borrow the money somewhere or other, \$168 million or \$170 million on which you had to pay \$20 million or \$25 million a year interest until you would finally get it paid off some day in the dim distant future. You would go on indefinitely paying through the nose for the money you borrowed, that you borrowed so that you could buy

Mr. Smallwood.

the shares, and become the controlling shareholder of Churchill Falls. The reason for all that was so that the Lower Churchill could be developed. And that was the only reason the Premier ever gave, and he gave that very publicly, and it was published in The Evening Telegram on page three. I could not believe my eyes when I read that. I knew it was not so. It is not the case, and it was not the case that the only way to get the Lower Churchill developed was for the government of the Province to buy out BRINCO. That was not the only way. Indeed, Mr. Speaker, it has turned out to be the one way not to get the Lower Churchill developed.

MR. DOODY: Developed for the benefit of this Province.

MR. SMALLWOOD: Developed! Developed!

MR. DOODY: For this Province?

MR. SMALLWOOD: Of course.

The one way, the one reason to acquire Churchill Falls was that it was the only way to get the Lower Churchill developed. Now it was not the only way, Mr. Speaker. It was not! The people who had the legal claim on it, given to them by this House, BRINCO, were not only able to develop it, but eager and anxious to do so.

MR. DOODY: For whose benefit?

MR. SMALLWOOD: Wait! Let me. The hon. gentleman need not think for a moment or any other hon. gentleman that I have not thought this thing through. You see, I lived it for seventeen years.

MR. DOODY: I did, too.

MR. SMALLWOOD: Did the hon. gentleman?

MR. DOODY: As a citizen of this Province.

MR. SMALLWOOD: Yes. Well, I lived in it and with it and slept it and ate it, and worried it for seventeen years as the skipper, as the captain of the ship. The captain of the ship always carries more

Mr. Smallwood.

responsibility and worry and burden than the other members of the crew. They may all carry it. All my colleagues carried some of the burden, but I was the captain. And it was a grievous burden. Why was it a grievous burden? Because there were only two ways to get the power out of Labrador. There were no customers in Labrador, not for 10 million horsepower, the two Churchills combined, the Upper Churchill and Lower Churchill, 10 million horsepower, the largest single production of hydro electric energy in God's world, no customers for it in Labrador, customers for a few hundred thousand horsepower, but not for 10 million. So if you were to develop it, you could not leave it in Labrador. You had to get it out somehow, and there were only two ways to do it. One was to build a transmission line through the Province of Quebec. The other - and that was distasteful. that was so distasteful, because that meant that somehow or other you had to make a deal with the Government of Quebec. And God help any province of Canada, any of the nine provinces that are driven to the necessity of making a contract with the Government of Quebec. God help and God protect any province that has to do that! I found that out. The present Premier has found it out. The present government know the misery of trying to make a reasonable, fair deal with the Government of Quebec. I have had more experience of that than any man alive in Newfoundland today, ten times, fifty times more experience, seventeen years of it.

I had the experience of the Premier of Quebec laying down the law to me. He came and had lunch with me in my room in the hotel in Montreal on a Sunday, and after the lunch was over, and he had had a few drinks, and he had begun to be very frank and outspoken, he laid down the law, the Quebec law. Sure they would buy the power. Sure

Mr. Smallwood.

they would be a customer for the Churchill Falls power, but on condition, number one, we had to change the border. That was condition number one, the Labrador border. Condition number two, all the employees on the job had to be from Quebec. Condition number three, all the material for the job had to be bought in the Province of Quebec.

MR. COLLINS: What did you tell him?

MR. SMALLWOOD: If the hon. gentleman would look at my autobiography he will see what I told him.

Condition number four was that the power had to be delivered at Point A. Now what was Point A? Point A was the Province of Quebec. Why had it to be delivered to the Province of Quebec and sold there? Because that is where the sale would take place and, therefore, the tax benefits instead of coming to Newfoundland would go to Quebec. I have told the story in my autobiography. I am not making it up now for the sake of this debate. Dealing with the Government of Quebec is an endless irritation, maddeningly irritating, because in dealing with the Government of Quebec, you are not dealing with what we look upon as normal people. The Government of Quebec - and I believe most of the people of Quebec - think of Quebec as Canada. That is Canada. Quebec is Canada. Canada is Quebec. I believe they look with contempt upon most other Canadians. I believe they look with utter contempt upon Newfoundland. I believe that everything is justified in their eyes if it is for the benefit of Quebec. They would sink anyone. They would sink anything if it is for the benefit of Quebec. There is a certain way, a certain spirit in which you can admire it, you know, such a mad, crazy, concentrated love of their own province.-

MR. NEARY: Grab hold is a good example of that.

MR. SMALLWOOD: - that they would do anything for the benefit of Quebec. And I dealt with it for seventeen years.

Mr. Smallwood.

And the House can imagine my feelings when the Premier of Quebec and Rene Levesque, who was then his chief minister, when Jean Lesage, the Premier, and Rene Levesque, who was Minister of Hydraulics Minister of Power, called me and asked me if I could come out and have a chat. We were at a federal/provincial conference in the city of Quebec in the parliament building there. So we went out, and I brought my Attorney General or the Queen's Attorney General with me, Mr. Curtis, and we went out and talked.

MR. SMALLWOOD:

All they wanted was that the two provinces, Quebec and Newfoundland, should nationalize Churchill Falls. You know, you can imagine my feelings about the idea of being harnessed to Quebec, harnessing the poor little weak Government of Newfoundland to the powerful, unscrupulous Government, relentless and unscrupulous Government of Quebec, harnessed in an nationalization of Churchill Falls.

Mr. Speaker, one of the worst moments of my life happened to be when I was in the city of New York. I was leaving late that night for Japan. I was trying to get some iron ore developed in Labrador when the phone rang and it was Jean LeSage, the Premier of Quebec, ringing me to New York to tell me--and that man had the brazen gall, he had the brazen gall to pretend that he was bringing good news to me, that I would be glad to hear what he was now about to tell me - he wanted me to know before it became public, before the newspapers had it, before they would make a public announcement of it. The happy news he had for me was, what would you think, Mr. Speaker? It was this, that the Government of Quebec had decided to nationalize all hydro electric power in the Province of Quebec. No, I am wrong. That they had decided to nationalize all electric power companies, all companies, and in nationalizing the companies they would nationalize the property owned by the companies. They were nationalizing the electric companies.

One of the companies in Quebec, electrical companies, were Shawinigan Power. Why did he think I would be happy to hear that as Premier of Newfoundland? Because Shawinigan were shareholders in Brinco, in Churchill Falls Power Corporation, Shawinigan. By nationalizing Shawinigan, Quebec in one blow became one of the owners of Churchill Falls because Shawinigan were part owners. Brinco had gone to Shawinigan, who were one of the best Canadian hydro electric companies and hydro electric engineering companies in all of Canada. By having them in as shareholders, as partners

MR. SMALLWOOD:

they would have the benefit of their tremendous skill and experience in Canada. Fine. Nothing particularly wrong with that, until the Government of Quebec nationalized that company and thereby became an important owner of Churchill Falls.

I said, blaspheming as I said it, "Do you take me to be a complete fool?" "What do you mean Joey?" "Jean, either you are a fool or you are drunk or you think I am a fool." "Why? I thought you would be happy." "Oh, you did. You thought I would be happy as Premier of Newfoundland, and I suppose you think the people of Newfoundland will be happy to learn that surreptitiously, unscrupulously you have suddenly become one of the owners of our great Churchill Falls; One of the great heritages of God to the people of Newfoundland now partly owned by the Government of Quebec! Do you think we will be happy about that?"

Jean LeSage had no one ever talk to him in the way in which I did. But it was only talk. It was naturally giving vent to the supreme anger. What could I do? What could anybody do? You could not stop the Government of Quebec from nationalizing all the electric power companies in the province of Quebec. You could not stop them. They were doing it. They announced it the following day at a press conference. Here they were, the Government of Quebec, owners, part owners of our great Churchill Falls.

Oh, I could tell story after story of the utter misery, the complete and absolute misery of dealing with a government that is unscrupulous, with no sense of fair play, no sense of honour as it is understood in British circles among people of British descent. That is hypocrisy. That is nonsense. That is not for grown up men. That is not for realists. Deal with the crowd like that as I did for seventeen years and as the Premier of our Province is now doing and as his colleague, the Minister of Mines and Energy is doing and you will know something about it.

The government now find themselves in a mess in this matter.

MR. SMALLWOOD:

It is a mess. Let us face that. It is conceivable that some day in a long series of court actions and claims and counter-claims and appeals and re-appeals and God knows what, it is conceivable that in the end the government will win its case in court, in the last court. The last time it is heard it may be a victory for the Newfoundland Government some years from now. Conceivably that will happen.

But what is the victory then? The victory then is merely the right to get back, not to allow it to go out, to hold in the Labrador, twice as much electric energy, more than twice as much as they have a right to get anyhow. They have a right to get something between 400,000 and 500,000 horsepower, 300 megawatts. They have a right to get that anyway. But they want more. If they win, that is all they would want. That is all. Nothing else.

The Premier looks at me and I think if he were to speak he would say to me, "Oh no, that is not all, because if the Province wins that right in court, it is not a right only for a limited amount of power, it is all the power." Well, that would be a Pyrrhic victory if it were so. That would be an empty victory unless the government have customers for some 7 million or 8 million horsepower which they have not.

Mr. Speaker, who I wonder can ever understand my feelings when the government announced here through the lips of the Minister of Mines and Energy a few months ago that their great dream of developing the Lower Churchill was dependant on their making a deal with Quebec to buy that power? Can the House imagine my feelings? I was the dirty cur, I was the scoundrel, I was the fool - pick your choice - in selling power to Quebec, Newfoundland's precious heritage. I allowed it to be sold to Quebec. The Liberal Government allowed it to be sold to Quebec by Brinco, my Churchill Falls power.

So the awful thing that was done was selling the power to Quebec. But now we learn here a few months ago through the minister, we learned that the only hope that they know of to develop the Lower

MR. SMALLWOOD:

Churchill is to get Quebec to buy the power. Oh, my ears.

Yes, it is Quebec. It is because Quebec would not buy, it is because Quebec has great power of its own coming on stream down in James Bay where they are going to spend billions, thousands of millions of dollars to develop a great hydro electric site there and they are soon going to have power running out of their ears. So naturally they were not interested in buying the power of the Lower Churchill. The government had to drop the idea of developing the Lower Churchill for the simple reason that Quebec would not buy it.

MR. Smallwood.

That is going full circle, is it not? That discovered by a government that had condemned me wrongly, repeatedly condemned me for agreeing that the power of the Upper Churchill should be sold to Quebec.

MR. NEARY: They said that they were going to get a better deal. That was their argument.

MR. SMALLWOOD: Mr. Speaker, the reason given by the Premier was no reason.

MR. DOODY: A long-term contract.

