

PRELIMINARY

UNEDITED

TRANSCRIPT

HOUSE OF ASSEMBLY

FOR THE PERIOD:

3:00 p.m. - 6:00 p.m.

TUESDAY, APRIL 5, 1977

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

I am pleased to welcome to the galleries today a delegation from Dover in Bonavista North, Mayor Ellis Preston and Councillors Paul Parsons, Melvin Parsons and Abram Keats. Also from the district of Burin - Placentia West, the Chairman of the Hospital Committee, Mr. Albert Dover, and other members of the Committee.

I know hon. members join me in welcoming these gentlemen to the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

STATEMENTS BY MINISTERS:

MR. SPEAKER: The hon. Minister of Health.

MR. COLLINS: Mr. Speaker, this morning it was my pleasure to meet with approximately twelve residents of the electoral district of Burin - Placentia West, representing the Burin Peninsula Hospital Committee, when they presented to me a petition signed by in excess of 10,000 residents of the Peninsula requesting construction of the regional hospital for the Burin Peninsula commencing, if possible, during 1977. The meeting was also attended by the hon. member for Burin - Placentia West (Mr. Canning) and my colleague, the hon. member for Grand Bank, the Minister of Justice.

The meeting, Mr. Speaker, was a lengthy one during which time there was frank and friendly discussion over the progress made to date in preparing the necessary plans and specifications for that hospital, and the Committee was informed by me that the date given at this time for completion of the detailed plans and specifications was the Fall of 1977. I also indicated to the Committee my inability at this time to make any commitment on behalf of government as to when actual construction would commence as such will depend entirely upon the

Mr. Collins.

financial resources of the Province which will be made known when the budget is brought down later this month. Mr. Speaker, I wish simply to reassure the Burin Peninsula Hospital Committee of the very strong sympathy of government for the health needs of their area.

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

MR. ROBERTS: Mr. Speaker, if I might say a word or two in comment upon this -

MR. NOLAN: Is he not going to table the petition?

MR. ROBERTS: The minister, I think, said he had a petition. Does he intend to table it or -

MP. HICKMAN: It was presented to him.

MR. ROBERTS: It was presented to him. Well that was fair enough, Sir. I might add as a signatory of the petition I was under the understanding that it would be tabled in the House. It might have been better if it had been, because then under our rules a number of members could have spoken in support of it, instead of the present procedure whereby only the minister and somebody on this side may speak in response to the minister's statement.

Sir, we welcome the petition, we welcome the cause which it represents, and we believe in the cause which it represents. But we regret very much that the government had not been able to make a more positive response to it. We realize the budget is not yet brought down, we realize that it will probably not be brought down until the end of this month, and we realize that a detailed announcement of the government's expenditure plan in total is contained in the budget and in the estimates which are with it.

But, Sir, this is not a new project. This hospital is one in respect of which a commitment was made two or three years ago, and in fact it was about two or three years ago this month that the Minister of Justice, who was then the member for the district of Burin, and the then member for Placentia West and I believe the then member for Fortune Bay - respectively Mr. Leo Barry and Mr. Val Earle - went up to the Marystown-Salt Pond area and, I believe, announced the location of the hospital, the site that had been chosen. I understand that subsequently a platform was erected thereon, leading one to believe that there would be a sod-turning ceremony which in turn would lead one to believe that construction would start immediately.

Now, Sir, that was two years past and remarkably little has been done since then. We do not know what was done in

MR. ROBERTS: the last fiscal year by way of total expenditure, except we do realize that a firm of architectural consultants - and I may not have that term precisely correct - but a firm of architects or consultants or architectural consultants were retained to do some work on it. We do know that in 1975-1976 year, \$66,000 was spent in total on the Burin Peninsula Hospital, and in the 1976-1977 year which ended just a few days ago a total of \$680,000 was budgeted, although we do not know how much if any was spent. Obviously some was spent, we do not know how much.

But I think you can draw from that, Mr. Speaker, the deduction that remarkably little has been done to carry forward this programme. Now, Sir, that is a failing. It is admitted that there must be a hospital on the Burin Peninsula. In fact when I was Minister of Health, at the invitation of the hospital committee I went to Marystown and I spoke at a dinner given by the hospital committee. Father Penney, who is now Bishop Penney, was there and Mr. Dover and other prominent citizens of the area, and I said then that the forward planning of the Health Department was that there would not be a regional hospital on the Burin Peninsula until 1975, the five years from the date of my speech, but that at that time the decision would have to be taken - or the decision would have to be taken as of that point whether there would be just one hospital at Clarendville or that there would be two. The government has decided that there should be two and I quite go along with that, I think that is a right decision. The problem is, Sir, that they have done remarkably little to implement it. We now have a position signed by about 12,000 people living in the two districts - as I understand it - of Grand Bank, on the southern most part of the peninsula, and the district of

MR. ROBERTS:

Burin-Placentia West represented by my friend and colleague. I understand there may have been some people from the district of Fortune Bay-Hermitage, people who live on the western side of the Burin Peninsula who also signed it. Sir, that 12,000 people must represent just about every adult, every elector, every citizen of voting age in that area. It is a massive sign of support, a massive outpouring of support, and I must say, Sir, I think it deserves a more positive answer than the minister has been able to give.

The minister may talk about the budget if he wishes, Sir, that is his right. But the fact remains, Sir, that the government could have announced that project today, could have told that committee if they wish to. The Minister of Transportation is calling tenders for highways projects, there are in the paper every day; if the Minister of Health, Sir, wanted to assure the people of their hospital start, he could today. I regret that he has not, Sir.

MR. SPEAKER: Order, please! I must point out to the hon. gentleman that the rules only permit him to comment and not to debate on this routine proceeding.

MR. ROBERTS: Thank you, Sir, and I would dearly love to debate the matter but apparently we are not to be allowed to, and I do not refer to Your Honour's ruling, I refer to the government's action in not even allowing a petition to come before the House. But, Sir, I am trying merely to comment on it and my comment simply is that I think the minister has fudged the issue, I think he could have given the committee a clear-cut commitment, and the fact that he did not give the government a clear-cut commitment leaves me to fear that we will not see a start on this work this year. I hope, Sir, that is wrong, I hope we will see a start on the work this year.

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MR. ROBERTS:

I hope that we will see an end to the stalling and delay which has marked the last two or three years. I have a feeling , Sir,

Mr. Roberts:

that the entire matter has been treated by the government for political partisan reasons. I outlined some of the events there, Sir, The way to end that feeling is to act, is to act by saying, We will build the hospital that we promised to build and we will start it this year.

SOME HON. MEMBERS: Hear, hear!

PRESENTING PETITIONS

MR. SPEAKER: The hon. member for Port au Port.

MR. J. HODDER: Mr. Speaker, I beg leave to present a petition on behalf of 300 -

MR. HICKEY: Mr. Speaker, -

MR. SPEAKER: Order, please! The hon. gentleman asked leave to revert to Ministerial Statements? Agreed?

MR. HICKEY: Yes, Mr. Speaker, that was my intent.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Agreed.

MR. HICKEY: Mr. Speaker, I wish to make the following statement: "In 1974 my department implemented a draw system for all moose and caribou hunting licences. Each year since changes have been made in the original system to develop a fair and equitable means of allocating these licences to the big game hunters in the Province. This year to take into account the variety of circumstances applying to different applicants, a priority pool system will again be used but the number of pools have been expanded to five. The priority given any application will be determined by the following considerations; (a) the number of times an individual has applied unsuccessfully; (b) the time period since the individual last held a licence; and (c) the willingness of an applicant to share his hunting opportunity with a partner.

Taking the above into account the following pool system will apply to the 1977 big game licencing issuing programme: Pool I will include all persons who had applications in the draw during the past three years but did not receive a licence. Everyone in this category will receive a licence this year. Pool II will include

Mr. Hickey:

persons who had applications entered in the draw in at least two of the past three years but have not held a licence since 1974. Pool III will include persons who had an application in the draw in at least one of the past three years and have not held a licence since 1975. Pool IV will include all new applicants plus those persons who participated in a party licence in 1976. Pool V will include persons who held individual licences in 1976.

Several policy changes applying to the draw system have been made, (1) in all of the five above named pools party licences will be drawn first. In other words, each of the pools will be subdivided into party applications and individual applications. No individual application will be processed for any approval until all of the party applications for that pool have been screened; (2) the priority for any party application will be determined by the higher priority rating of the two individuals involved, For example, one member of a party would fall into Pool II, while his partner would be in Pool III, if both applied separately. Because they are hunting as a party, or sharing the hunting opportunity, this party application will be placed in Pool II, the higher priority of the two applicants; (3) last year approximately 300 applicants were successful in the 1976 draw but failed to pay for and pick up their licences. These individuals will be considered successful applicants in 1976, and consequently they will be placed in Pool V for this year; (4) this year there will be only one draw for moose and caribou licences. Many hunters have indicated that having to choose between moose and caribou licences diminishes their chances of securing a licence, and wildlife officials have pointed out that confusion sometimes occurs when the applicant fails to clearly indicate his choice between moose and caribou licences. This year only one draw will be held for both types of licences. But each applicant will be permitted to choose both types in one application. For example, a given hunter might choose moose area 33, as his first choice, and caribou area 65 as a second choice. Moose area 32 is his third choice, and caribou

MR. HICKEY:

area sixty-four is his fourth choice. He will be awarded a license for whichever area still has a license available when his application is screened. Finally, I wish to advise the House that there will be no change in the number of licenses which may be held by members of one family.

MP. SPEAKER: The hon. member for Lewisporte.

MP. WHITE: Mr. Speaker, I just want to say a few words with respect to the Ministerial Statement by the minister today. I think it is the second Ministerial Statement with respect to moose licenses this year. And if I understand it, the minister said that he was going to make two or three Ministerial Statements with respect to moose licenses.

Mr. Speaker, I welcome, and I am sure some of my colleagues do, the priority pool system that is being adopted again this year and being enlarged on. It is a fair system. It is an equitable system giving those who have been after moose licenses the longest a chance to get a moose. We agree with that and we look forward to seeing it implemented.

In way of comment, Mr. Speaker, we hope that some form of policy with respect to the giving out or the issuing of moose licenses is brought in, and that policy upheld and maintained. There has been too much confusion during the last three or four years with respect to moose licenses. I am sure everybody would agree with that. People do not know from year to year what the situation is or what the situation is going to be. So we look forward to a sensible system and a system that we stay by from year to year.