MR. SMALLWOOD: It was no reason, the reason he gave for their nationalizing the Upper Churchill. The reason was that this was the only way to get the Lower Churchill developed. Now it was not the only way. Churchill Falls Power Corporation were eager to do it. BRINCO were eager to do it and able to do it, able to do it engineering-wise. They had put together perhaps the greatest team of construction engineers that have ever been put together in the world, perhaps the greatest. You talk about the Boulder Dam and other great engineering works that had been done. They were child's play compared with that vast Churchill Falls organization and construction, and they had done it. They had done it on time. They had got it on stream before it was due to go on stream. They had raised the capital for it without difficulty, and they had built it without costing a dollar more than they had estimated, a magnificent accomplishment, and they were anxious to apply the same team, the same skill, with more experience now, to apply that to the development of the Lower Churchill. Ah, but they wanted to sell it to Quebec. What did the Newfoundland Government want to do with it, last year and this year and the year before, the present administration after they bought the Upper Churchill, and they wanted to develop the Lower Churchill? They did not want

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BRINCO to develop it. They did not want Churchill Falls Power Corporation to develop it. They wanted to develop it by owning or controlling Churchill Falls Power Corporation so they would develop the Lower Churchill. What for? To sell it to Quebec: Now anyone else they might be able to find, any other customer they might find - they had not got a customer. The Minister of Mines, before I was a member of this House, in reply to a question from the Leader of the Opposition: Where are your customers for this 2 million horsepower on the Lower Churchill? Where are your customers? And the Minister of Mines said, in effect, "You poor ignorant slob. You poor ignoramus. You do not know where the customers are? I will tell you where the customers are, he said. Now did he start to list you the names of great corporations who would come in to Newfoundland, on this Island here, and build vast factories employing thousands, upon thousands of men at high pay? No, these were not the customers. Who were the customers? The Newfoundland people.

MR. NEARY: Well, I put the question to him many times and that was the answer.

MR. SMALLWOOD: And that was the answer, the Newfoundland people. They were going to sell it to the customers, the Newfoundland people in their homes, in their shops, in their schools, in their churches, domestic electricity.

MR. NEARY: That is right.

MR. SMALLWOOD: But if it cost \$3 billions to do it, \$3,000 million - and, Mr. Speaker, let not the Premier think for one moment that it stops at \$2.5 billion. First of all it was \$1.1 billion. Then it was \$1.3 billion. Then it was \$1.6 billion. Then it was \$1.9 billion. Then it was \$2 billion. Then it was \$2.1 billion. Then it was \$2.3 billion and today the Premier told us it is \$2.5 billion. Well I say to you you will not do it less than \$3 billion. If you

Mr. Smallwood:

develop it and build the transmission line and the tunnel, you are spending \$3 billion and that you have to borrow assuming someone will lend it to you, which no one will. No one on the earth! You cannot borrow \$3,000 million for that project. If you had firm take or pay contracts, with half a dozen of the great industrial names of North America, if you had take or pay contracts for periods long enough for the life of the bonds so that there would be enough money coming in all the time to service the bonds you might. But you have not got customers like that. You have got the little outharbours, the bays, the coves, the people in the suburbs of St. John's, you got the homes and the shops and the schools and the churches. That is what you have got. And if you did succeed in borrowing \$3 billion, you would have to pay over a period of say forty years - you would not be foolish enough to sell power bonds for a shorter period than forty years, bonds of that dimension - forty years you would pay interest - at what rate? Suppose you got it at ten per cent. What is ten per cent every year on \$3 billion, \$3,000 million? - \$300 million? Three hundred million a year.

Now that \$300 million, and the annual monthly cost of operating the great thing after it was built, with the \$3 billion, all that would have to come out of the pockets of the Newfoundland people, because they would be the customers. The only customers would be the Newfoundland householders, and they would have to find \$300 million a year. And if it was a sinking fund bond it would be more than \$300 million. I mean if that is not insanity, there is no insanity.

The great original mistake made was the one that the Leader of the Opposition is so proud he voted for. He keeps reminding us that he voted for it. He says, "Everything the government have done has been a mess, everything they have done has

Mr. Smallwood.

been a failure. It has been failure piled on failure. But we are glad we voted to start the failures going. We are glad, we are proud that we voted for the government to take over Churchill Falls knowing as they have to know that that inevitably led to one blunder piled on top of another." Whatever sense there might have been twenty years ago - and there would not have been any then - whatever sense there might have been in the Newfoundland Government, poor little government, poor little Province, poor little Province, Canada's poorest, going out and borrowing it in hundreds and in thousands of millions, and piling up a desperate debt, no sense in that. But that is what the Opposition voted for. The old-line Liberals voted for that. Those who were here in the House at that time they voted for that for the initial blunder, the great big original, the basic, the foundational mistake. Once that mistake was made it became inevitable that one mistake after the other would follow. And today we are in the worst mess of all.

Now personally my heart is full of sympathy for the Premier. Having been in this box myself dealing with Quebec, I know what he is up against. In private if he does not curse and blaspheme and swear, and if he does not get into a fist fight with Robert Bourassa, if he does not start punching him in the face, he must have the patience of a saint because dealing with that outfit is the most desperate experience a civilized man can have. So while I have all kinds of personal sympathy with the Premier, I cannot take the kind of criticism we heard tonight from an hon. member who supported the government in the initial, the basic, the fundamental mistake, the one that caused all the others from that moment to this. The government are in this mess now because they nationalized Churchill Falls. They are in this

Mr. Smallwood.

mess - they have got to fight in the courts. They may win, they may lose. If they lose they have got to try something else, and they may win or lose on that something else. And if they fail on that something else, they got to try something else. They are caught. They are stuck. They are stuck! Do you know what that means? That means that Newfoundland is stuck. Because whether we like it or not now we got to back the government. If it is a case of a knockdown, drag-out fight between Newfoundland and Quebec, what are we going to do here in this House? I hope before the night is over this resolution will be brought in. It is not quite as strong as I would like to see it. I would like to see it passed unanimously by a standing vote. I would like the word to go coast to coast in Canada, from the Atlantic to the Pacific, that Newfoundland stands up for its government, and we do not like the government. We do not like lots of things about the government. A lot of the members of the government we like, we respect, we admire, but the government as a government, as a team, we do not think they are right for Newfoundland. But we are going to back them to the limit in this thing because the only way we can back Newfoundland is to back the Government of Newfoundland. We will back them. But one unbroken streak of misfortunes, one after the other - we are not at the end of them. If we could even feel that this misfortune now, that is it, that is the darkest moment before the dawn - if he could even feel that! But who can feel that? The Premier does not feel that. The Minister of Mines and Energy does not feel that. He is too rational, too level headed, and too knowledgeable. Of course he is very pigheaded. He is very self-opinionated. He has got enormous, he has got staggering faith in himself and his own opinions, and his own judgement.

MR. NEARY: A very expensive minister.

MR. SMALLWOOD: Well he is the most expensive minister that Newfoundland has ever had. He has cost Newfoundland so far about \$250 millions, with another \$250 million coming up and another \$250 million after that again in Stephenville.

AN HON. MEMBER: It would be cheap hydro money.

MR. SMALLWOOD: It would be cheap, would it?

In my opinion, he is the principal cause of the closing of Come By Chance.

AN HON. MEMBER: No, that is not right.

MR. SMALLWOOD: In my opinion. I am only expressing my opinion. I am not expressing the opinion of the Minister of Finance, I am expressing my own opinion which may well be wrong.

SOME HON. MEMBERS: Hear, hear!

MR. SMALLWOOD: But it is my firm conviction.

SOME HON. MEMBERS: Hear, hear!

MR. SMALLWOOD: And I do not blame the Premier. I believe if the Premier had had his way the refinery would be operating now tonight. That is what I believe. Now he cannot, he is Leader of a Cabinet, and he has colleagues, and it has got to be stand or fall together.

MR. NEARY: Solidarity!

MR. SMALLWOOD: Solidarity forever. It has got to be that. Collective responsibility.

MR. DOODY: Oh, oh!

MR. SMALLWOOD: Cabinet collective responsibility.

MR. NEARY: Cowards weep and traitors die!

MR. DOODY: Water Street -

MR. SMALLWOOD: We will keep the red flag flying high. Yes. Sure. Solidarity forever. But I happen to know some of the inside stuff, not the usual reliable sources of my hon. friend.

MR. NEARY: It is not too bad by the way, a pretty good track record.

MR. SMALLWOOD: Well the hon. gentleman has magnificent sources,

MR. SMALLWOOD:

magnificently prolix, and magnificently accurate. There has never been a member of this House since 1832, never, never, never, never, has there been a man, a member of this House who has exposed so much wrongdoing, never! You talk about an Ombudsman, Newfoundland's Ombudsman is the hon. member for LaPoile (Mr. Neary).

MR. NEARY: And made history today too in this debate.

MR. SMALLWOOD: Not only that, but the man is absolutely fearless. He fears no one. Absolutely fearless. He must be leading a blameless life. He must be because he is absolutely -

MR. NEARY: Far from it.

MR. SMALLWOOD: Takes an odd drink maybe.

SOME HON. MEMBERS: No, no, no, no!

MR. SMALLWOOD: Smokes maybe.

SOME HON. MEMBERS: No, no, no, no!

MR. SMALLWOOD: I would not say -

MR. NEARY: Women are my weakness.

MR. SMALLWOOD: I do not believe that.

MR. SPEAKER: Order, please!

MR. SMALLWOOD: Woman, singular.

MR. SPEAKER: (Dr. Collins) I must remind the hon. member that even though the motion was brought forward by the hon. member for LaPoile, he himself is not the situation that has arisen between the Newfoundland Government and the Province of Quebec. So we must not go into debate on that matter.

MR. SMALLWOOD: I wish, Mr. Speaker, that he were our only problem. If he were how happy Newfoundland could be. How joyful we could be if the only problem we had, even if the only problem the government had is the prodding and the pin-pricking and the tail-twisting and the tormenting they get from the member for LaPoile, They could sleep every night, they could eat, and they could take their drink of wine, they could be happy, they could be proud, they could be relaxed, if that is all they had to worry about. But they have got something worse

Mr. Smallwood:

than that, they have got this -

SOME HON. MEMBERS: Oh, oh!

MR. SMALLWOOD: Well I am ashamed if he did! I am ashamed if he did.

MR. NEARY: I am toeing the party line after that secret meeting we had.

MR. SMALLWOOD: Well he was toeing the party line.

MR. NEARY: I was ordered to by the Leader.

MR. SMALLWOOD: I did not toe the party line.

AN HON. MEMBER: You were the party!

MR. SMALLWOOD: Yes. That is true. As the hon. minister did, the hon. minister did too. The hon. minister left a cabinet and came across the floor, sat just about here, somewhere along here, and then crossed it again and sat down over there, and then crossed it again over here as a Reform Liberal, then moved a little bit to the left as a Tory.

SOME HON. MEMBERS: Oh, oh!

MR. SMALLWOOD: Well he calls himself a Tory. He is not a Tory.

MR. CROSBIE: You follow my sandals ...

MR. SMALLWOOD: There are very few Tories over there.

MR. DOODY: Very successful

MR. SMALLWOOD: Very few Tories. They are called Tory. The Opposition will call them Tory. I was always in a lifetime's habit of calling them Tories. But if I look at their work, the work of the individual ministers, I do not see that as Tory work they are doing. I do not think what the Minister of Municipal Affairs is doing is Tory work. I do not think what the Minister of Transportation, the Minister of Finance, the Minister of Manpower, the Minister of Health, I do not think they are doing Tory things.

SOME HON. MEMBERS: Oh, oh!

MR. SMALLWOOD: Do not show off, the minister should not show off. He has heard of the corn laws, has he?

MR. DOODY: The corn laws?

MR. SMALLWOOD: Yes.

Well, Mr. Speaker, it is sad. It is sad. It is just sad. I think if I were Premier, first of all we would not be in this mess. But if we got into it -

AN HON. MEMBER: It would have been worse.

MR. SMALLWOOD: No, it would not have been worse. If we had left it to BRINCO to develop the Lower Churchill -

SOME HON. MEMBERS: Oh, oh!

MR. SMALLWOOD: Look, let me tell the hon. gentlemen something; this world is full of countries where long-term contracts have been renegotiated.

MR. MORGAN: This one cannot be.

MR. SMALLWOOD: Yes, it can be.

SOME HON. MEMBERS: How?

MR. SMALLWOOD: Well it is just a matter of how much nerve, how much ingenuity, how much sense, how much skill, how much fearlessness you have; and then also you have to count your advantages and you have to count your disadvantages and you have to compare them, and you have to weigh them, but the world is full of renegotiated contracts. The trouble in this case is that it only has been there a short while.

MR. MORGAN: The most four years.

MR. SMALLWOOD: No. It only has been there a short while, hardly quite long enough yet to go reasonably with a good case and say, look, we want to renegotiate. The Quebecers can say to us, "Look, you were darn glad in Newfoundland to get this contract between us and BRINCO. You were darn glad, you were darn glad, you had 6,000 to 7,000 Newfoundlanders working down there at one time. All over Newfoundland today you have got homes and shops and taxis and buses bought with wages earned down in Churchill Falls. You were darn glad to get that when you got it." And do not forget - do not forget this, and I am the only one who will keep reminding the House of it -

MR. MORGAN: They were glad.

MR. SMALLWOOD: Yes they were glad. Of course, they were glad.

MR. MORGAN: They jumped for joy.

MR. SMALLWOOD: They were glad although it took seventeen years to get them to do it. That is how glad they were. Seventeen years glad.

MR. MORGAN: Oh, oh!

MR. SMALLWOOD: The whole point is this, if we went to them right now they could very well say "You are a bunch of crybabies, you made your contract, you made your bed now lie in it." But you say, "Look, look, Mr. Bourassa, look when this contract was made with Quebec oil could be brought anywhere around the world for \$1.25 a barrel. Now it is \$14.00."

MR. MORGAN: There is no escalation clauses in it.

MR. SMALLWOOD: I know there is no escalation clause, which is a good case for getting one put in at the right moment.

MR. MORGAN: You cannot do it.

MR. SMALLWOOD: Cannot do it now. Right! I agree, cannot do it now. It is not there operating long enough.

AN HON MEMBER: Oh, oh!

MR. SMALLWOOD: It depends on what country it is, it depends on what is the product embodied in the contract. It depends on the rates. It depends on a variety, and it depends on the time, the mood of the moment, the mood of the world, the fashion of people's thinking, it depends on a number of things to say when it is the right time to go and renegotiate. Because in renegotiating remember you have got a bunch of bond holders, you have got a bunch of bond holders down in New York, insurance companies, and trust funds and pension funds and all kinds of people who bought \$500 million of bonds, the biggest peacetime bond issue in the history of the United States, one issue was \$500 millions.

Now those bond holders somehow or other have got to be not aroused to start a revolution so as to speak but at least you have got to hit them at a moment when examples are all around them and they begin to wonder, I wonder when Churchill Falls will be coming and asking for a renegotiate. They would not be wondering

MR. SMALLWOOD:

that now, they would look upon Newfoundland as a bunch of skunks not fit to be talked about, indecent skunks. That is the way they would look at Newfoundland now if we try to renegotiate that contract. Now it is too soon. It is not the right moment. But that moment will come. I do not know whether it will come when the present Premier is still Premier. I do not know. Or whether it will be the Premier after him or the one after him. It may be six, eight, ten, twelve years from now before it is propitious, the right time to renegotiate that contract.

MR. MORGAN: There is no reopening clause in the contract. It is a forty year contract.

MR. SMALLWOOD: I am aware of that. Incidentally the hon. gentleman is aware, I take it, of the fact that the contract was not one made between the Government of Newfoundland and Hydro-Quebec. It was a contract made between Churchill Falls Power Corporation, a private company in which thanks to my foresight we happen to - it cost us \$10 million to buy - in which we happened to buy some shares.

MR. NOODY: We had a director on the board.

MR. SMALLWOOD: We had a director on the board. Mr. George Hobbs, I think it was, if I remember right. The contract was not between the Newfoundland Government and Hydro-Quebec. It was between a private corporation called CFLCo and Hydro-Quebec.

AN HON. MEMBER: And you knew nothing about it?

MR. SMALLWOOD: Of course I knew something about it. I did not sign it. I did not make the contract. I did not negotiate it. I did not draft it. I did not word it. I did not sign it. I was not party to it nor was the government, nor was the cabinet. It was a private company.

Now there are words in it which may be terribly advantageous to Newfoundland at this moment I am not going to talk about. The ministers need not look scared. I am not going to say a word about it. But the ministers are studying that contract. Not only are they

MR. SMALLWOOD:

studying it but they are having it studied by extraordinarily able, legal talent. The hon. member for LaPoile (Mr. Neary) was demanding that the government should give the House the name of the lawyer or lawyers who have been advising them. Well, they are not going to do that, I do not think.

MR. NEARY: They will give me it in private.

MR. SMALLWOOD: They will in private.

MR. MURPHY: They can.

MR. SMALLWOOD: They can and they will. They have done so to a minority of this House.

AN HON. MEMBER: I never heard it.

MR. SMALLWOOD: Well I would not mind telling the hon. gentleman privately, but I do not want it to be published. Until the Newfoundland Government are prepared to make it public, I am not going to be the means of its becoming public. But I do know this, that they are hiring the ablest brains, legal brains they can find in the Dominion of Canada and they are studying the agreement and they are not going into court like a pack of fools without studying the agreement and having it studied. Surely they are building, I have no doubt that they are building as strong a legal case as legal brains can do.

Now that does not mean that they are going to win. All cases are not won. It is not because able lawyers advise you that you have got a good case, and you go into court and you win the case. You may and you may not. Everyone who goes into court voluntarily, who takes the initiative on going into court and taking a case in court does so because he thinks he has got a good case. He thinks that because he is a lawyer himself or two or three of his colleagues are lawyers and he hires brilliant legal brains outside Newfoundland and the sum of it all is, "Yes, we think we have got a case. I hope and pray to God they have. I hope and pray to God. If you believe in prayer, let every hon. member of this House and let

MR. SMALLWOOD:

every Newfoundlander pray tonight that the government have a good case, a good legal case that will stand up in court even if it is appealed, it will still stand up and then if it is appealed again, it will still stand up as it goes from one court to a higher and then a higher, it will stand up. Let us pray that they have got that kind of a case because that would be a solution of the immediate problem. It would not solve the problem, the awful mess that they have put our province in.

Now I do not mean by that that they set out to put our Province in a mess. I do not think for one minute that the hon. gentleman, the Minister of Mines and Energy, who in my opinion was the driving force behind the nationalizing of Churchill Falls. I believe he was the driving force. I believe that if he had not been in the cabinet they would not have done it. If he had not been in the cabinet and some other member of the cabinet had suggested it, if he had not been there to put the drive and the force behind it, I do not think they would have gone ahead with the nationalizing of Churchill Falls. I attribute it almost entirely to the hon. minister who is a man of great energy, great ability, tremendous industriousness. I would say one half the work done in that cabinet is done by him.

MR. SPEAKER: Order, please!

MR. SMALLWOOD: My time is just about up. Well, Mr. Speaker, I am an unhappy man. I do not glory in the trouble the government have brought our Province into. I do not glory in that. I am not glad of that. I am sorry about that. I hope that in the immediate problem they have got now that they will fight like savages, fight cleverly, fight competently and I hope they will win and when they have won, they will still have some awful problems ahead of them.

SOME HON. MEMBERS: Hear, hear!

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

MR. COSBIE: Mr. Speaker, this debate is premature in our opinion

MR. CROSBIE:

but nevertheless it has been permitted to go forward by the rules and by the Speaker so something must needs be said by the government in response to it. Now, Mr. Speaker, I will say this, that I think that the hon. gentleman from Twillingate (Mr. Smallwood) - I will deal with his remarks first - I think he genuinely wants to see the government win in the position that it has taken. I really think he does want to see that. Certainly his address or his speech to the House was a far different matter than the speech of the Leader of the Opposition, a far different matter, far different in spirit, far broader in spirit, and I think far more credible than the speech of the Leader of the Opposition.

Now the hon. gentleman for Twillingate (Mr. Smallwood) had got his own pet projects and his own pet row to hoe and all the rest of it. A lot of what he said here tonight is not relevant to this issue. But just on a few points that he made. This situation is not caused by our purchasing CFLCo or our not purchasing CFLCo. It has no connection to the purchase of CFLCo. This situation, not this mess, this situation which the Province finds itself in is not of recent origin. Its origin goes back to 1965 to 1969 when the whole Upper Churchill Falls deal went into effect. That is when the Province got itself into this situation from which we are trying to extricate it.

And it got itself into that situation because the deal entered into then was one not in the best interests of the Province and we agree that we are looking back with hindsight and that we might not have said it at that time had we known it all or we might have said it. But certainly it can be seen looking back that it was an agreement not in the best interests of this Province, certainly with the price of power and the terms of the contract.

There were not steps adequately taken at that time to protect the Province. The steps were not adequately taken to protect it and we therefore find ourselves with Quebec having a strangle hold

MR. CROSBIE:

on the power that is generated from the Upper Churchill or appearing to have a strangle hold on it and they have certainly had it for a few years, because matters were not looked after in those days. The matters were not sufficiently discussed and we were not protected. That is what we are suffering from.