I would make one further comment, Mr. Speaker, and that is with respect to the Ministerial Statement in connection with this that the minister made with respect to moose licenses being delivered to government offices. I hope that the minister sees fit to change this since it is an inequitable system to rural Newfoundland and a lot of people are upset and confused about that. So I do hope the minister sees fit to change that and that the mailing procedure is once again

MR. WHITE:

adopted this year.

PRESENTING PETITIONS:

MR. SPEAKER: The hon. member for Port au Port.

MR. HODDER: I beg leave to present a petition on behalf of 334 residents of the community of Mainland, La Grande Terre as the residents of that area call their town, and the nearby community of Three Rock Cove. The prayer of the petition is as follows:
"We, the undersigned residents of Mainland and Three Rock Cove, wish to have the road from Lourdes to Mainland properly upgraded and paved this Summer."

Mr. Speaker, until recent times those two communities were virtually isolated and historically the road leading to the communities was impassible. Mainland is some fifteen miles from the community of Lourdes and Three Rock Cove is about half way between. Until recent times - the road was upgraded last year but it is an expensive road to maintain as it runs by the seashore and the wind from the sea, which is a prevailing wind, blows the topsoil from the road and it is generally in poor condition.

There is a major fishing ground within site of the shore and the catches must be taken over this road. Also the community of Three Rock Cove is receiving harbour developments through Canada Works projects and small craft harbours and this makes it important that the fishermen get easy access to harbour facilities at Three Rock Cove from neighboring communities. Now the people in this area have traditionally pressed for a decent road during the resettlement period of Newfoundland. During that particular period of resettlement the road was allowed to deteriorate and the member for the district at that particular time, who was then the hon. Bill Callahan, met with the people and promised \$70,000 and delivered the money, and this was the first time that they really had a proper road. This effectively ended the resettlement of the area. It was sometime later that they received telephones.

MR. HODDER:

I quote a statement from a Professor Ralph Matthews' book, There Is No Place Like Here. The statement is that "Reportedly the poor condition of the road leading into the community had virtually isolated the residents and prompted them to consider moving!" And still quoting from the book, "I was told that a month before a resident had become ill and the doctor had been unable to reach him because the road was impassible. According to one local priest it was not until two weeks later after the man died that the priest from Lourdes finally was able to get through to perform a Christian burial." Now that may seem irrelevant in this day and age, but

MR. J. HODDER: Mr. Speaker, that was about ten years ago that this particular thing happened and the people of this particular area have had a tremendous desire to have a proper link with the rest of the Peninsula, with their neighbours, their French communities on the other side of the Peninsula which are twelve miles from the area, but yet they have to drive fifty miles to get there.

Now last Summer the Minister of Highways visited the area, met with the residents, and after that time the road was upgraded but not entirely finished because the rock crusher broke down, but I understand that it will be finished. The promise the minister made to have the proper type of rock and gravel on the road will be completed this year. I must say I was pleased that the minister did come out to the area. He did tour the whole area and spoke with a delegation of residents in the community of Mainland and was quite sympathetic to their needs. Now the minister has also told me that, he told me verbally, that the paving of the road is one of his priorities for next year and I do hope that he will see fit to put it high enough on the list of priorities to see completion.

I ask that the petition be tabled and referred to the department to which it relates.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I support the prayer of the petition, Sir, and judging by the remarks of the hon. member for Port au Port, Sir, that road I would think is probably in pretty poor condition, even though as the hon. member pointed out, there was a bit of work done on it last year.

I also understood from the member in presenting the petition that the minister made a commitment that this road would receive top priority, would be a top priority road in the upcoming fiscal year.

AN HON. MEMBER: That is top priority.

MR. NEARY: Well top priority, Sir.

PREMIER MOORES: It is probably top priority.

MR. MORGAN: It is top in that sense.

MR. NEARY: Well, Mr. Speaker, it would appear from what the hon. gentleman said, Sir, that this part of Newfoundland has been grossly neglected.

MR. MORGAN: All roads are a priority.

MR. NEARY: The last -

MR. SPEAKER: Order, please! Order, please! I must direct the hon. gentleman to my left not to interject and the hon. gentleman to my right not to enter into debate but to keep his remarks to the prayer of the petition.

MR. NEARY: So, Sir, I have no hesitation at all, Mr. Speaker, in supporting the prayer of the petition on behalf of the people who live between Lourdes and Mainland to try and get something done about this road in the coming fiscal year, and I hope that the Minister of Transportation and Communications will honour his commitment.

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

MR. NOLAN: I rise very briefly to support the prayer of the petition as presented by my hon. friend, particularly in view of the reasons as outlined in the petition and as enunciated by the hon. member. This is a good time again of course to look forward to the suggestion that perhaps the minister in the next month or so following the presentation of the budget might be good enough to table for the benefit of the House exactly what projects in what communities are going to be done this year. He may not be able to do them all, but it seems to me often times that the citizens of the Province generally - it is a sort of like political Russian roulette: you do not know what you are going to get and when and how, if any at all. So it might be something for the minister to apply himself to.

I mean these people now have gone through the trouble to present a petition in good faith, feeling that when it comes

MR. NOLAN: before this House and tabled and forwarded to the department to which it relates, that it will get one serious consideration by all members of the House, certainly sympathetic consideration, No one believes in all honesty that everything can be done and every request can be answered and it is foolishness to say so. But it would not be misleading the House in any way to suggest that certain promises have been made that so many thousand miles will be done and so on, so now let us take a look at the situation and the merit that is obviously here for the road between Lourdes to Mainland and I would hope that the minister certainly will rise to respond to this very urgent request obviously as presented by my hon. friend.

MR. SPEAKER: The hon. member for Exploits.

MR. TWOMEY: Mr. Speaker, members of the House, I beg leave to present a petition on behalf of the residents of Wooddale. This is a community situated in close proximity with the electoral district of Grand Falls and about three miles off the Trans-Canada Highway. The prayer of the petition reads as follows:

"We are asking to have our road upgraded and paved this Summer from the Botwood Highway to Wooddale. There are at present sixteen farmers in the area, nine of them are full time farmers and

DR. TWOMEY: seven of them already are living in the area, and five more are planning to move in. We are very anxious to have the road done." This is signed by thrity-five signatures.

 This is a young and progressive community of farmers who are dedicated to their vocation. They are hard working, proud and ambitious. They have every chance of success. I know that the upgrading and paving of this road would indeed be of benefit to that community.

 I ask that the petition be referred to the department to which it relates.

SOME HON. MEMBERS: Hear, hear!

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

MR. NOLAN: Mr. Speaker, I rise to wholeheartedly and enthusiastically support the prayer of the petition as presented by our hon. and learned friend opposite. I believe it may be the first petition that he has presented in this House - I am sorry, the second - and when I rise, as I do, on behalf of all members here to support the upgrading and paving of this petition I am particularly moved, as we all are, by his references to the farmers in the area.

 We are always talking about primary producers and so on and how they should be encouraged. Now here is the time for us to put up or shut up, it seems to me. These people have made a very reasonable request and I would hope that the minister in his wisdom will certainly give careful consideration to this in his planning for this year.

 We are more than happy, all of us over here, to support the prayer of the petition

MR. NOLAN: in the hope that it will receive serious consideration. Although I notice the minister did not respond to the former petition as presented by my hon. friend, I hope that at least he will get up to support this one, and I only hope that our good friend from Exploits (Dr. Twomey) will see fit in the future to support some of the worthy petitions that we present from time to time on this side. Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. NEARY: Mr. Speaker, I want to support the prayer of the petition, Sir, presented on behalf of the hon. gentleman's constituents in Wooddale who apparently are farmers. And if I support the petition for no other reason, Sir, than just to tell the hon. gentleman that I appreciate his tone of voice, I appreciate the way he speaks very much and I would like to see the hon. gentleman speak a little more in this hon. House. The hon. gentleman sounds so much like Winston Churchill, that great wartime leader in Great Britain in the Second World War. I only wish, Sir, that the hon. gentleman would participate more in the debates because I think every hon. member really appreciates the way the hon. gentleman speaks.

Mr. Speaker, the hon. the member for Exploits (Dr. Twomey) made a strong case on behalf of the people of Wooddale who apparently are farmers and quite successful at it. I do hope, Sir, that the Minister of Transportation and Communications will pay strict attention to what the hon. member has said and see fit to do something about that road between the Botwood Highway and Wooddale in the current fiscal year.

MR. SPEAKER: The hon. the member for Baie Verte - White Bay.

MR. RIDEOUT: Mr. Speaker, I rise to present a petition on behalf of -

MR. MCNEIL: Excuse me, the hon. member wanted to -

MR. RIDEOUT: Excuse me. I am sorry.

MR. SPEAKER: The hon. gentleman wanted to speak to the previous petition?

MR. SIMMONS: Yes.

MR. SPEAKER: The hon. the mmeber for Baie Verte - White Bay yields?

MR. SIMMONS: If my colleague would yield?

MR. RIDEOUT: Yes.

MR. SIMMONS: Thank you very much.

MR. H. COLLINS: Get together over there.

MR. SIMMONS: Oh we are very much together over here. That is not the problem at all.

Mr. Speaker, the petition just presented by the gentleman from Exploits is one that deserves support and particularly from someone such as myself. Wooddale is a pet project. I did not have much to do with it except to watch it progress into a very thriving farming community.

Last year during the by-election, Mr. Speaker, quite by coincidence, I am sure, I was into Wooddale. I drove over that dusty road. I was not campaigning on behalf of the good doctor, as he probably knows, but we were spreading the word nevertheless, Mr. Speaker. I was also in Glovers Harbour a day or two later, and I can only conjecture for the member that perhaps the paving equipment that was so busy in Glovers Harbour never got time to get up to Wooddale before the election.

SOME HON. MEMBERS: Hear, hear!

MR. SIMMONS: I would suggest to him, as much as we like to have him here, if he wants the

Mr. Simmons.

pavement out in Wooddale perhaps he should precipitate another by-election by resigning and then running again, of course.

MR. NEARY: They got two that they will not call now.

MR. SIMMONS: There is a need, Mr. Speaker, for pavement in that particular area. Wooddale is a community that has been very much neglected and indeed at one point it tried to get some municipal relationship with Grand Falls and then Bishops Falls, and I think they have had a bit of a problem there, a problem with their basic community services, water and sewer. Wooddale is one of those communities in the Province which badly needs organizational help. I am not suggesting that they do not have the leadership within their own community, but they need some initiatives perhaps from the Department of Municipal Affairs to help them get their act together in terms of the provision of basic services, not the least of which is the one that forms the prayer of this particular petition.