Now the purchase of CFLCo, not the nationalization, the purchase several years ago was not a mistake in my opinion and in the government's opinion, it was no mistake. What the mistake was it should have been purchased and taken over many years earlier when we would not have had to pay \$168 million. When we would have had to pay just about zero for it. That is when it should have been nationalized. That is when the Province should have owned it. It should never have left the Province's hands. So this situation is not caused by the nationalization of CFLCo, or the purchasing of it. When we purchased it we had to purchase back our own birth right which had been given to a private entrepreneur whose interests were not the interests of this Province. They were the interests of their shareholders who were not concerned about this Province, who were concerned only with their shareholders and who were in the middle and who were in the way. We could not talk to Quebec because they had to be there. They had the control of the Upper Churchill. They controlled the Lower Churchill. They had the power rights of the whole Labrador until 1985. We could not talk to anyone without them being engaged in the situation. That had the controlling hand. That is why they had to be taken out of the picture.

MR. CROSBIE: They did not want to develop the power to have it sold to Newfoundland. They thought the task was too difficult. And it was too difficult for any private enterprise. It was a task that only a government could undertake. But we were determined to undertake it, and we are determined to keep it undertaken now, and we are determined that Gull Island will be developed eventually.

SOME HON. MEMBERS: Hear! Hear!

MR. CROSBIE: But on the way to developing Gull Island we have discovered other alternatives, and it is a good thing that we have discovered other alternatives. Because the good neighborliness or the co-operation or the assistance that one might reasonably expect from our neighbor has not yet been forthcoming. Not yet. I do not know whether it will be forthcoming in the next eleven days or not. It was not and has not been forthcoming so we have had to look very closely at other alternatives and bring other alternatives on the scene perhaps quicker than we would otherwise have done, and that is what the Premier's letter to the Premier of Quebec is about.

Now, Mr. Speaker, just as an example of the Upper Churchill before I get on to other matters. For example, there was never any agreement between the Province of Newfoundland and CFLCo or BRINCO at what price they would sell recall power to Newfoundland for. There was never any agreement on that. Do you understand that, Mr. Speaker?

MR. MORGAN: Unbelievable.

MR. CROSBIE: There was never any agreement between that private company, CFLCo and BRINCO at what price. They have in their contract they can recall 300 megawatts. There was never any agreement between them and the Province at what price they would sell recalled hydro power to the Province for. That is how our interests

MR. CROSBIE: were protected by the hon. gentleman when he was Premier of the Province; no agreement, as he well knows, because before he left office he attempted to recall power for the Iron Ore Company and Wabush and BRINCO told him he was going to have to pay more than they were selling it to Hydro-Quebec for, and he well knows that and they told us the same thing. I just give that as one example of the lack of protection there was in that whole arrangement for us.

MR. SMALLWOOD: Would the minister -

MR. CROSBIE: No, I am not going to be interrupted, Mr. Speaker. I have only got forty-five minutes.

MR. SPEAKER: Order, please!

MR. SMALLWOOD: It will not take long. The minister knows what answer I gave BRINCO on that.

MR. CROSBIE: Well the hon. gentleman told BRINCO to go fly a kite, or he would do this, and he would do that, and he would do this - like he advised us tonight that we can just go and renegotiate this contract. It is just a mere nothing to renegotiate the Upper Churchill contract. You just go to them and tell them that circumstances have changed and they say, "Tough!" I will not add the second word. They say, "A contract is a contract." They say, "A contract is sacred." And they know we cannot just unilaterally do anything about their contract. They are very sure of that because they know that CFLCo has sold \$750 million worth of bonds down in the United States of America and in Canada, based on that contract, and if we unilaterally interfered with that contract that those investors would snuff us overnight. They would not buy another bond from Newfoundland. They know we cannot unilaterally change their contract. Pragmatically and so on we cannot do it.

But there was not even, Mr. Speaker, that much protection for Newfoundland that when CFLCo recalled 300 megawatts that they had to sell it to us for the same price as they sold it to Hydro-Quebec. Now that is all I am going to say about the Upper Churchill. We will

MR. CROSBIE: have a debate here sometime. We want to debate the Upper Churchill and the takeover of CFLCo, and we can get into all kinds of things. That is just one example of why we had to take over CFLCo. At least today we have got two thirds of the shares and the majority of the directors and I think we can settle with them quite easily what price we will pay them for recaptured power and it will not be anymore than Quebec-Hydro pays them, I can assure the House of that.

SOME HON. MEMBERS: Hear! Hear!

MR. CROSBIE: And it was but a laugh to hear how fearless the member for LaPoile (Mr. Neary) is, I cannot forebear from mentioning it, how fearless the member for LaPoile is. The member for LaPoile only lately got fearless. He was not so fearless when he was in the hon. gentleman's government. The right knee of his pants had a hole in it, it was all gone, the kneecap, from scraping along the floor there, bowing and scraping to the hon. the former Premier in those days. He only got fearless, Mr. Speaker, if he is now fearless. So one has to laugh when one hears about that.

MR. NEARY: Ask the former Premier that.

MR. CROSBIE: Yes. We are all observers of that.

So, Mr. Speaker, the reason we are in this situation is because of certain failures of protection for this Province when the hon. gentleman for Twillingate (Mr. Smallwood) formed the government. That is the reason and no other reason.

Now, let us just review, because the hon. gentleman who leads the Opposition has a very convenient memory. Let us review events. We took over in January of 1972. In March of 1972, Mr. Mulholland waltzed down with a lease for us to sign for the Gull Island, exactly the same terms as they had developed the Upper Churchill. In other words, Newfoundland would make nothing out of it. The same messy rental, the same exemption from sales tax, exemption from gasoline tax, exemption from all taxes, etc.

MR. CROSBIE: Well we told Mr. Mulholland to take his lease and go on back to the Mainland again, we were not signing it. And for the next year and a half we dealt with BRINCO. We did not have this vision then, Mr. Speaker, because we did not then think it could be done. We dealt with BRINCO. We talked to them on their project that they wanted to go ahead with, develop Gull Island and sell the power to Quebec.

It was not until after a number of months we began to think, well why sell it to Quebec? If we cannot make anything out of it, if BRINCO was right when they were telling us they cannot pay taxes, they cannot pay the sales tax, they cannot pay the horsepower tax, they cannot pay any corporation tax, they cannot pay increased taxes and all we are going to get is the construction out of it, why should we want to sell it to Quebec or anyone else? Why not have a look and see if we can use it in Newfoundland? That is when this whole thing germinated. Because all that BRINCO used to tell us was, "We are not going to be able to pay anything. You know you are only going to be able to get six or seven mils from Quebec-Hydro. We cannot afford to pay any more than we paid on the Upper Churchill." That was their position. Well then we asked them, "Would you develop and bring it to Newfoundland?" No, they could not develop and bring it to Newfoundland because it would not in their opinion be feasible, there was too much money involved, it is not like selling to Quebec, we do not have the credit rating of Quebec.

Now Quebec-Hydro has got the credit rating they have got now because Quebec-Hydro has got this Upper Churchill contract. That is why they have got that magnificent credit rating. And their net profits this year were \$405 million based largely on that Upper Churchill contract. So BRINCO said they could only develop and sell to Quebec, because our credit here was not as good as theirs and they could not finance it. So all right, BRINCO was not interested

MR. CROSBIE: in developing and bringing it to Newfoundland.

If anyone was to attempt that it had to be the Government of Newfoundland and after a year and a half of discussions with them the Minister of Finance now and myself went with BRINCO to Quebec-Hydro to see whether BRINCO was right, that Quebec-Hydro would not pay them enough for the power so that they could pay us anything else. And sure enough they were right.

Quebec-Hydro said that they would be able to pay what they paid for the Upper Churchill power and then you had to allow a bit of something for inflation. That was their position. They said they had lots of power coming from James Bay.

So we stopped discussions with BRINCO and in the meantime we had gotten in people to do studies. In July, 1973 the Premier announced that we were going to study an attempt to bring the power from Labrador to Newfoundland.

Now, Mr. Speaker, there has not been, contrary to what the Leader of the Opposition said, there has not been any project in the history of Newfoundland on which fuller information has been given to the public than on hydro energy development in Newfoundland since 1972-73. That was announced, these studies were done, and the studies show that it was feasible. We did not do the studies. We hired what were recommended as the greatest firms in the world to do them, and they came up with the figures and the cost figures, I think originally \$1.1 billion, and they came up with the report it was economical and feasible. Not us, we did not dream it up. We did not sit up in the Premier's office and dream this up. They did the studies. I think they were finished by the end of 1973 or early in 1974, those original studies.

Now we could not bring that, we could not do that. We had no right to Gull Island. We had no right to Labrador power. BRINCO

MR. CROSBIE: had it tied up until 1985. So if we were to attempt to develop the power and bring it to Newfoundland we had to take BRINCO out of the picture, and that is why BRINCO went out of the picture, because we could not even attempt it as long as BRINCO stayed in the picture. That is why we had to purchase or nationalize, whatever you want to call it, BRINCO. If we had not done that we could not even attempt to get the power here. They would have nothing to do with it. They said it was too difficult. It was seventeen years to get the Upper Churchill developed, and we have only been at this effort to develop the Lower Churchill for three. But we are in politics, and of course in politics you can expect the kind of blatantly partisan political approach that the Leader of the Opposition took today. Blatant partisanship against the government on a matter like this that affects Newfoundland so greatly. Never mind these pious declarations that the official Opposition supports us in this position we are taking with Quebec.

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Never mind that! We do not accept that! We do not accept it! We do not need it! We do not want it! It is hypocritical to say we would accept it. It was offered hypocritically. We do not need the hon. gentleman's help. He has already done his damage, because when the people in Quebec read the papers tomorrow and get the reports, they will see how much support we got from the official Opposition when this letter was tabled in the House. Now, Mr. Speaker, that is why CFLCo, BRINCO - that is the main reason why they had to be purchased in 1974, and they were treated fairly and honourably and got a good price for the work they had done on the Upper Churchill, and we are now two-thirds shareholders, and they are one-third shareholders.

And, Mr. Speaker, as all the members of the House know, the costs increased from 1973. The rapid inflation of the last couple of years started in 1973. Is it not realized that at the end of 1973 Syncrude was going to cost \$750 million, and now it is costing \$2.3 billion, and the Government of Canada and Alberta and Ontario are financing it; that James Bay was supposed to cost \$5 billion, and it is now going to cost \$16 billion? Are we to be blamed that Gull Island, which was originally estimated to cost \$1.1 billion is now going to cost \$2.3 billion.

MR. SMALLWOOD: Three billion.

MR. CROSBIE: It may cost \$3 billion. The last estimates, allowing for rapid inflation and escalation and high interest rates was \$2.3 billion. But it may be more as time goes by. It doubtless will be more as construction costs go up. But we have not caused the cost to go up. It has happened to every energy project in Canada and in the United States and elsewhere. That is just a fact we have to deal with. You cannot blame us for that. So it got more expensive. So we had it restudied. So they report it is still economical and feasible. It is still the best alternative for Newfoundland, and that is still the situation. So we are continuing

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to attempt to do it. Now to do it - the hon. member for Twillingate (Mr. Smallwood) scoffed at our having to sell power to Quebec. To do the Gull Island, which is 1,600 megawatts, we could not use that power on the Island as far as we could tell a year or two ago all at one time unless we were able to get a large industry or two interested in the meantime, which was always a possibility. So if you are going to finance it, we could take 800 which would be needed here immediately in 1981 or 1982, and the rest we wanted to sell to Quebec for eight years as surplus energy. That is all. So that we would get a few dollars for it in the intervening years before, and gradually you would bring it all on down to Newfoundland, because by 1990 we would need all 1,600 megawatts, if not earlier. That was assuming a slow industrial load growth. That is why we had to offer to sell some surplus energy to Quebec.

Then last year, Mr. Speaker, on November 28 in this House there was a completely detailed paper presented to this House covering every aspect of how the cost had escalated. By the way, the last escalation in cost came in in September 30, the end of September bringing the figures up to \$2.3 billion. Before then I think the last estimate had been \$1.6 billion. We set out the whole position - I think it was a fifty or sixty page document - what the alternatives were and we said we had to stop. We cannot give a final release to Gull Island. We could not give a final release, which we hoped to give last Fall. We told the House that. Where is an attempt to hide anything? And we said we will have to review next year whether we can give a final project release, but certainly we got to stop the Gull Hydro site, because Quebec has not agreed to take the surplus energy and Canada has not agreed to give us further assistance. Everything is detailed in it. There is nothing hidden or kept back. But we plan to go on the transmission line and tunnel, because we hope that we can during next year solve

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the problem of getting an agreement with Quebec and solve the problem of getting more assistance from the Government of Canada. That is what we said. But we have now discovered, Mr. Speaker, unless the Premier's letter does the trick, which I hope it does, but we have discovered that we are not going to get an agreement with Quebec that will permit us to carry on the transmission line and the tunnel, and you cannot carry on a transmission line and a tunnel unless you have energy to put over it. And instead of showing us any spirit of helping, of saying, "yes, we got 5,600 megawatts from the Upper Churchill, and we got a tremendous benefit from it, we made \$405 million in Quebec-Hydro last year, our credit rating is the highest in Canada, Quebec-Hydro's is, and we know you need 800 megawatts, and we are prepared to fix you up, and you want it for three and one-half mils, and we will try to accommodate you," and so on, instead of saying that, instead of doing that, which we have asked, and we have spent several years trying to get on with them and to work jointly for our joint benefit, instead of doing that, we were told it is going to be Newfoundland's cost in Newfoundland in 1982, maybe thirty or forty mils, and sell us 10,000 square miles, and we will reduce the price of it. That is the position unless Mr. Bourassa changes it in the next eleven days.

So we know now, unless the Premier's letter works or has the beneficial effect, that we are not going to get the help and support of Quebec. And if we cannot get the help and support of Quebec, and if we have no energy to put on the line, then we cannot get financial support from the Government of Canada, so we will have to stop the transmission line and the tunnel, not forever, until the courts decide what our rights are, and that may be a year or two years or three years. X

MR. NEARY: What happens if they decide against us?

MR. CROSBIE: If they decide against us, then we know we cannot go that direction, and we got to go on steam and nuclear on the Island, which we do not want to do, And which we should not have to do, which is crazy for us to have to do, to use 18 million barrels of oil a year here rather than get the power from Gull Island. It is crazy! Perhaps we would not have to do it. Perhaps the Government of Canada would show some sense of its responsibilities by giving us further help. Perhaps they would get up their courage and their nerve and say, "We are going to give you more assistance to develop Gull." You cannot use a nuclear plant, we will give you more help." There may be possibilities with the Government of Canada, but that is in the remote future.

So, Mr. Speaker, what else did we do? We took a very careful look at the Upper Churchill contract, and let us just make this clear, Mr. Speaker, that, you know, we cannot just interfere with the power contract between Quebec-Hydro and CFLCo, because the financing of the Upper Churchill is based on the power contract, because of the rights that Quebec Hydro has under the contract: We did not negotiate it! We did not approve it! If there is any attempt to interfere with the contract or any default there they have the right under the contract to go in and take over CFLCo. That is just one example. And the bond holders have the right to go in under the trust deeds and foreclose. These are just things that are in the contracts, apart from the fact as to whether or not this House could pass legislation unilaterally changing the contract because of other legal problems that are involved, and the lawyers will know what they are. So we cannot. If this House wished to, the point is that it is very unlikely that this House, in all its majesty and power, can do anything about the Upper Churchill contract.

But what the Premier's letter to Premier Bourassa today is about is not about the contract. It is about the lease. Now this House, Mr. Speaker, in 1961 passed an act approving the lease between

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the Government of Newfoundland and CFLCo - the lease - and CFLCo has the right to develop the Upper Churchill watershed because of the lease. And anything that it does up there on the Upper Churchill is because of the lease. That is the primary document. And the power contract has to comply with the lease, because the legislation says, "The lease is part of the laws of Newfoundland." Anyone can look up the 1961 statutes and see the lease. And in the lease there is a clause that the Premier quotes in his letter to Premier Bourassa, and that clause says, "That the lessee, CFLCo, has the right to transmit throughout the Province any electric power generated as a result of the harnessing of the whole or any part of the Upper Churchill and to export from the Province such power provided that upon the request of the government consumers of electricity in the Province shall be given priority where it is feasible and economical to do so." There is no limitation. It does not say 300 megawatts. It does not say 200 megawatts. It does not say 100 megawatts. It says, "Provided that upon the request of the government consumers of electricity in the Province shall be given priority where it is feasible and economical to do so." Now in those days it was not feasible and economical for Newfoundland or Labrador to take much power. There were not customers for it. It was not even dreamed of that we could economically and feasibly have a transmission line and a tunnel and bring power to the Island of Newfoundland.-

PREMIER MOORES: And the price of oil.

MR. CROSBIE: - or the price of oil or the whole change in the energy situation.

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

MR. SMALLWOOD: Would the minister let me intervene for a moment? It was proved, and we proved it, we had it proved by engineers that the transmission line could be brought from the Upper Churchill, all the way across the Strait of Belle Isle, down the West Coast to Port aux Basques, across the Cabot Strait to Cape Breton, across Nova Scotia, across New Brunswick, across Maine, down to New York, and it would be four and one-half miles delivered, and that was too high.

MR. CROSBIE:

Mr. Speaker, I will not argue about that. That is the Preece, Gardew and Pider Report.

AN HON. MEMBER: Right.

MR. CROSBIE: So, Mr. Speaker, anyway it was not felt to be feasible. So apparently CFLCo went and entered into a power contract with Quebec-Hydro that provides something different than is in the lease. It provides for a recall of 300 megawatts only. That is the contract they entered into. We did not enter into it. The Province of Newfoundland did not enter into it. The Province of Newfoundland did not approve it. The Province of Newfoundland did not have to approve it.

AN HON. MEMBER: We gave them the lease.

MR. CROSBIE: We gave them the lease and they had to comply with the lease. So, Mr. Speaker, we are advised by the best legal opinion we can get that they have not complied with the lease and that the Province of Newfoundland has the right to recall and to be given priority for consumers in the Province where it is feasible and economic to do so. That is what we are advised.

MR. SMALLWOOD: What is the definition of feasible and economic?

MR. CROSBIE: Well our lawyers have advised us on what they think that means. It is feasible and economic today. As long as we pay CFLCo the same as Quebec-Hydro, CFLCo is losing nothing. We will certainly do that. Instead of getting three and a half mills from Quebec-Hydro they will get it from us.

So, Mr. Speaker, we are advised that we have a good right under the lease to request CFLCo to deliver to us such power as is feasible and economic for consumers in our Province to use.

MR. SMALLWOOD: That might be all of it.

MR. CROSBIE: That could eventually be all of it. But as the Premier indicates in his letter, we are not complete stinkers. If the courts say we have the right to all of it, we are willing to discuss some fair and equitable arrangement with Quebec. You know we would

MR. CROSBIE:

not be completely uncharitable. But it is possible, yes. It is possible that if we could use all 5,600 megawatts in this Province feasibly and economically for consumers over a period of time - we would not take it all one day or one year, it would be over a period of years - that we could perhaps reclaim it all.

Now, Mr. Speaker, any government today that has the right to get already developed power or any part of it at three and a half mills when you cannot do a hydro project under any other circumstances for less than twenty mills or thirty mills when you consider the transmission lines and all the rest of it, when James Bay power is going to cost twenty-five mills at least to the bus bar, or thirty and if we have the right to get power at three and-a-half we do not have to spend \$1,100,000,000 to build the Gull Hydro site, if we have already got power there that we can bring to the Island of Newfoundland or use in Labrador, we do not have to build the Gull Site, at least not for some period of years. It will save us \$1,100,000,000 or whatever the Gull Hydro site will cost.

Now once we have established our rights, the courts confirm them, then Gull should also be done. Then there may be co-operation with Quebec-Hydro. We can do things jointly. What energy we need here for Newfoundland and Labrador we get. The rest they get and so on. The possibilities become unlimited. Well they have thought to date that we are defenseless or powerless. That is what they seem to have thought. But we had another string to our bow and this is it.

So, Mr. Speaker, if that is the course we have to go, would anybody in this Province want us not to go that course or to accept something else from Quebec or accept nothing or go on to steam and nuclear on the Island of Newfoundland? I am sure that they would not. Now, Mr. Speaker, I do not know whether I have said too much. I am just trying to explain without saying too much because we have not heard - the pity of this debate is that we have not heard from

MR. CROSBIE:

Mr. Bourassa. We do not want to needlessly arouse their susceptibility. We try to avoid that. But the Premier could not avoid today tabling this letter when we know how they treated us in the past couple of months, when it was likely it would be leaked up there or something will be said, or it would be leaked down in New York, or it would get out and we would be on the defensive again as we have been in the last couple of months. So the Premier had to table the letter to show hon. gentlemen what our position is.

Instead of hon. gentlemen opposite, at least the Leader of the Opposition, doing what we expected - we expected some support, some strong support. I do not care. The hon. gentleman can say later on what a blunder he thinks Gull Island is and so on and so on and I should resign and all that. That is grand for another occasion. But to have it said today - No! he forgot to mention that I should resign today but he said everything else. "Gull Island is a disaster. This is a disaster. Our backs against the wall. It is Dunkirk," the hon. gentleman said. As the Premier said, "No, it is Munich or it would be Munich if the Leader of the Opposition had his way." Well it is not Munich with us. We have not gotten the support, Mr. Speaker, that we could have expected.

Now there was a point made about consultation with leaders opposite. I would certainly agree with that. There should be consultation. There was not any time today. We had to move fast when we heard, when the Premier heard that Quebec had to send his letter down to New York to all their syndicate managers, which meant it was going to get out publicly. We had intended, Mr. Speaker, that depending on what answer came May 31, we would then inform the House. Well there would have been a chance then to call in the member for Twillingate (Mr. Smallwood) and the Leader of the Opposition and say, "Now this is the situation and here is our legal opinion. It is what we are going to do and so on and so forth." There has not been a chance to do that because the cabinet and the Premier had to decide this morning what would happen this afternoon. We did

MR. CROSSIE:

not want any more leaks and us looking as though we are on the defensive any longer. That is why the hon. gentlemen were not consulted. Our own caucus was only consulted an hour before.