It is my pleasure, Mr. Speaker, to give it my full support.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Baie Verte - White Bay.

MR. RIDEOUT: Mr. Speaker, I rise to present a petition on behalf of sixteen residents of the community of Westport in my district. I do so, Sir, in the hope that the government will get after one of its creatures, one of its Crown corporation outfits, Newfoundland and Labrador Hydro, in an effort to find out exactly what is going on with regards to electricity bills in and around the community of Westport.

The prayer of the petition, Sir, is very simple. It says: "We, the undersigned people of Westport, request an immediate enquiry into the dramatic increases of electricity by Newfoundland and Labrador Hydro within certain households in our community." They have listed households that have had dramatic increases from fifty per cent up, from the month of February, 1977

Mr. Rideout.

to last month, the month of March. And they also make a point of mentioning, Sir, in the prayer of their petition that no new electrical appliances have been installed in any of the households listed in the petition in that period of time.

To make the point, Sir, I will refer to some of the listings that are in the petition. One household, for example, had its electricity bill from January, 1977 - it was \$34.85 - in February, it was \$74.21. That is 110 per cent increase. Another particular one, I see, went from \$35.99 to \$111.97, 350 per cent increase. Another one went from \$32.97 to \$55.86, 70 per cent increase. Another from \$32.37 to \$71.70, 106 per cent increase. I will skip over a few and come to a dilly, Mr. Speaker. One particular household found that its bill went from \$13.71 to \$6,375.96 -

SOME HON. MEMBERS: Hear, hear!

MR. RIDEOUT: - an increase of 45,443 per cent. And another little dilly, Mr. Speaker, one person in January had a bill of \$91.29 only to find last month that it went down to \$4.07 which was a decrease of 2,175 per cent.

Now, Mr. Speaker, the people of Westport are asking - now that is some of them. There are a few dozen others there - the people of Westport are asking, rightly so, I believe, what is happening in the accounting department of Newfoundland and Labrador Hydro in this Province? They have contacted Newfoundland and Labrador Hydro. The response is, Oh, to send in the bills, and we will have a look at it. Well, Sir, I do not believe that is good enough. I believe that this petition shows very ably the grounds for an enquiry into the activities and the operations of Newfoundland and Labrador Hydro in this Province. None of us, Sir, minds a mistake or two. One or two light bills in any community, it is conceivable that an accounting error could be made in the accounting department, but for every other household in the community of Westport

Mr. Rideout.

to be affected with this, Sir, is dramatic beyond words.

People, Sir, could conceivably feel that little mistakes of one or two per cent have been made each month and that the people every other month are being ripped off. And finally some big mistake is made and the people begin to notice it. I do not believe it is good enough, Sir. I believe Newfoundland and Labrador Hydro should send somebody out to the community of Westport. They should conduct a full-scale enquiry into all their electrical hook-ups and electrical units in that community. They should let the people know exactly what is happening, and they should ensure that the proper corrective action is made. The Department of Mines and Energy, to which this creature of a Hydro Corporation - that should insist that their people get out to Westport. There always will be complaints, Sir, about light bills from month to month, but you cannot expect the people of Westport to glutch this lying down. Sir,

Mr. Rideout:

I support the prayer of the petition. I hope that the government will send tomorrow, or send a word today to Newfoundland and Labrador Hydro to get immediately out to Westport and find out what in heaven's name is going on with the utility bills out there.

Mr. Speaker, I table the petition and refer it to the department to which it relates.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member from LaPoile.

MR. S. A. NEARY: Mr. Speaker, this is the kind of a petition, Sir, that every member of this House should support, Sir, It is most timely that the hon. gentleman should present a petition on behalf of sixteen citizens of Westport complaining about the high electricity rates, when everybody in this Province today, so we are told by the Newfoundland Light and Power Company, is faced with a 20 per cent, a 25 per cent increase before the year is over. I heard one report that it was going to be 50 per cent, Then the last report I heard it is going to be 25 per cent before the end of the current calendar year. Well this is scandalous, Mr. Speaker. And the very same Crown corporation that my hon. friend talked about does not have to subject itself to the Board of Commissioners of Public Utilities. They can voluntarily go down and give the information, but they are not forced to; if they do not want to they do not have to, Mr. Speaker. And we were told over a year ago in this hon. House by none other than the hon. the Premier that legislation would be brought in at an early date as possible to force the Newfoundland Power Corporation to be cross-examined by the Board of Commissioners of Public Utilities.

MR. SPEAKER: Order, please! I must point out to the hon. gentleman, and in so doing I will be pointing out hypothetical to any other hon. members who may be commenting on the petition, that the prayer in this petition is quite specific and that is with respect to the increase in electrical rates of the citizens in Westport and the kinds of percentages which as I recall varies from 40 to 7,000.

AN HON. MEMBER: 40 to 5,000.

MR. SPEAKER: 40 to 5,000. But certainly the whole area of electrical policy and pricing regulation and the role of the Public Utilities Commission and all of that would be outside the ambit of the prayer of the petition.

The hon. member from LaPoile.

MR. NEARY: It is a scandalous situation, Mr. Speaker, when the sixteen people down in Westport have to petition this House, Customers of the Newfoundland Light and Power Company, Sir; when they have the kind of a complaint that was outlined by my hon. friend in the prayer of the petition, customers of Newfoundland Light and Power can go to the Board of Commissioners of Public Utilities with their grievance, with their complaint. But the people of Westport and the people in my district that live in communities where you have diesel generated power operated by the Newfoundland Power Corporation, they have no recourse but to have a petition presented in this Assembly when they have a grievance. And I think it is about time, Sir, that the Newfoundland Hydro Corporation was to be made answerable to the Board of Commissioners of Public Utilities, so that when people have a grievance other than just general increases in electricity rates right across the Province, when they have grievances such as the people of Petit, the people in LaPoile, the people in Grand Bruit, and the people in Westport, when they have grievances of the nature outlined in the prayer of the petition that they will have an independent, impartial group like the Board of Commissioners of Public Utilities that they can take their grievance to, rather than have to do it through the Provincial Legislature.

So, Mr. Speaker, I have no hesitation at all in supporting the prayer of the petition, Sir, and I hope that if the Premier is in his seat, or the Minister of Justice, who is responsible for the Board of Commissioners of Public Utilities, if in commenting on this petition that they would tell us that the government is going to keep this promise of placing the Newfoundland Hydro Corporation under the Board of Commissioners of Public Utilities so that they can get at

Mr. Neary:

their books and see what is causing all of this trouble like the cases that are outlined in the prayer of the petition so ably presented by my hon. friend.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member from Terra Nova.

MR. T. LUSH: Mr. Speaker, I want to say a few words in support of the petition presented by my hon. colleague on behalf of the people of Westport, and to reiterate and to re-enforce some of the statements made by the hon. member from LaPoile (Mr. Neary).

There is no question, Mr. Speaker, this is a ridiculous situation when people receive

MP. LUSH:

bills with the kinds of proportions that the hon. member mentioned. And obviously the people doing the work are as suspect to making profits for the company as with making losses. You know there has got to be something wrong with this situation, making such colossal mistakes. And the sad situation is the situation is aggravated more and intensified more by the fact that the residents, the people who are receiving those bills, they have no recourse, no one to go to to look into this situation for them. Certainly it brings out the point once again that the Newfoundland and Labrador Hydro should certainly be placed under the Public Utilities Board, or certainly under some regulatory body again so that the public and the people of Westport and the people of this Province can have some say with respect to the increases for electricity and energy costs. Such is not now presently the case.

Again the Premier of this Province promised this to us, that the Newfoundland and Labrador Hydro would be placed under the Public Utilities Commission and, Sir, I would hope that this is done and done quickly, done in this session of the House now, done before this session is finished. Mr. Speaker, again I want to say that I whole-heartedly support the prayer of this petition.

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

MP. STRACHAN: Mr. Speaker, the comedy at Westport as outlined by my colleague is a comedy we know all too well. I do not know if Westport is on a diesel generating station, being fed by diesel generated power, but wherever people are and homes are being fed by diesel generated power then of course whatever small mistakes or big mistakes are made in the meter readings or in faulty meters, then these are multiplied a number of times over because of the high cost of power that one has to pay.

The situation with the bills that he quoted here are situations of which I know all too frequently. Many people in homes on the Labrador Coast have bills of over \$250 a month for electricity in which they have nothing else than a stove and a few lights and a deep freeze. Some people now owe the Newfoundland and Labrador

MR. STPACHAN:

Hydro over \$2,000 and of course cannot pay it because they have no funds, no money, no cash to pay their bills.

There is a comedy also - and maybe I have the answer to the situation in Westport - is that we find on the Labrador Coast that if you tilt the meters-and you have to examine exactly each meter to know how to tilt it - if you tilt the meters, or in some case even turn them upside-down you can slow the meters right down. We have slowed a meter right down so we can get a bill down to about five dollars for a week. So maybe it is a possibility and a solution if the Newfoundland and Labrador Hydro cannot provide a solution, then possibly the people themselves could provide a solution. I have even seen extreme cases where people have smashed meters. I certainly do not agree with people doing that kind of thing and that kind of damage to property and so on, but when you see meters giving these kind of readings and you get bills with these kind of amounts, then one does get frustrated especially when you cannot get the service from the Newfoundland and Labrador Hydro.

I totally support the petition here. As I stated before people who are on diesel generated power pay a great deal more for power, and we feel that this power should be equalized. But they pay more especially when meters such as these are out of order. So I would say most definitely to the people of Westport that if the Newfoundland and Labrador Hydro cannot provide a solution then possibly the only solution would be to turn their meters upside down.

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

MR. NOLAN: I rise, Mr. Speaker, obviously to support the prayer of this petition. And as a matter of fact it will be a small wonder if there is any single member in this House of Assembly who does not rise to support the prayer of this petition on either side. I mean, surely this is one of the most - my friend refers to it as a comedy of errors - it is one of the most savage things that I have ever seen. Now there are innocent people out there and here you have a 45,000 per cent - is that what he said? - in increase. I mean, are we

MP. NOLAN:

gone mad? Look, if the Newfoundland Power Commission with the millions they are spending, which we cannot investigate because we are not permitted to have that information in the House, I mean, how can we be trusted with examining the expenditure of public money -

SOME HON. MEMBERS: Oh, oh!

MR. NOLAN: I mean the minister has taken over the Department of Health apparently, He answers for that.