But consultation, if hon. gentlemen opposite honestly want to co-operate and help in this endeavour, well, Sir, we want to co-operate. We have no objection to showing the leaders our legal opinions and discussing the matter with them and we certainly want to talk to the member for Twillingate (Mr. Smallwood) about certain things that went on in the years 1960 to 1962 or whatever. I am sure he will co-operate with us.

Now, Mr. Speaker, we are not going to name our legal council. I will tell the House one of them. That is Mr. Cyril Green who is now the solicitor for Newfoundland and Labrador Hydro. He worked with the government, he was deputy Attorney General and a more loyal Newfoundlander and a better lawyer and a man more familiar with the statutes of this Province you would not find in the Province today. So I can tell you one opinion we have got and that is Mr. Cyril Green, Q.C. But we are not just going on Cyril Green's opinion. We have retained, we have consulted at least two other firms of great reputation and we have had advice from them that is encouraging. But we do not want to give their names. We do not want them harassed by the press tomorrow, people of the press rushing at them wherever they live and asking for their opinions and so on. There is no need. Their names are of no great moment. It can be told the hon. gentlemen privately if they are that anxious to know, but we are not going to give their names publicly.

An act of this House, Mr. Speaker, I mentioned that. It is not just that simple. I mean are we supposed to be dithering idiots that this House could pass an act and take back a million horsepower or any amount successfully that we would not have had it in here a couple of years ago. It is not introduced because we were advised at law we cannot succeed with it and I think I mentioned -

MR. DICKMAN: Inaudible.

MR. CROSBIE: 'Alex' cautions me, the Minister of Justice. Not that we cannot succeed but that there are obvious ways it can be attacked and it is quite conceivable we would not succeed. I have already explained the other difficulties with the present contract and the rights of the trustee and so on and so forth. So that is not the way to go.

But now if we pursue our lease this is a right the government has that we have had since 1961 that was retained in 1961. Can anyone in the world blame Newfoundland for pursuing a right that is already there? No one can.

SOME HON. MEMBERS: Hear, hear!

MR. CROSBIE: You know Quebec-Hydro may try this but they cannot do it truthfully. They cannot go to New York and say, "Newfoundland is unilaterally interfering with our contract or breaching our contract or passing an act to affect our contract," because we are not. We say we have the right under the lease and they got the contract subject to the lease. There could not be a contract without it. So we are not attempting to interfere with any contract. We are going to ask the courts if we must what are our rights, what does this thing here mean. We have the right to power, we as economic and feasible and we have now asked such and such and so on and we want the court to decide. That may take a year or two but we have every hope and we have every expectation that we will be successful in that. Not only that but that CPLCo will not be harmed by it either.

Mr. Speaker, the hon. Leader of the Opposition said he was not particularly anxious to be taken into the government's confidence. So he may or may not want to have more information later on when there is more to give as I have explained.

MR. CROSBIE: I certainly gather from his remarks he does not want to be taken into our confidence. And it would be difficult to take him into our confidence because he cannot let an occasion pass without a bitter and partisan attack on the government which is what most of his remarks here tonight were.

MR. SIMMONS: Give up. You would not do that now.

MR. CROSBIE: I am responding to the Leader of the Opposition and being more statesmanlike than ever tonight.

MR. YOUNG: You are doing a good job, 'John'. I have never seen you so mute in all my life.

MR. CROSBIE: That is right. So, Mr. Speaker, I have outlined the kinds of information the House has been giving. In all the twenty-three years of the hon. gentleman from Twillingate's (Mr. Smallwood) government there was never such information given the House on any project. And I notice that he has not criticized the government for not giving information. But the more information you give hon. gentlemen opposite the more they want to twist it and carp and criticize. And we saw another example of that tonight.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: And the hon. gentleman who is interjecting now is one of the worst offenders.

Now, Mr. Speaker, it is no failure to be candid. That is my point, Mr. Speaker. If we were not being candid we would not have made the statement last November, the Premier would not be tabling this now, the House would not have had all the information it has had.

Contingency plans: Yes, there was a question asked about contingency plans. The Leader of the Opposition wants to infer that if Mr. Bourassa does not reply to us by May 31, that we are going to run out of power in the next few years. Well, I mean, are we - the Leader of the Opposition may think we are dolts, I suppose, but surely we are not doltish enough not to have other alternatives. If we cannot get Labrador power here by 1982, and Mr. Bourassa does not give us a favourable reply, then we go on with another steam plant. We have no choice. We build another steam

MR. CROSBIE: plant, 150 megawatts at Holyrood. And if we are still delayed we build another one or we develop one of our other rivers. And all of the rivers on the Island have now been reassessed to see is it better to have a steam plant or is it better to develop one of those rivers. And the best one to develop I will not even mention. But the cheapest one and the cheapest power is the Lloyds Lake diversion.

Now we are not looking at Lloyds Lake. Do not get excited. But all of this is being assessed and the recommendation is, but government have not decided yet, we are waiting actually to see what happens in the next few days, but a steam plant would have to go on. We are not going to have the Province brown out or the lights be turned off. Nobody wants to pay for the power now, even at the present price, but we still have to have the power, so there are contingency plans.

MR. NEARY: What about de Rothschild -

MR. CROSBIE: Mr. Rothschild cannot help us in this emergency, I do not think.

MR. NEARY: How about nuclear power?

MR. CROSBIE: Nuclear? No, nuclear is not suitable for the Island of Newfoundland unless we are connected to the mainland.

There has been no capitulation today, Mr. Speaker. No capitulation, we are not stymied, there has been no madcap policies. We have a serious chance in court that if we have to go that way, and if we are successful, develops unlimited possibilities for the future good of this Province and its people. That is the possibility. And if our position is taken seriously by Mr. Bourassa, and they want to discuss things with us seriously, and in a sense of give and take, there can be unlimited benefits for the people of both provinces. We still want to co-operate with them. The Premier has mentioned we have Gull Island and we have other rivers. We have the five rivers flowing South. They are never going to develop those five rivers if they say to us, "You have to give us your land." Never!

MR. DOODY: Never!

MR. CROSBIE: Never! Never! Never!

SOME HON. MEMBERS: Hear, hear!

MR. CROSBIE: But if they say to us, "Look, we will do a joint venture with you, or we will do X for you in this direction if you will do Y for us in that direction." We would be prepared to lease them the water rights or whatever. Because we cannot use those five rivers. We can use two of them. I mean, we are prepared to consider anything reasonable. We are reasonable people. We want Labrador's resource developed and we want hydro energy brought to the Island, so that in five years time we are not all paying through the nose even more than we will be paying through the nose, and so that we will have a secure supply of energy that will not increase in cost from then on for an appreciable number of years. That is what we are trying to do. But we are attacked and harassed for it because along the way we have to jump a lot of hurdles, because it is not just going,

No project, no energy project in the whole of Canada or in the world is going as it was supposed to go three years ago. And the same is true with this one. But here, because of the petty politics that goes on in this Province, we are attacked and harassed as liars, scoundrels, and scum at every rough break along the way.

SOME HON. MEMBERS: Hear, hear!

MR. CROSBIE: Well, you know, maybe those words are extreme, but close to it. We do not inform the House, we are slieveens, we are doing this, we are doing that. Everytime that we have an obstacle along the road to bringing hydro power to Newfoundland, there is a cheer goes up.

MR. DOODY: Hon. members of the Opposition have more power than they have energy.

MR. CROSBIE: Right!

There are lots of obstacles, Mr. Speaker, in everything. Syncrude. I mentioned that, and look at the obstacles. It took Ottawa and Ontario and Alberta to save Syncrude.

MR. CROSBIE: James Bay has lots of obstacles. Nova Scotia has all kinds of obstacles. Every hydro energy project and steam project and nuclear project - Gentillie - Quebec Hydro is doing a nuclear plant at Gentillie. The costs have gone up about \$400 million over what their first estimate was. It is now going to be in excess of \$900 million. But we do not hear the Opposition in Quebec constantly attacking the Quebec government because the cost of Gentillie went up, or because the cost of James Bay has gone up, or because they are having difficulties along the way. No, they are smarter than that.

But here in this House, as soon as we have to report anything that looks like it might founder and scupper Gull Island, there is a cheer breaks out, from members opposite.

MR. NEARY: If we could harness the wind coming out of the hon. gentleman, we would have energy.

MR. CROSBIE: The hon. gentleman introduced this resolution and now he cannot take it. He made a silly, footling little speech that I do not even have to reply to, that we all forgot as soon as he was finished. He said nothing serious.

So, Mr. Speaker, yes, we have had a lot of obstacles, and we have had a lot of bad breaks along the way, but we are overcoming them and we are fighting to overcome them. And we have discovered a route that will give Newfoundland untold benefits if we pursue it and are successful. And we have good reason to think we will be. And we are fighting, Mr. Speaker, out of a situation not of our making, because the Upper Churchill contract is for sixty-five years, from this year, with no escalation provisions, no provision for opening up the contract, no way of getting at it at all. The only way is through this lease the way that we are now proceeding. So instead of hon. gentlemen opposite opposing this and trying to make some political capital out of it, they would be far better advised to remember, that their predecessors in the Liberal Party created this situation. No matter -

SOME HON. MEMBERS: Oh, oh!

MR. CROSBIE: Listen! Ho, ho, ho! Hee, hee, haw!

MR. CROSBIE: Does hon. gentlemen know that the contract was signed, the letter contract between BRINCO and Quebec Hydro was signed in 1965? I had nothing to do with it. When I was in Mr. Smallwood's cabinet I had nothing to do with it. You were not allowed to know about it. Do you know that our director on CFLCo could not get a copy of the power contract, and that it was only dealt with by the Executive Committee of CFLCo? What was the good of Newfoundland owning \$10 million of the shares in CFLCo when our government director was not allowed to see the power contract? How is that for an insult to the Province?

MR. NEARY: Why was not he allowed to see it?

MR. CROSBIE: Because he was not supposed to see it, he might object to that recall provision, presumably, or whatever. Our government director on CFLCo was not allowed to see the power contract, and the only way he got a copy -

MR. SMALLWOOD: Why did he not report that to me?

MR. CROSBIE: I do not know who he reported it to. That is what happened. So the hon. gentlemen opposite, you predeceases - is it predeceases? Predecessors? -

MR. HICKMAN: Predeceases is more appropriate.

MR. CROSBIE: - your predecessors got us in this situation and we are battling to get out of it, and the least we can expect is your enthusiastic support. And when the time comes for another debate on Gull Island and the rest of it, sure, slam it in. What mistakes we have made, how tragic, how foolish and so on and so forth. And the buying of CFLCo, what a mistake that was, etc., so on and so forth and go on with it all then.

Today would have been better for Newfoundland if the Leader of the Opposition had said, "Look, I certainly think you have made a lot of mistakes, but we are right with you today and we are going to tell Quebec we are right with you. Even if you are fools, we are right with you." But instead of that he spent nearly all his time in a partisan attack upon the government, and I say, for shame!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Trinity - Bay de Verde.

MR. ROWE: Mr. Speaker, I do not know how to reply -

AN HON. MEMBER: Well sit down.

SOME HON. MEMBERS: Hear! Hear!

MR. ROWE: - to the speech just made by the hon. Minister of Mines and Energy when he accuses the Leader of the Opposition of being partisan, bitter, hypocritical and using words close to being a liar, scum and slieven.

AN HON. MEMBER: Coalition.

MR. ROWE: Now, Mr. Speaker, if there is going to be a caucus across the way I would just as soon they -

MR. SIMMONS: Caucus of the coalition.

MR. ROWE: Sir, if ever there was a case of - what is it the pot calling the kettle black this was a case.

MR. SIMMONS: Beware of the black -

MR. ROWE: Because the most partisan speech we have heard in this Assembly today was just delivered by the Minister of Mines and Energy.

SOME HON. MEMBERS: Hear! Hear!

MR. ROWE: And, Sir, to make matters even worse he insinuated and hopefully he thinks that the press may grab onto it, that what the Leader of the Opposition had said, he insinuated, that this will give Quebec some comfort. What utter and complete nonsense, Sir, what utter and complete nonsense. Let me make it abundantly clear once again, Sir, and it should have been clear but obviously the minister -

MR. ROBERTS: Clear to those who want to see.

MR. ROWE: Obviously the Minister of Mines and Energy did not want to hear it, that we fully endorse and support this administration as does, I believe, every member on this side of the House of Assembly, with respect to its actions in matters dealing with Quebec and the energy of this Province.

SOME HON. MEMBERS: Hear! Hear!

MR. ROWE: We are behind them one hundred per cent, one hundred per cent.

AN HON. MEMBER: Yes very far behind.

MR. ROWE: One hundred per cent.

MR. SIMMONS: But not in buffoonery. We are not behind that.

MR. ROWE: But, Sir, it is incumbent upon members on this side to point out some of the weaknesses of the energy policy of this administration.

MR. ROBERTS: Tell the truth.

MR. ROWE: And this has been done by the Leader of the Opposition today. We tried to get some answers out of the administration and for that he is criticized and being called partisan.

MR. RIDEOUT: Best speech I heard all year.

MR. ROWE: Absolutely foolishness, Sir. Now, Sir, with respect to - I might point out another thing here, and that is the Minister of Mines and Energy indicated there has been no greater or fuller disclosure of the facts than has been made by the Administration now in power. That is, the facts regarding the Upper and the Lower Churchill and the development of energy in this Province.

Sir, that may well be the case. But the fact still remains that the people of this Province were led to believe beyond any doubt whatsoever that the Lower Churchill was going to be developed without any undue delay. They were led to believe this right up to the day of the election. Now you can have all the disclosure of facts that you want but if you got this sort of misleading statements and indications given by the administration to the people of this Province, raising their hopes falsely, raising their expectations falsely, that will not excuse - or a fuller discussion of the facts than say the previous administration - does not excuse them from misleading the people of this Province and that was what was done prior to this last election and then we heard the bad news after the election. It has gotten consistently worse ever

MR. ROWE: since.

Sir, with respect to some of the comments made by the member for Twillingate (Mr. Smallwood), he once again, Sir, the hon. member for Twillingate indicated his deep love and affection for the Leader of the Opposition in his opening remarks. "I deplore the deplorable speech made by the Leader of the Opposition."

AN HON. MEMBER: Greater love hath no man.

MR. ROWE: Sir, this is the kind of thing we have been hearing ever since September 16th. and I might say before September 16th. Practically every member opposite, Mr. Speaker, practically every minister and every member opposite have received during this Assembly or this Session words of praise and commendation from -

AN HON. MEMBER: Inaudible.

MR. ROWE: I am replying to the words that the member for Twillingate (Mr. Smallwood), made in this debate and that is as relevant as the member was.

Now, Sir, it is rather peculiar that the hon. member for Twillingate (Mr. Smallwood) has seen fit to heap praise upon practically every member opposite, rather peculiar, Sir. And for some peculiar reason apparently not one word uttered by the Leader of the Opposition, according to the member for Twillingate (Mr. Smallwood) has had any truth to it, during this session of the House of Assembly, rather peculiar, Sir.

I would like to go on a little bit further. I will end by simply saying I would submit that no matter who the Leader of the so called old line Liberal Party is, whether it would be -

MR. ROBERTS: Only Liberal Party in this Province.

MR. ROWE: Or the only Liberal Party in this Province, no matter who that Leader is or would have been, if it were not the hon. member for Twillingate, the same abuse would have been heaped upon him by that member and I will just simply leave it at that without any interruptions whatsoever.

MR. SMALLWOOD: Would the hon. member -

MR. ROWE: Now, Mr. Speaker, to carry on -

MR. SMALLWOOD: Would he - about his leader?

MR. ROWE: I will repeat. I will repeat.

SOME HON. MEMBERS: Hear! Hear!

MR. ROWE: I will repeat. I will repeat.

SOME HON. MEMBERS: Oh, oh!

MR. ROWE: Sit down. I have got the floor.

AN HON. MEMBER: Do not lie.

MR. ROWE: Sit down. I am not lying. If the hon. member is accusing me of lying I ask him to retract that without qualification.

MR. ROBERTS: He has to withdraw it.

MR. ROWE: I ask for a ruling, Mr. Speaker.

MR. SPEAKER: Order, please! Order! There was, as hon. members know, a great deal of noise especially desk thumping. I do not know whether the hon. gentleman from Twillingate (Mr. Smallwood) said to the hon. member for Trinity - Bay de Verde that he was lying or that he said do not lie. So I will have to ask the hon. gentleman which and if -

MR. SMALLWOOD: It was the latter Your Honour.

MR. ROWE: I will not be harrassed by the hon. gentleman for Twillingate, Mr. Speaker. I made my point. And if the time comes I will elaborate and devastate at the same time.

Now, Sir, the member for Twillingate (Mr. Smallwood) made this statement that the government is in the mess that they are in at the present time - because of the original mistake made by this administration in acquiring the BRINCO shares and we were taken to task for supporting the government when they acquired the BRINCO shares.

Sir, let me make this abundantly clear, that the situation and the crisis facing this Province today as indicated by the letter forwarded to the Premier of Quebec has nothing whatsoever to do with the ownership of the Upper Churchill nor the ownership of our natural resources in Labrador, nothing whatsoever. If BRINCO

MR. ROWE: still owns the Upper Churchill and if they still have the right to develop the Lower Churchill the problem that this administration is facing today would be faced by BRINCO.

MR. ROBERTS: Right.

MR. ROWE: The problem is Quebec and the attitude of Quebec and the anti-Confederate stand of Quebec and the blackmailing attitude of Quebec and the way they are trying to extort in this particular case.

Now, Sir, whether or not the acquisition of the shares of BRINCO by this Province was a mistake will be written into the history books. We supported it because we believed in the ownership of our natural resources.

MR. ROBERTS: Hear! Hear!

MR. ROWE: And we were given every single indication that there was no problem whatsoever with respect to markets for our electricity.

MR. F. ROWE:

We were given every indication that there was no problem with respect to the technical development of the Lower Churchill, the transmission line, the tunnel and bringing down the transmission lines on the Northwest Coast.

The problem with Quebec - there is not even a mention of it. Not even a mention of any problems with Quebec. But we see today, Sir, we see today when we got a little more disclosure, a few more questions have been answered that the government's energy policy has been one of tragedy and it has been ill-founded. Now that does not mean that the acquisition of the BRINCO shares was a mistake.

SOME HON. MEMBERS: Hear, hear!

MR. ROWE: It does not mean that was a mistake. I am not saying that is the tragedy.

MR. ROBERTS: CFLCo shares was the strike.

MR. ROWE: CFLCo shares. I am not saying that was a mistake or that is the tragedy. But I am saying that the fact that the government, as I used so often before, had tunnel vision with respect to the development of the Lower Churchill, and did not look at other alternative sources of power years ago was the tragedy and is the tragedy and has been the mistake and is the mistake of this administration.

Sir, I find some rather - I do not know how to express this, - sad humour, sad humour. And the member for Twillingate blaming the mess on the government acquiring the shares of CFLCo, saying that was the mistake. That is where the problems all start, and I get sad humour from the Minister of Mines and Energy blaming the member from Twillingate (Mr. Smallwood) for getting us into the mess because of the original Upper Churchill agreement. And, Sir, it seems to me that it is all quite irrelevant the Upper Churchill agreement and the Lower Churchill policy of this government, or at least the acquisition of the shares. It is all quite irrelevant to

Mr. Rowe:

the problem that is facing us today.

Sir, I do not know if it is a sad day for this Province. I honestly do not know whether it is a sad day or if it is a great day. I do not know whether we should cry or whether we should cheer. Sir, -

MR. DOODY: Oh! Oh!

MR. ROWE: Well I will analysis the situation, and I will decide where I am going to land, if indeed I do.

Sir, this could be a very sad day for this Province, and we have a lot to cry about if this is the last dying gasp of an administration with its back to the wall.

MR. MORGAN: Do not be so pessimistic.

MR. ROWE: I am not being pessimistic.

MR. MORGAN: Yes you are.

MR. ROWE: I am saying I do not know whether to be sad or to cheer and think that this is a great day or on the other hand, if this is whether at last this Province is standing up to Quebec and telling them to go as close to hell as it is possible to tell them to go. Because I think it needs to be done. Their greed, their blackmailing of this Province in the past, and I would imagine the hon. member for Twillingate can write book upon book upon book about his seventeen year struggle to get the Upper Churchill developed, and the main struggle was not the technological one nor the monetary one, however great they might have been, it was with that so-called sister province.

MR. DOODY: The Chinese water -

MR. ROWE: That so-called sister Province of ours.

Now, Sir, I hope it is the latter. I sincerely from the bottom of my heart hope that this day will be an occasion to cheer about, and that it is a great day. And that we, the Province of Newfoundland, every living soul in this Province, every man, woman, and child will stand up to Quebec and fight for our rights.

MR. F. ROWE:

Now, Sir, I was interested in the comment made by the member for LaPoile (Mr. Neary) and I tend to agree with him, but I can see the problem inherited in the suggestion. And this was that the Federal Government should intervene in this situation. Now, Sir, I could not agree with him more. It is very easily said, and it might very easily be done -

MR. DOODY: Except for the seventy-five votes compared to Newfoundland's seven.

MR. ROWE: No, Sir. Now there is the cheap kind of nonsense we have to listen to from the other side of the House.

SOME HON. MEMBERS: Hear, hear!