MR. ROBERTS: Well that is an improvement over the Minister of Health.

MR. NOLAN: So what I am saying now, Mr. Speaker, with a respect is, surely before the Question Period is over today, I call upon the Premier of this Province to call on the phone the \$75,000 a year Chairman of the Newfoundland Hydro Commission and order him to have people to go down there, by helicopter if necessary -

MR. NEARY: Not Craig Dobbin.

MR. NOLAN: I do not care how they get there. But I mean this has to be rectified. Now there are those in the House, Mr. Speaker, who are no doubt more versed in the technical application of electrical power meters and so on, We listened I am sure with great interest to the academic exercises enunciated by my hon. friend about turning meters upside down and sideways and tilting them and all the rest of it - I think the only thing my hon. friend and I every tilted was - what do you call one of those machines?

AN HON. MEMBER: The juke box.

MR. NOLAN: No, no, not the juke box.

AN HON. MEMBER: Pin ball.

MR. NOLAN: Pin ball machine. Yes. But anyway the thing is that it has been suggested to me from time to time, and I would like to hear from someone opposite if they have any knowledge of this, that when the power goes off in some communities, such as Conception Bay South, which it used to do with great frequency, one of the last I can think of was New Year's Eve at twelve o'clock, you know, when I started to get calls on that one, and all in Manuels.

MR. NEARY: You heard about the power down there.

MR. NOLAN: No, I think someone - I will not go into it, no.

But anyway the thing is that I am told, Mr. Speaker,

that when the power is off, that when the

MR. NOLAN: power comes back on there is a surge of power resulting sometimes in moving the meter perhaps further than it would normally go. Now if this is the case and, by the way, in my own district I know of where appliances have been ruined as a result of this and in spite of my enquiries, the Light and Power say they are not responsible, Newfoundland Hydro say they are not responsible and so on. But anyway the thing is that you are going to have Newfoundlanders, in my opinion, asking that their meters be checked on a greater frequency than they are right now.

I mean we are talking about the basic necessities of life. Heat and light surely has to be considered one. I used to do commercials one time for a firm by the name of I believe Gillett, I believe the hon. Speaker may have been working at the same establishment at the time. I do not mean Gillett's I mean the radio station, and I remember the last line of that commercial which I used to do on a Saturday night it was for the Tilley lamp and the last line I can still remember it, was, "You can see if it is a Tilley." Now we are going to be back to that again very soon if this keeps up. I mean this is shocking and surely - I do not know where the Premier is, but surely he is within the sound of my voice; he should before the next thirty minutes is up order the Chairman, order the Chairman - and I hope the Premier will speak to this - order the Chairman of the Power Commission to get some of his people down there and rectify this situation immediately. I am sure that he will be man enough to do it and what is more I will be more surprised if some of the people opposite will not stand and recognize the seriousness of this situation here. It is a disgrace and it has to be corrected.

SOME HON. MEMBERS: Hear! Hear!

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

MR. FLIGHT: Mr. Speaker, I stand to support this petition.

I agree with the member for LaPoile, Mr. Speaker. What we are facing here right now is scandalous. The people in this Province are looking at a legitimate fifty per cent

MR. FLIGHT: increase, we are told, over the next two years in hydro bills.

PREMIER MOORES: Three years.

MR. FLIGHT: Next two years.

PREMIER MOORES: Three years.

AN HON. MEMBER: Three years.

MR. FLIGHT: Three years, fifty per cent in three years.

Mr. Speaker, the year before last when the increases started, every member in this House of Assembly had calls from constituents complaining about the fantastic increase in their electric rates. Now the increases allowed by the utility companies - or the increases put on by the utility companies was prorated, was ten per cent gone to fifteen per cent, but people witnessed their bills going up by one hundred per cent, and a lot of those people suggested that there could possibly be mistakes being made in making up the bills, in the accounting department. But nobody followed it up for them. And after a while they just inadvertently and in a situation half the people just accepted the fact that this is an increase as a result of the increases that has been allowed by the Public Utilities Commission.

Mr. Speaker, just imagine that if - we have seen proof now, there is proof in that petition that the accounting department of Newfoundland Hydro has made some fantastic mistakes with regard to charging people for electric rates.

Mr. Flight.

Supposing that some of the people this past two years who have seen their electrical bills go up by 100 per cent to 150 per cent to 200 per cent were the victims of that type of thing, and they had paid those bills. And it is very possible that that may well have happened.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: And, Mr. Speaker, in supporting this petition I am suggesting that if it is proven that that is an accounting error, either through the accounting department of Hydro or by faulty metres, then we should do a review of every metre reading in this Province since our electrical rates started to escalate the way they have escalated. People who can afford it least of all have been hurt very badly by the extra money that their electrical bills are costing and it is very possible now - it is all too evident, it is all too possible - that this may indeed be the case, that people may well have paid for electricity that they never ever used and it was charged off, and they accepted it on the basis that, Well, our electrical rates are going up anyway, and we do not know how to figure out our bills.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: So, Mr. Speaker, there is a very good possibility that this may well have happened. And just on the off chance that this has happened, Mr. Speaker, this House of Assembly and the Premier and Newfoundland Hydro and Public Utilities have got an obligation to investigate. And if it is necessary have a review made of every metre reading in this Province since the cost of electricity has escalated the way it has escalated over this past couple of years. Mr. Speaker, I support the petition.

SOME HON. MEMBERS: Hear, hear!

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

MR. SIMMONS: I was hoping that somebody on the other side would have a few words to say on this. I agree with my colleague from Conception Bay South (Mr. Nolan). I agree with him whole-heartedly. This is the kind of thing that we could well have the views of all members on. This process, Mr. Speaker, of presenting petitions must be one of the best mechanisms we have in this House for finding out where people in the House stand. Here we are now talking about electricity. A few minutes ago we missed a golden opportunity to spend an hour or so talking about the Burin Peninsula Hospital, because the petition was not presented in its proper form.

MR. SPEAKER: Order, please!

I must require the hon. gentleman to bring his remarks to the subject matter of comment.

MR. SIMMONS: I am sorry, Mr. Speaker. I was a little upset about that one.

MR. ROBERTS: All paths lead to Rome.

MR. SIMMONS: I am sorry. But, Mr. Speaker, on the subject of electricity which we can talk about right now, another important issue, a very important issue - somebody has used the word 'funny', how funny this situation is. I am sure my friend from Baie Verte - White Bay (Mr. Rideout) deliberately meant to inject a bit of humour in it. It does have humour. It would have a lot more humour, Mr. Speaker, if it were not such a ruthless situation, if we were not dealing here with such a callous unthinking set of events. Mr. Speaker, so many people around this Province are very much at the mercy of the utilities. I can hardly these days, Mr. Speaker, read my telephone bill. I can hardly figure out all the codes, and codes explaining the codes and so on. And I get a number of questions from people about hydro bills. It is difficult to decipher them. They have the jargon of the computer age and only the dollar amount is at all clear. That

Mr. Simmons.

they make sure of. Mr. Speaker, it is getting to the point where, as I believe someone has mentioned a moment ago, the consumer is just not sure of what he is getting himself in for, what his real debts and responsibilities financially are. There are those, Mr. Speaker, who have complained about faulty metres. And if you can do with metres what my ingenious friend from Eagle River (Mr. Strachan) says you can do, then it does call into question the mechanism that Hydro is using to measure electricity, whether it is in Westport or elsewhere. And I know of a number of examples of people who have requested Hydro to check the metre. Now, Mr. Speaker, that is like asking the condemned criminal, Did he commit the crime?

MR. ROBERTS:

MR. SIMMONS: Exactly.

Imagine Newfoundland Hydro saying, We will check your bill. And they check it and they say, No, nothing is wrong with it. Your bill is just as high as we said it was. What a ridiculous set of circumstances! And one of the mechanisms we need in this Province is an independent inspecting mechanism insofar as it affects metres, for example.

MR. SIMMONS: I am not suggesting that it be set up for that particular and sole reason; it could have other responsibilities of that kind. But some independent mechanism, independent of the utility, whether Newfoundland Hydro or Newfoundland Light and Power, which would move in and check the metre. Now if you want a metre checked, Mr. Speaker, you have got to pay for it, so you loose both ways. You have the choice of going on with what may be a faulty metre, because the prices are such these days you do not know if it is a faulty metre or a faulty metre reader or a faulty set of terms of references which allows this thing to go forward. This madness, twenty-five per cent, is it? What is this increase we heard -

SOME HON. MEMBERS: Oh, oh!

MR. SIMMONS: No, I do not mean that, but the projected increase over the next two or three years.

AN HON. MEMBER: Fifty per cent over the next three years.

MR. SIMMONS: Wild! Mr. Speaker, I suppose there is no area, Mr. Speaker, of Consumer Affairs where the attitudes of the entrepreneur, this case the Hydro people, the attitudes are so cavalier, so callous, so unthinking. You know Newfoundland Hydro is supposed to be somehow a creature of this Province or this House of Assembly, it is certainly a creature gone out of control, it is almost a Frankenstein's monster, a real Frankenstein's monster, And I believe the time has come for us to have a full-scale debate on what it is we hope as a Province to be getting out of the utility called Newfoundland and Labrador Hydro. It certainly got very much out of hand and before it becomes a real Frankenstein's monster, if it has not already, we ought to bring it in here and have a good look at it in the light of the day.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Hon. Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, a number of my colleagues have spoken in support of the petition which my friend from Baie Verte-White Bay presented, and I do not wish to repeat their remarks but there are still one or two points which I think ought to be made. The prayer of the petition, Sir, is that an investigation be made into the Newfoundland and Labrador Hydro with particular reference to certain events which are outlined, as I recall it, in the body of the petition itself.

Now, Sir, I think that is a very reasonable request; I think it is one which ought to be granted. My friend from Burgeo-Bay d'Espoir has just referred to Newfoundland and Labrador Hydro, I believe, as a Frankenstein's monster. I do not know whether I would adopt that term as mine, but I would certainly feel, Sir, that the organization known as Hydro has grown to a monstrous size and I know that it has grown beyond any control by this House of Assembly and I venture to say any effective control by the Cabinet.

We have had a lot of discussion in the House, the gentleman from St. John's East has raised a point on occasion, others have as well, a lot of discussion about the control of Crown corporations. The fact remains, Sir, that we in this Province have no real control over these Crown corporations which are now getting to be very massive indeed. In Ottawa the Crown corporations come before the standing committees of the House of Commons, they can be questioned at length and matters can be gone into at length. Here, Sir, we do not even get very much in the estimates discussion, even when the appropriate sub-head is called, and they are not all called as we know. The amount of information which is contained in the estimates about Hydro is infinitesimally small, I believe it is only

MR. ROBERTS:

in connection with two grants, one in aid of the Rural Electrification Authority and the other the grant-in-aid under the Industrial Incentives Act, the ERCO Act. We do not have any any idea of the budget, I do not think anybody in the House, Sir, except possibly the ministry has any idea of the budget of Hydro or what they do with their money or how they raise it. We have a glossy little public relations handout which was tabled on March 9, 1976. As far as I could find that is the last information which this House was given in any detail about the operations of Newfoundland and Labrador Hydro.

All of us, Sir, who worry about our constituents - and I believe I speak for most members of the House, on both sides, in that have occasion to deal with Hydro, particularly those of us who have constituents who look to Hydro as the retailer of their electricity. I find the Hydro personnel excellent to deal with. If you ring them up or write to them they will get you an answer and often it is a reasonable answer and if it is not reasonable then a little further prodding will produce the reasonable answer.

Sir, that is no substitute for an investigation. The situation which my friend from Bay Verte-White Bay has outlined has been repeated in one way or another widely throughout this Province. I suppose I have had a hundred letters in the last two years from people who have complained that their bills have gone up irrationally and unreasonably and I know of many more cases where people have not taken the trouble to write to me or to Hydro.

When I say an investigation I am not suggesting a witch-hunt, but I think it is time, Sir, this Hydro was brought under the House of Assembly.

AN HON. MEMBER: Hear, hear!

MR. ROBERTS:

Obviously it must be brought under the regulatory authority of the Public Utilities Commission. That is the position which we have long espoused and we shall go on doing so. But, Sir, it is more than that now. It is a matter of controlling a body that takes in well in 1976—or in 1974, I am sorry, over \$100 million in sales revenue. It is responsible for assets of over \$1 billion. It is responsible for a very healthy part of the public activity, the public sector activity, in this Province. Yet, Sir, this House of Assembly has no control over it. We can afford apparently to take a month off from the duties in the House. We could easily spend a part of that month, Sir, with a Select Committee or a Committee of the Whole asking questions of the officials of Newfoundland and Labrador Hydro, the sort of investigation, the sort of enquiry that is requested in this petition.

Sir, I say now that this question of electricity rates - and really the point of the petition, Sir, is electricity rates and a protest against them - has in it the potential to be an explosive issue in this Province as elsewhere throughout Canada. The rates are going up cruelly and rapidly and without apparent justification. I believe, Sir, that any government that is concerned, any government that is sensitive to the wishes and aspirations and needs and interests of the people it serves, that that government, Sir, will cause the agency which is causing the high rates, will cause that agency, Sir, to be subject to detailed public scrutiny before the Public Utilities Commission for regulatory bodies, before this House of Assembly, Sir.

This body - we talked the other day about the Housing Corporation, another monstrous growth, the Liquor Commission and we could name many others that have gone completely beyond any responsible control, completely beyond control by the ministry, completely beyond control by the House of Assembly and I venture to say completely beyond control by individual ministers. I think the time

MR. ROBERTS:

has come, Sir, when we should draw a line and make them answer to this House of Assembly. It is our money they are spending. It is our money they are spending, Mr. Speaker, and it is the Province and the people of this Province they are serving. I believe, Sir, it is our duty as elected representatives to do it and I think this petition, Sir, is well-taken. I think the point of it is well made and I very much hope the government will grant it, Sir.

SOME HON. MEMBERS: Hear, hear!

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN:

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, I would like to table the answers to Questions Nos. 143, February 23 asked by the hon. member for LaPoile (Mr. Neary), and 154 by the same member. These relate to the - 158 also on the Order Paper, February 28, and these were all asked by the hon. member for LaPoile (Mr. Neary). In answering these questions, Mr. Speaker, I would like to point out that I can only provide the answers in turn which have been provided by the university. All these questions relate to Memorial University. I am sure that the answers about to be tabled are not in detail but they do provide the policy of the university as regards to the hon. member's questions.

For the interest of the House -

MR. NEARY: Can the minister not get all the information?

MR. HOUSE: No, you cannot get all the information.

MR. NEARY: You cannot get it?

AN HON. MEMBER: What about the horse?

MR. HOUSE: For the interest of the House I would like to point out on one question that the university does not pay for the transportation of dogs and cats or other pets of new appointees or candidates for appointment to the university.

ORAL QUESTIONS:

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

MR. ROBERTS: Mr. Speaker, a question for the Premier which I assume he has anticipated, Sir. Could the Premier tell us, please, when there will be brought before the House the legislation to bring Newfoundland and Labrador Hydro under the regulatory authorities, presumably the Public Utilities Commission? The legislation of course was outlined or the promise of its introduction was outlined in the Speech from the Throne.

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, that will be brought before this House before the House closes.

MR. ROBERTS: A supplementary question, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. ROBERTS: Can the Premier tell us whether Hydro have been instructed not to proceed with the implementation of any rate increases until such time as the legislation has been introduced and presumably made into law?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Not to my knowledge, Mr. Speaker, but it

Premier Moores:

would seem reasonable that if they are going under an appeal board or whatever the regulatory agency is, is that that being the case that that board be given the opportunity to review any rate increases.

MR. HICKMAN: They are doing it now.

PREMIER MOORES: The minister reminds me they are reviewing it now, but the fact is - it is a job to speak, Sir, when you are getting so much help here.

MR. HICKMAN: I am sorry.

PREMIER MOORES: The fact is that they will be going before a regulatory agency, which is the way I think it should be.

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

MR. SPEAKER: A supplementary, the original questioner.

MR. ROBERTS: Mr. Speaker, you know, I agree with the Premier's view that it is reasonable not to expect Hydro-or to expect Hydro not to go for a rate increase, but people often do not act reasonably, and so I ask the Premier if he would issue a directive, or have the appropriate minister issue a directive to Hydro that they are not to go for any changes in rates until such time as the House has dealt with the matter, and then depending upon the disposition of the matter by the House, until the matter is dealt with by the Public Utilities Commissioner or other regulatory body.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: We will not be giving any directive, Mr. Speaker, but we certainly will be, as we have done already, advising them not to or suggesting to them not to put in any rate increases if it is going to be going before, as I say, a regulatory agency in the near future because I think that board will be the best ones to deal with it. They are under that understanding now.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: Is this a supplementary?

MR. NEARY: Yes.

MR. SPEAKER: The hon. member from LaPoile.

MR. NEARY: Would the hon. the Premier indicate the House what the reason is now behind the proposed increases by Newfoundland Hydro, why are they asking for increases at this time?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Mr. Speaker, I would think that it is probably the same as Nova Scotia and all the others. Nova Scotia just had a 47 per cent increase in the one crack. I think what we are looking at here is an increase in oil prices as the subsidy is taken off by the Federal Government who had subsidized oil in the Eastern regions of the country, and they are slowly taking it off as the world price takes hold across Canada. I think what is happening here is that all our new generation of electricity comes from oil generating units. This is the reason for the substantial increase primarily.

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

MR. SPEAKER: One additional supplementary from the hon. gentleman.

MR. NEARY: Is the hon. the Premier aware that hydro generated power is the cheapest form of power because once the generators are in then that is it, the cost is over?

PREMIER MOORES: Yes.

MR. NEARY: And is the hon. Premier aware that Baron Edmund de Rothschild a year ago in this Province made a presentation to the government, the Minister of Mines and Energy, on a turbine generator called Straflo which is an underwater generator that can be developed very economically so that we can use the resources of all of the smaller rivers and streams in this Province? Is the Premier aware of that? And if so, if the Premier is aware of it, would the Premier tell the House what action the government has taken on this proposal of Mr. de Rothschild?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: First of all, Mr. Speaker, there is a lot of erroneous suggestion, if you like, in the member's question; it is that this was the cheapest form of generating electricity. Hydro is only the cheapest form of generating electricity, Sir, if the capital

PREMIER MOORES:

installation itself on its pay-back period is less than any other form.

The fact that Mr. de Rothschild or Baron deRothschild had a proposal for a low head generator. They had tried one in the Amazon River and they were still testing it at the time. They also have some in the U.K. -

MR. NEARY: It is called the Straflo turbine and rim generator because I have a letter from him here, if the hon. Premier wants to see it.

PREMIER MOORES: Yes, I am sure the hon. member does have a letter regarding the rim flow generator from him, Mr. Speaker. But I would suggest that this has been gone into very carefully and they are for very small megawattage, as the hon. member knows. They are also very costly as far as this Province is concerned. They are also basically still in an experimental process in areas where there virtually is no electricity in high industrialization. Mr. Speaker, they have been looked at by Hydro and government and at this point in time they are not the top priority item.

MR. SPEAKER: The hon. member from Burin - Placentia West.

MR. P. CANNING: Mr. Speaker, I have a question for the Minister of Transportation. Arising out of the fact that the Department of Transportation have begun calling tenders for upgrading and paving of roads in the Province this year, could the minister inform the House if that section of road between Winterland and Salt Pond will be paved this year?

Mr. Canning.

This is the section I visited with you, where you got the lonely bridge in the middle of the river.

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

MR. MORGAN: Mr. Speaker, as a result of the representations received from my colleague on this side of the House of Assembly, my colleague in Cabinet, the hon. Minister of Justice, and also representations from the hon. gentleman who asked the question, work will be done to connect that bridge down in that area this Summer. That bridge was built some time ago. That bridge will be connected and some road work carried out on the road as required. With regards to the actual paving of the road, at this time I cannot give a firm commitment of either yes or no.

MR. CANNING: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary by the original questioner.

MR. CANNING: Mr. Speaker, a supplementary in regard to paving in the area. Could the minister tell the House if there will be a continuation of paving on the following roads; from Spanish Room to Rock Harbour, Little Bay to Beau Bois, a short section at the entrance of Baine Harbour, the short section where they left off at Boat Harbour and Brookside, if any pavement is planned for these areas for this year?

MR. SPEAKER: The hon. minister.

MR. MORGAN: Mr. Speaker, I will take that question under advisement, but I would only be too pleased to discuss any road work in connection with the district the hon. gentleman represents in my office any time.

MR. WHITE: A supplementary, Mr. Speaker.

MR. SPEAKER: Did the hon. member for Lewisporte say a supplementary?

MR. WHITE: Right.

MR. SPEAKER: One additional supplementary.