MR. ROWE: "Because of the seventy-five seats compared to Newfoundland's seven seats." This is the kind of thing that we can expect from the hon. Minister of Finance and some of his other colleagues.

The fact of the matter is, Sir, that there exists in the Province of Quebec a very strong separatist element, and we even got a separatist element in the Labrador section of our Province but I am not comparing the both. I do not think I am -

MR. NEARY: Oh, oh!

MR. ROWE: But let me point this out, if the Government of Canada or any other authority intervened for the good of the nation or the good of Newfoundland, and it is interpreted by these nuisances, these separatists in Quebec as being anti-Quebec no amount of intervention will help this Province, because they can place a man per week, per bomb under any transmission line and ruin the whole thing anyway.

MR. DOODY: So we are to be blackmailed.

MR. ROWE: No we are not to be blackmailed. It is an unfortunate situation that we are in. That is all I am trying to point out. And I am hoping and I am dearly hoping of the two comparisons, as I say, that this can be a sad or great day, we could cry or we could cheer, I hope it is the latter, that it is a great day for this Province, that we will in the years following this day be cheering the actions of this government in sending this letter

Mr. Rowe:

off to Premier Bourassa. And, Sir, I hope they can be brought to their senses by this letter and that we will not have to resort to the third paragraph on page (4). We will not have to terminate all work on the transmission lines and tunnel and go to court. Because, Sir, if that is a threat, it is a weak threat, it is our only threat. I will concede it is a weak threat but it is our only threat, because those sons of ---, you know whats, can sit up there and watch us terminate the work on the tunnel, terminate the work on the transmission lines, go to court, delay the development of electrical power in this Province, watch us reach or get into an energy crisis or watch us putting investment into thermal power which is expensive and not renewable, not renewable, you are using oil, we got to buy the oil, no stable price on that, at least hydro power is renewable in a sense it keeps running, and it is not going to increase in cost. They can sit back and laugh while we sink in this Province.

So it is a weak threat, Sir, but I am firmly convinced by members opposite that it is our only recourse, it is the only action that we can take. And I hope that Quebec who made their demands upon Confederation, have been screaming and yelling for fair play in this Confederation of ours, that they will understand that we expect fair treatment from them in return.

MR. DOODY: Not only that they want to -

MR. ROWE: Well, you know, I think we are all in agreement upon our attitude towards that kind of an attitude.

Now, Sir, I made my point and the Leader of the Opposition certainly made the point -

SOME HON. MEMBER: Oh, oh!

MR. ROWE: Okay. - that we are in and we stand by the administration in this particular action, but

Mr. Rowe.

we do not want it to be taken that we endorse their energy policy over the past four or five years. That is just a little bit too much to ask. Now, Sir, I understand that the government or the administration was giving some consideration to moving a resolution that would -

AN HON. MEMBER: Not now.

MR. ROWE: Not now?

MR. DOODY: Why not?

MR. SMALLWOOD: No point.

AN HON. MEMBER: He lost his point.

MR. ROWE: Lost his point? Who bungled that?

AN HON. MEMBER: Your Leader.

MR. ROWE: How did the leader bungle that? I would love to know how.

Well, Sir, I am indeed sorry -

MR. NEARY: Why do you not move a resolution?

MR. ROWE: I got a half a mind to move it myself.

MR. ROBERTS: You cannot. There is a resolution on the floor now.

MR. ROWE: There is a resolution on the floor. That is right.

It has got to be a government resolution. That is right.

But, Sir, I am extremely sorry that members on both sides of this House are not given the opportunity to endorse and support the government, the government's stand with the Province of Quebec on the matter of the recall of power from Churchill Falls to the Province of Newfoundland and Labrador. Because, Sir, we to a man would endorse and support and applaud the government and congratulate the government if they would bring in such a resolution, and we would give it our whole-hearted support. We want this type of a resolution to be planked in front of the Premier of Quebec tomorrow having the support of all the members of the House of Assembly in Newfoundland. Now, Sir, who is playing politics now might I inquire? We were

Mr. Rowe.

given to understand that hon. members of this House were going to be asked to endorse the government's actions with regard to the recall of electricity from Quebec? I was under that impression for the full day.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: And we still stand ready to do it.

MR. ROWE: And we still stand ready to do it. So, I mean, I do not know what has transpired.

MR. WELLS: I would ask the hon. member if he would yield for a moment to a point of order?

MR. ROWE: I would yield to a point of order. I got to. I have no choice.

MR. WELLS: What has happened is that this suggestion was made by the hon. member for Twillingate (Mr. Smallwood). At the time before this debate started, it seemed like a good idea, and we were prepared to consider it. But there is no one who can wipe from the record the things that have been said in this House today which would make a mockery of such a resolution. And, therefore, we are against accepting it.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: To that point of order, if I might, Mr. Speaker. The things which have been said in this House today, of course, are a matter of public record, and it would have been much better for the people of this Province if more had been said on the public record before. But let me say, Sir, that nothing has been said in this House today by anybody in my group, the group which I lead that in anyway detracts from this resolution. What we have said that is critical, Sir, is critical of the way the government have handled their energy policy these past two and one-half years, Sir, and in that we believe we are right. Hon. gentleman can disagree. That is fine. That is their right. But, Sir, nothing has been said. And if the hon. House Leader is insinuating that anything

Mr. Roberts.

we have said has led the government to this decision, Sir,
I reject that categorically, and I say again that we are
willing to support that resolution at any point.

SOME HON. MEMBERS: Hear, hear!

MR. ROWE: Is His Honour going to rule on that point of order?

MR. SPEAKER: I would ask the member for Trinity - Bay de Verde
(Mr. Rowe) to continue, because I do not think there is any need
for a ruling.

MR. ROBERTS: You do not think there is any need for
a ruling on that, Mr. Speaker.

MR. ROWE: Now, Sir, there is another point that I have
been quite concerned about, very concerned about, and that is
this, and I think it has been mentioned by other hon. members in the
House, and I think it is incumbent upon me to reiterate it and make
the same point, and that is that we are facing a very grave situation
in this Province today with respect to the development of our
electrical energy. And we have asked many, many questions during the
course of debate. I got, Sir, many, many pages of notes, index cards
here. I did not get through half of it when we were debating this issue,
and I must have asked a hundred questions regarding the Lower Churchill,
the transmission line, the tunnel, and the transmission line down the
Northwest Coast of Newfoundland. And, Sir, I worded my questions
very, very carefully, because I did not want to stand accused nor did
I want to jeopardize any ongoing negotiations with the Province of
Quebec nor with the federal government of Canada. Now, Sir, I
tried to ask these questions responsibly. And we got nothing but
abuse back from the -

MR. ROBERTS: That is right you did ask them responsibly.

MR. ROWE: I did ask them responsibly, I guess.

MR. ROBERTS: Right. You did.

MR. ROWE: I tried and I did. And, Sir, I got nothing but abuse from the Minister of Mines and Energy.

SOME HON. MEMBERS: Hear, hear!

MR. SIMMONS: He is good at that.

MR. ROWE: Do not be silly. Now there is the type of thing. Sir, I asked a question. At one point I made the statement that I submit that we would be facing a severe energy crisis in this Province within two years and that we would start having to go into thermal generated power at a great expense to this Province. And the hon. Minister of Mines and Energy distinguished himself by calling me a twit without the 'w'. Now that is the kind of answers we have been getting back from the Minister of Mines and Energy.

MR. NEARY: The hon. member is mixed up.

MR. ROWE: I am pretty mixed up with the kind of answers that we are getting back from the Minister of Mines and Energy.

MR. RIDEOUT: They do not even know how to negotiate let alone run a resolution.

MR. ROWE: Sir, if we are endangering negotiations -

MR. RIDEOUT: We are not.

MR. ROWE: - which I do not suspect we are, with the federal government or with Quebec, there is one obvious way out if we are to have a united front in this Province, and that is for the Premier of this Province and his counterpart, the House Leader, or the Minister of Mines and Energy, and the Leader of the Opposition, and the Leader of the Reform Party and the spokesman, say, for Mines and Energy, to get together and -

AN HON. MEMBER: The hon. member for LaPoile.

MR. ROWE: And the member for LaPoile (Mr. Neary). I apologize sincerely and deeply to the member for LaPoile, as the leader of the -

MR. ROBERTS: The member for St. John's East (Mr. Marshall) the other independent in the House.

MR. ROWE: And the other two independents in the House. But, Sir, without making a mockery of it or joking about it, the obvious thing to do, if we are endangering any ongoing negotiations, is for the Premier of the Province to take the various leaders in this Assembly, if not, all members in the House of Assembly into his confidence.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: We are not endangering any negotiations.

MR. ROWE: Now we do not expect him to start disclosing the details of our legal case against Quebec or the details, you know, the minuted details of any ongoing negotiations.

MR. CROSBIE: It is not against Quebec. It is for Newfoundland.

MR. ROWE: Okay, well however the member wants to state it I am quite in agreement with it. But if I can make the point. The obvious thing to do is for the Premier of the Province to take hon. members into his confidence and explain the situation to them. And I am sure that every hon. member on both sides of this House, no matter what party of it he belongs to, will act in a very responsible manner. And if he does not he will be answerable, not only to this House of Assembly, but to the people of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. ROWE: That would have been the sensible course of action for the Premier of this Province to take.

SOME HON. MEMBERS: Hear, hear!

MR. ROWE: It is as simple as that. Because, Sir, we have not gotten the answers that we want from this administration, and there might be good reason for it. If there is good reason for it the obvious thing to do is to take us into their confidence and then we would act accordingly. Now, Sir, I am desperately disappointed that this government will not move a resolution asking for the unanimous or the full support of this House with regards to the recall of energy from the Province of Quebec -

SOME HON. MEMBERS: Hear, hear!

Mr. Rowe.

or the full support of this House with regards to the recall of energy from the Province of Quebec -

SOME HON. MEMBERS: Hear, hear!

MR. ROWE: - which leads me to wonder -

MR. ROBERTS: They do not want the support of the House. That is obvious.

MR. ROWE: - which leads me to wonder, Sir, who is playing the political game in this Province at the present time?

MR. ROBERTS: They do not want the support of the House.

SOME HON. MEMBERS: Hear, hear!

MR. ROWE: Who is playing the political game? Why did we have a dramatic one hour delay in the opening of the House this afternoon. And we had the ministerial statement made by the Premier of this Province all in great dramatic fashion, and we are not afforded the opportunity to support the government.

MR. ROBERTS: They do not want the support of the House.

MR. ROWE: Who is playing politics?

MR. ROBERTS: They are!

MR. ROWE: This is absolutely incredible, Sir. I cannot believe it. I just cannot believe it. Sir, I think this resolution should be moved, and all hon. members be given an opportunity to stand up for their rights of this Province.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

It is now eleven o'clock and the motion under debate now dies, and I adjourn the House until tomorrow Friday at 10:00 A.M. This House stands adjourned until tomorrow Friday, May 21, 1976 at 10:00 A.M.

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