MR. WHITE: A supplementary to the minister, Mr. Speaker.

I wonder if the minister could tell us whether or not he plans to outline in detail the entire programme of roads: upgrading and paving for the year or will it be given in tender form in the paper on an ad hoc basis?

MR. SPEAKER: The hon. minister.

MR. MORGAN: Mr. Speaker, any details of any type to be given to this House of Assembly with regards to expenditure under any heading in the Department of Transportation and Communications can only be dealt with when the estimates of that department are dealt with in the House of Assembly.

MR. SPEAKER: The hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, I have a question for the Premier. I wonder if the Premier can inform the House as to whether or not the government have any plans to have the expenditures or the budget of Newfoundland and Labrador Hydro brought before the House for detailed scrutiny?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Once again, Mr. Speaker, that question is more properly directed to the Minister of Mines and Energy, whom I know is not here this afternoon. But certainly when the estimates come up for that department I think that is the time to ask the queries regarding Newfoundland and Labrador Hydro. I might say that - and it comes out of some remarks that were made earlier, Sir, if I may, and it is on the same question - is that the committee system in this House would be very worth-while in my opinion to identify some of the Crown corporations to get the information so that there is not the degree of secrecy that seems to be surrounding these particular Crown agencies. I think it is a matter of making the information available at the right location and to the right people. Certainly I would like to see that taken further.

MR. LUSH: A supplementary.

MR. SPEAKER: A supplementary by the original questioner.

MR. LUSH: Again, Mr. Speaker, a question to the Premier. I wonder if the Premier can tell the House what progress has been made to date with respect to having the headquarters, the offices of Newfoundland and Labrador Hydro moved from Montreal to here, St. John's?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: The offices of Newfoundland and Labrador Hydro are here, Mr. Speaker.

MR. NOLAN: Mr. Speaker -

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

MR. NOLAN: Mr. Speaker, a question for the hon. Premier. Is the hon. Premier now willing to give us some assurance or what if anything he can do or will do concerning the matter brought up this afternoon regarding Westport and the 45,000 per cent increases and so on?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: It is obviously, Mr. Speaker, an error as the member said either in bookkeeping or metres or whatever. The fact is that obviously it is going to be investigated, and it will be.

MR. ROBERTS: Mr. Speaker -

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

MR. ROBERTS: Mr. Speaker, a question for the Premier growing out of his earlier answer to my friend from Terra Nova, and let me say that we on this side welcome the Committees, but you know we have heard this four or five years in a row. We would like to see some action, but the question, Sir, is this; The Premier said that the appropriate time to discuss the details of the Hydro Corporation would be on the estimates of the Mines and Energy Department, that is well enough except we do not have any information -

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: - so I wonder if the Premier would undertake within the next few days to make public and let members of the House have copies

MR. ROBERTS: of the budget of Newfoundland and Labrador Hydro Corporation. There has been no annual report that I can find made public for the last year or so. We have remarkable little information. We do not even know what their sales are or anything else. Will the Premier undertake to have this information made public so that when the debate on the estimates come, as come it will sooner or later, we may be able to go into the debate with some knowledge to bring to it?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: The answer is, Mr. Speaker, no. I will not undertake that at this time. As I said, if we had the committee system in the House, and if we had the rule changes that we should have, and if we had this House operating efficiently, that information would have been out.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: The hon. the member for LaPoile followed by the gentleman for Eagle River.

MR. NEARY: Mr. Speaker, in view of the fact that we have the lowest productivity in this Province in the whole of Canada, and the most lost time due to stoppages of work and absenteeism, would the Premier indicate to the House when the government is going to appoint the Provincial Productivity Council that was mentioned in the Throne Speech that opened this session of the House of Assembly?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I cannot give the exact time, Mr. Speaker, but it is the intention of the government to do it.

MR. NEARY: Mr. Speaker, I am dissatisfied with the Premier's answer and I wish to debate the matter

MR. NEARY: during the Late Show on Thursday next.

MR. SPEAKER: The hon. the member for Eagle River followed by the hon. the member for Conception Bay South.

MR. STRACHAN: In the absence of the Minister of Mines and Energy, a question for the Premier. In view of the fact of the rise in electricity rates, and in view of the fact that those getting - rural isolated communities who are being fed by diesel generated power have to pay the higher rate, is there any possibility of a review in the equalization of electricity rates within the Province?

MR. SPEAKER: The hon. the Premier.

MR. MOORES: Yes, Mr. Speaker, it is being studied now.

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

MR. NOLAN: Mr. Speaker, a question for the hon. the Premier. Last year in this House when I asked a question regarding additional office space for the civil servants, the Premier replied that - and it is in the Hansard - he would be willing to set up a select committee here in this House to look at the need and so on rather than have it develop into debate and argument the way it did before on one issue. Is the Premier now prepared to set up such a committee to look into the need for additional office space?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: The answer is basically yes, Mr. Speaker. We are waiting for an update from Public Works which we are hoping to have in a couple of weeks and at that time I will be in consultation with my hon. colleagues opposite.

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

MR. SPEAKER: A supplementary.

MR. NEARY: Will the hon. the Premier indicate to the House whether or not a deal has been made with the owners of Atlantic Place downtown on Water Street, or with the owners of the parking garage to rent either office space or parking space in the garage downtown?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: No deal, no parking, Mr. Speaker. Neither one.

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

MR. SPEAKER: One additional supplementary, then I will recognize the hon. the member for Baie Verte - White Bay.

MR. NEARY: Would the hon. the Premier indicate to the House that no such deal will be made unless and until public tenders are called, that there will be nothing done through any agency of any kind, that the government will call public tenders themselves when they require office space?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: We have, Mr. Speaker, over the years taken office space in many buildings in the city as the hon. member well knows, based on the rental and availability of space at that time. There is no intention at this particular time for government to make any arrangements for any additional office space. If it is done, what we have to decide as government whether it should be a new building here to take most of the offices, whether Crown agencies should be located in the same offices, whether the existing office contracts - which ones should be terminated and which ones should be extended. A great deal has to be done on this but there is no intention at this time, Sir, to enter into any

PREMIER MOORES: office space.

MR. NEARY: But public tenders will be called.

MR. SPEAKER: I have indicated I will recognize the hon. the member for Baie Verte - White Bay.

MR. RIDEOUT: Mr. Speaker, I have a question for the hon. the Minister of Transportation and Communications. Could the minister tell the House how many gravel roads in the Province at this time have a maximum load limit on them of 5,000 pounds?

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

MR. MORGAN: Mr. Speaker, the roads we have declared as roads with the half load limits to date are all those roads on the Baie Verte Peninsula, and the road from Port Blandford to Bunyans Cove. These are the only roads to date but there are a number of roads that the engineers are monitoring and if the situation as indicated today worsens within the next couple of days, there will be many more roads under the same condition, half-load limit.

MR. SPEAKER: A supplementary.

MR. RIDEOUT: Mr. Speaker, I am sure the minister understood the question. I know a number of roads in my area have a half-load limit on them, but what about the special 5,000 pound maximum weight that it allowed to go over, say for example, Seal Cove Road? Are there any other roads in the Province in such bad shape that that special limitation has been put on them?

MR. SPEAKER: The hon. Minister of Transportation.

MR. MORGAN: No, Mr. Speaker, not to date. But last Spring a number of roads around the Province had the same special load limit. And I am assuming, based on the reports coming in from around the Province, that there will be roads this year with the same special limit as well.

MR. RIDEOUT: A supplementary, Mr. Speaker.

MR. SPEAKER: One supplementary.

MR. RIDEOUT: Could the minister tell the House whether or not his department has some sort of emergency programme to deal with those roads that are so bad that you must put a 5,000 maximum load limit on them? I mean, it is impossible to get over the Seal Cove road practically.

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

MR. MORGAN: Mr. Speaker, there is no special emergency plan and there never has been in the department. The unfortunate thing is that with our weather conditions and environmental conditions every Spring in this Province with regards to gravel roads we have a two, sometimes three week period where roads are in very bad and in fact almost impassible condition. The roads in the Baie Verte Peninsula and one particular road, the Seal Cove Road, is an example of these kinds of roads and road conditions.

Hopefully as the weather conditions improve - and if the Spring thaw occurs over the next week or so - the conditions of the roads will improve substantially. And by that time of course we will be able to commence our Summer maintenance operations and have our units working to improve the road conditions the best they can under the conditions of the climatic and environmental conditions.

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

MR. FLIGHT: My question is for the Minister of Tourism and it arises out of his Ministerial Statement today. Last year the priority system for the issuing of moose licenses broke down. It was not adhered to. There is evidence all over the Province that that happened. So my question to the minister is what assurance

MR. FLIGHT:

can he give the House that the priority system for the issuing of moose licenses this year will be adhered to and the licenses will be issued on a priority basis?

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, I can tell the hon. gentleman that a few minor breakdowns, as he calls it, in the priority system or the pool system last year was brought on by our response to public pressure to hold a manual draw, where the licences were drawn by hand and there is always a danger of human error, and certainly last year indicated that. This year we have reverted to the computer draw and my assurance to my hon. friend that the priority system will be adhered to strictly is indeed that we have taken that change and made that change so I do not think there will be any problem.

MR. SPEAKER: A supplementary.

MR. FLIGHT: Could the minister indicate to the House how many non-resident big game licenses will be issued this year? How many big game licenses non-resident will be issued this year?

MR. SPEAKER: The hon. minister.

MR. HICKEY: I will have to take that under advisement, Mr. Speaker. There certainly will not be any increase. I do not know the number but I can find out.

MR. SPEAKER: A supplementary.

MR. FLIGHT: Would the minister assure the House that all big game licences this year will be accompanied by tags?

MR. SPEAKER: Hon. minister.

MR. HICKEY: Mr. Speaker, the hon. gentleman is obviously being facetious when he says that. I can assure the House that all big game licences given in the normal way will have tags accompanying them and we will not change the tradition. We will not change the tradition. Mr. Speaker, if hon. gentlemen opposite were listening I might be able to answer that question. We will not change the tradition, Mr. Speaker, as in the past with regards to a few

MR.HICKEY:

complimentary licenses. I have no intention of changing that.

MR.SPEAKER: Final supplementary .Then the hon. gentleman from Terra Nova.

MR.FLIGHT: Mr. Speaker, the minister indicated that all licences given out in the ordinary way will be accompanied by tags. Is he indicating there will be licences given out in an abnormal way?

MR.HICKEY: Mr. Speaker, my hon. friend is excelling himself with the use of the Queen's english. In the normal way he obviously understands clearly what I mean, licences which will be sold. Now, when the word 'complimentary' was used even the Auditor General found fault with that word, so I choose not to use it. So in other words, if I use the power that is bestowed upon me as minister while I am a minister to give someone a licence then tags are not required - Or they will not be.

MR.SPEAKER: Hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, a question for the Premier. I was so concerned with Newfoundland Hydro the last question I asked I made a mistake. It was Churchill Falls (Labrador) Corporation I was referring to, and I wonder if the Premier is in a position to inform the House what progress is being made with respect to having CFLCo offices moved to St. John's?

PREMIER MOORES: No, Mr. Speaker, I will not be shooting a moose this year. Having said that, every effort is being made and it is being once again Newfoundland and Labrador Hydro, I know, are working right now in conjunction with the employees there with the objective in mind of trying to get the head offices of Churchill Falls moved to the Province within the very near future.

MR. LUSH: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. LUSH: I wonder again if the Premier is in a position to inform the House whether or not there is some date in mind when the total staff will be here in St. John's?

MR. NEARY: You heard that a year ago.

MR. SPEAKER: The hon. the Premier.

PREMIER SMALLWOOD: It is very difficult, Mr. Speaker, to put an exact date on it, and it is very difficult to answer the question because there are certain obligations that if certain people do not move we have got to recruit our own people in the Province. We have got to try to get as many Newfoundlanders as possible involved in that operation. We would like to see it before the end of this year if it is humanly possible, and that is the target dates this year.

MR. NEARY: We heard that last year.

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

MR. STRACHAN: Mr. Speaker, arising out of the answer given given by the Premier to the hon. member for LaPoile concerning the Straflo turbine. I was wondering whether the Premier - he

MR. STRACHAN: was giving the impression that these turbines were not feasible at all- this was the impression I was getting, that they were not feasible within the Newfoundland context - and I was wondering whether the Premier was aware that there are some very successful installations and that the trouble with the rim generators have now been overcome and there are some very successful ones in Germany and I believe in Austria as well.

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Yes, Mr. Speaker, we are aware of it. But the fact is they are not as economical as either further hydro development in the Province, or even thermo generation as our particular grid system is set up.

MR. SPEAKER: The hon. member for Conception Bay South, followed by the hon. gentleman from LaPoile.

MR. NEARY: I will prove the hon. Premier wrong.

MR. NOLAN: I do not mean to interrupt, Mr. Speaker.

A question for the Minister of Tourism, Just, I believe, last week he was good enough to give me some information regarding the proposal for the park in Topsail Beach which was promised two or three or four years ago to the people in that area. The minister said that they were proceeding, I believe that some of the expropriations had been taken care of, I am wondering - and I realize he cannot give a definitive answer on this today - I wonder would the minister be good enough to perhaps talk with his officials and down the road at least before the House closes, say sometime in May, would he be prepared to bring in some kind of a detailed programme on what is going to happen this year and so on, because we will then be getting into the season, I am wondering if the minister is in a position to do that?

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, I am certainly prepared to let the hon. gentleman have the information when I get it. Based on his question last week I asked my staff to give me an up-date report.

MR. HICKEY: I can tell him and tell the House, as I am sure he is aware, the delay in proceeding with development on Topsail Beach has been based purely on difficulties in obtaining land. I understand that most of it, if not all of it, is at the point now where it is cleared up and that will indicate they certainly will be proceeding to do some work; how much I do not know, but when I get the information I will pass it on.

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

MR. NEARY: Mr. Speaker, I would to ask the hon. the Premier Sir, what the government, the Department of Fisheries, the Fishery Advisory Board are doing about the price of lobsters in this Province for the coming season?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I have no idea, Mr. Speaker, but I will take notice of the question.

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

MR. SPEAKER: A supplementary.

MR. NEARY: Would the hon. the Premier indicate to the House if any representation had been made to the government on behalf of the Fishermen's Union or any lobster fishermen around the Province to try to set a fair price for lobsters in this Province during this coming season.

PREMIER MOORES: If there had been, Mr. Speaker, it would have been with the Department of Fisheries and like the other question I will have to take notice of it.

MR. SPEAKER: The hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, my question is for the Minister of Agriculture. Could the minister inform the House how many abattoirs there are in this Province?

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

MR. MAYNARD: There are two, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. CALLAN: Mr. Speaker, due to the fact that only about twenty per cent of the pork that is consumed in this Province is grown here or manufactured here, does

MR. W. CARTER: the government have any plans to increase the number of abattoirs in pig raising and what have you?

MR. SPEAKER: The hon. minister.

MR. MAYNARD: No, Mr. Speaker, we do not have any plans to increase the number of abattoirs, but we do have some plans to increase the number of producers so that especially in the Corner Brook area, where there is a large new abattoir, we can put through a great deal more production in hog industry, in the production of pork. But the abattoir at Corner Brook along with the one here now can handle all of the hog production that we can foresee over the next several years.

MR. SPEAKER: Hon. member for Baie Verte-White Bay.

MR. RIDEOUT Mr. Speaker, I have a question for the Premier. The Premier in answer to my colleague from Conception Bay South indicated that some type of investigation would be carried on into the electrical rates in certain households in Westport. Can the Premier tell the House who is going to carry out the investigation, whether it is Newfoundland Hydro themselves? What type of investigation is it going to be? Are they going down there to investigate what is happened in the community over the past couple of months, or what?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, I only heard about it this afternoon. And I might say the first thing is going to be asked for is not an investigation but an explanation -

AN HON. MEMBER: Hear, hear!

PREMIER MOORES: from the people who sent the bills. Secondly, why they were sent in that manner, and thirdly, what are they going to do about it. And upon receipt of that, what you could call, I suppose, a personal investigation, then

PREMIER MOORES: know where we are going from there, Mr. Speaker.

MR. LUSH: A supplementary.

MR. SPEAKER: Hon. member for Terra Nova followed by the hon. gentleman from LaPoile and Eagle River.

MR. LUSH: Mr. Speaker, a question for the Premier. I wonder if the Premier can tell the House whether or not the government has made any request or any proposals, particularly in view of the recent rates, or the application by Light and Power to ask for higher rates for electricity. I wonder in view of this whether the government have an request to the federal government for these energy conservation grants similar to those granted in Nova Scotia and PEI?

MR. SPEAKER: The answer is yes, Mr. Speaker. We did apply for that particular programme, As a matter of fact, that particular subject is under discussion tomorrow in Ottawa with the Ministers of Mines and Energy and that is the reason why the Minister of Mines and Energy is not here this afternoon.

MR. FLIGHT: Mr. Speaker, Mr. Speaker!

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

MR. FLIGHT: Relative to the power increases that we are looking at just down the road, would the Premier indicate to the House that when Newfoundland Hydro decides to raise their power rates - the proposed power increase - do they have to have the authority and the approval of the Minister of Mines and Energy before they announce that increase?

PREMIER MOORES: I am not absolutely sure, Mr. Speaker, but I certainly think the answer is yes in that particular regard. The fact is, of course, when the rate increase comes in it

PREMIER MOORES:

either means that it has to be paid for. It is not a money making corporation, Hydro, and it either means that the consumer of electricity has to pay for the cost of it or it is spread evenly amongst the taxpayers, because one way or another it has to be paid for as a Crown agency.

MR. SPEAKER: Hon. member for LaPoile followed by Eagle River.

MR. NEARY: Mr. Speaker, I would like to direct a question to the hon. the Premier, in connection with the offshore drilling for oil and gas. In today's Daily News it says, "Another oil major stymied - Gulf Oil are suspending operations" Could the Premier confirm this, and if so would the hon. the Premier inform the House just what is going to happen now? Is there a complete stalemate between this government, the Government of Canada, and the oil companies that will result in no offshore drilling in the foreseeable future?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: I think there probably will be drilling in the foreseeable future, Sir, but there may not be any this year as the hon. member has pointed out. The fact is that we are not going to be intimidated on the regulations we have as far as this Province is concerned for the benefit of any single oil company or all of them.

MR. NEARY: A supplementary question.

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MR. SPEAKER: I am not aware of the hon. member's intention.

MR. LUSH: Under Standing Order 23, Mr. Speaker, I ask leave of the House to move the adjournment of the House to discuss a matter of urgent public importance, a matter of grave importance, a matter which affects every person in this Province, namely the application made by Newfoundland Light and Power Company to the Public Utilities Board seeking permission to raise electricity rates to the people of this Province by 5.8 per cent on May 1, 1977 without a hearing.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. gentleman has asked for leave under the relevant standing order to move the adjournment of the House to discuss a matter of specific public importance and has specified that to be the application by the Newfoundland Light and Power Company to the Public Utilities Board with respect to an anticipated electricity raise without hearings. There can certainly be no doubt of the urgency of the matter. The question, as hon. members know, that I have to ask myself in order for this motion to be in order, the question I have to ask myself is the urgency of debate now so that the regular standing orders are deferred. I cannot see that there is an urgency of debate now and therefore cannot accept it.

ORDERS OF THE DAY

Motion, the hon. the Minister of Industrial and Rural Development to introduce a bill, "An Act To Amend The Department Of Rural Development Act, 1973." Carried.
(Bill No. 39).

On motion Bill read a first time ordered read a second time on tomorrow.

Motion second reading of a bill, "An Act To Amend The Quarry Materials Act, 1976." (No. 36).

SOME HON. MEMBERS: Oh, oh!

MR. DOODY: No. 35 or No. 36 whichever you prefer.

MR. SPEAKER: I have called No. 36. But I can revert back and call No. 35.

MR. DOODY: All right, Your Honour. Bill No. 36, Order 7, "An Act To Amend The Quarry Materials Act." The hon. Minister of Mines and Energy in his absence has asked me to move second reading of the bill. Apparently under the present act there is no authority to provide regulations that are necessary to control the quarrying of materials and so the hon. minister is asking for the authority from the House so to do. He has had particular

MR. DOODY: difficulty in getting the various companies who obtain quarry permits to restore and replace the roadsides in the shape and condition in which they were found. I might say that our own Department of Transportation and Communication have promised to be much more co-operative in this respect in the future. The various regulations are listed there. "The Lieutenant-Governor in Council may make such regulations as he deems necessary for the purpose of this Act, and, in particular without limiting the generality of the foregoing, he may make regulations."

The regulations that the department are looking for right now are listed here on page 3 of the bill and it also asks for authority to provide further regulations for the control of the quarry materials as the department sees fit. And I guess I can add very little to that, Sir, just except to say that I move second reading of the bill.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: The significance really, Mr. Speaker, of this bill is that it will now amend the act, the quarries act, to give the minister and the department the authority to take whatever steps are necessary to put the landscape, I suppose would be the right way to put it, to put it back in the same condition it was found before the quarrying started.

AN HON. MEMBER: That is the most important part of it.

MR. NEARY: That is the most important part of the bill, Sir. I have to say, Mr. Speaker, that I wholeheartedly support this concept. No hesitation at all in supporting the principal of this bill. At one time or another in this hon. House, Sir, over the past sixteen sessions since I have been here, every session some member from some part of Newfoundland is bound to raise this matter of companies,

MR. NEARY: construction companies going in quarrying and destroying the countryside and not putting the -

MR. HICKMAN: Do not be long, I want you to come in for a meeting, okay?

MR. NEARY: Yes, okay. You are not - a judicial enquiry on Scrivener or what?

MR. HICKMAN: I will let you see now.

MR. NEARY: All right. Okay.
- and then, Mr. Speaker, not putting the countryside back in the same condition they found it. Desecrating, Sir, the countryside.

Now, Mr. Speaker, this bill gives the minister the authority to take the appropriate action against these companies who heretofore have gotten away scot-free, who have gone and made a fortune off quarrying rock or minerals, whatever the case may be, and then just walk away, Sir, without putting the countryside back in the same condition they found it.

We have a classic example over on Bell Island, in my hon. friend's district.

MR. DOODY: Just leave a bog scar.

MR. NEARY: Leave a big scar? Well the scar on Bell Island is from one end of the island to the other, where they did surface mining over there. And DOSCO, that paid very little royalties to the government, to this Province, went in there and mined for, I think it was sixty-five years, seventy years, they mined there. They started off with open-pit mining; eventually they went underground and they left a scar on the island from one end of the island to the other. And there is nothing you can do about it.

The hospital, which is a beautiful building is built right on the top of a rock pile.

MR. DOODY: A red dust pile.

MR. NEARY: Well at one time - I do not know if my hon. friend is aware of it, but at one time there was a stockpile of iron ore where that hospital is built and right underneath the hospital it is all undermined, No. 2 mine. But the fact remains, Sir, that here you have this beautiful, million dollar institution and only about a few yards, maybe a hundred yards or so away a rock pile. The rock that was picked out of the ore was dumped all over the place. It should have been leveled off before DOSCO pulled out and it would have made a beautiful park there.

If it was sloped down toward the Green, where my hon. late friend -

MR. DOODY: Poor old Joe.

MR. NEARY: - who passed away some time ago, poor old Joe, my hon. friend would have argued for this. But I think, Sir, that that is the kind of thing that we should see to it that should be done. Never again should we have a repeat performance of the DOSCO situation on Bell Island. You probably have the same situation out in Buchans. You have it down in Baie Verte.

MR. MCNEIL: And in Stephenville.

MR. NEARY: And in Stephenville, Aguathuna. You have these eyesores all over the Province, because the mining companies were allowed to come in here and exploit the natural resources of this Province, take their profits, fold up their tents and quietly steal away in the night without being made, and forced to put the property back in the same condition they found it. So, Sir, I have no hesitation at all in supporting this bill. I hope, Mr. Speaker, in future the minister responsible for granting quarry permits will see to it that no permits are granted in areas that

MR. NEARY: create an eyesore to the travelling public, especially the tourists that come into this Province.

You can do down along the Trans-Canada Highway today, Sir, and you can see all kinds of eyesores, not only the Trans-Canada, but you can go along pretty well all the by-roads and you can spot the eyesores twenty miles away. I hope that this will forever put an end to that kind of thing. God only knows we have advocated it long enough in this hon. House and I hope, Sir, that the fines and the penalties on any company violating this bill, that the fines will be heavy, if necessary a jail sentence. One of the worst things that you could do is to destroy the countryside of a province or of a nation.

So, Sir, I am glad to see this amendment brought before the House and I will certainly vote for it. I have no hesitation at all, Sir, in supporting this kind of legislation. It strikes me as being a good bill, Sir, a good law and I will vote for it, Sir.

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

MR. STRACHAN: Mr. Speaker, I am rising to support this bill. There are a few points I should like to mention, some previously mentioned,

MR. STRACHAN:

but the thing which astonishes me about the bill is that this is 1977 and these regulations are only coming into effect now. We have had quarries and mines and so on in this Province for many, many years. There are many scars on the landscape and only now do we see the situation deteriorating so badly that we are bringing in a bill to rectify some of the situations. I would hope, Mr. Speaker, that in future, and especially in the developments of other types of mining or offshore development or whatever it is, anything which has to do with environment, that we will be ahead of the game rather than after the game. Here we are now trying to come in with regulations after all the Bell Island situation has occurred and the Labrador City situation has occurred, for there are scars on the landscape through open pit mining. And we are bringing in the regulations now to try to put some teeth into it, to try to clean up the situation. I wholeheartedly agree with the regulations. I think it will depend on how much teeth they are given. I think they should be given the strongest possible - and again possibly a prison sentence as stated for not meeting the regulations. Again in item (b) there is respecting the terms and conditions of permits. I would understand here that again what we are going to do is when someone gets a quarry permit, open pit mining permit, that they will be spelled out very clearly and indicated very clearly the terms and the conditions of these permits. So they are told exactly what they have to do after they have finished the conclusion of mining that property and also what they have to do during the period of time when they are mining. There is a great deal in Europe and in the South of United States, a great deal of concern now in companies who are mining. But during the period they are mining they must adhere very strictly to environmental and its conservational regulations and also to

MR. STRACHAN:

regulations which will not allow them to debase the landscape and especially from the point of view of tourists but also for the people living there. There is no reason in the world why people living in the areas and so on should face an open pit mine or a scar on the side of a hill during a time when there is no need for it. Again we are in the same situation with - and I am particularly concerned that these regulations, I know this is a quarry materials act and does not apply to the oil and gas regulations. They will be different. But I hope that the regulations for the oil and gas situation will be tougher or as tough as can be as concerned with these companies and what they are allowed to do with the pipelines, tank farms and so on.

I agree with the regulations. The only point that I am astonished at is the fact that in 1977 we are now bringing in these regulations to try to catch up with the situation. I think it is a good move. It is an excellent move. It is a pity it had not been thought of a number of years ago, a considerable number of years ago before these companies started doing that to the land. But it only seems to be in the last ten years, ten, fifteen years that people seem to be becoming more concerned with what is occurring to their environment, what is occurring to the land and so naturally the movement has caught up here and finally we have got regulations which mean something. I totally agree with the regulations and hope that they will have sufficient penalties instituted in them to make sure that the people who apply for a quarry permit, quarry materials under the Quarry Materials Act, will understand that they must carry out the regulations, adhere to the regulations and if they do not the penalties will be severely applied and not to think that these regulations are just an unnecessary evil which they can brush aside very quickly and pay no attention to. I totally concur with the bill.

MR. SPEAKER: The hon. member for Port au Port.

MR. J. HODDER: Mr. Speaker, I still would like to say a few words about this particular act because it concerns my district greatly, both in the present and in the future. Shortly after I was elected last year I was approached by residents in the community of Piccadilly where a construction company had come in there and had quarried out rock for the building of a road and there was a great pool of water at the end of it in which one child almost drowned. For the past year I have been writing letters back and forth to the Department of Consumer Affairs and the Environment and they have been going to the particular construction company in question but have been unable to get the construction company to come out and rectify the situation which is a dangerous one. And I hope that this particular bill will give the department the teeth

MR. HODDER: to be able to put matters of this nature straight. Also throughout, I think probably in most district, the member for LaPoile district mentioned Aguathuna, that is certainly an eyesore in the district, and we have another one in Ship Cove in the district of Port au Port.

But one of the things that concerns me for the future of the district is that the Port au Port Peninsula and the whole district of Port au Port is one massive block of limestone, and I am told that it is the largest and most pure limestone on the Eastern Seaboard and this in time is going to be needed and used and there has been drilling activities going on in the Pine Tree Hills recently, there has been drilling activities on the peninsulas themselves. We know what the fines are now as far as the limestone is concerned. It is very high grade limestone and my fear is that some day companies are going to come into this particular area and strip the landscape of what is now a very beautiful area of the Province. And I do support this legislation and I do hope that the penalties are strict enough to make sure that any company that comes into this Province to mine or to take out materials, that they put the landscape back in an acceptable way, that they put the landscape back in a way with which the people of the area will be satisfied.

MR. SPEAKER (DR. COLLINS): The hon. member for Burgeo - Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, just a few comments to reinforce government's thinking on the need for this kind of regulation, the regulation which would be provided under this act should it receive passage, which I am sure it will. I believe all of us can cite examples of how the absence of such regulations has created some problems and in particular some unfair advantage for the person or the company doing the quarrying, doing it very often at the expense of scenery, of local conditions generally, and in the case which I want to cite, at the expense of the safety of people.

MR. SIMMONS: I want just for a moment, Mr. Speaker, without delaying the proceedings of the House unduly, to just cite an example that involves a community in my district. It could well be anywhere in the Province, I believe, as you will agree when you hear the example.

At the moment a contractor is engaged in the town of Ramea, constructing a federal government wharf there. That contractor went to the Department of Mines and Energy, obtained the required permits to quarry certain materials, one for fill for the wharf site and two for an ingredient for some concrete work for the wharf. He, the contractor, then proceeded to take out the materials. No one for sure knows whether he took more than he was entitled to under his permit because you see, Mr. Speaker, there is no inspection of these matters. There is no follow-up. And I would say to the minister in turn to pass on to his colleague, the Minister of Mines and Energy, that one of the ingredients of these regulations must be a very clear provision for inspection. The department now has a mechanism, as I have said, for giving out permits. And judging from what I hear the mechanism itself, the procedure itself is not at all that bad. Indeed I was pleasantly surprised to find some weeks ago that the Department of Mines and Energy had fairly up-to-date records on the beach area on the west side of one of the Ramea islands, the island which is inhabited by the 1500 or so people who live in Ramea. And on the west side of that island there is a large beach area, an area that is.

MR. SIMMONS:

exposed to the prevailing wind, south-west wind. When that wind comes in with all its vigor and force it can play real havoc on that shore which is facing it. Just think how complete the havoc is going to be when they have gouged out the beach, the natural barachois which is there, the natural barricade, I should say, which is there, the natural breakwater which prevents the sea from coming in over the low flat land, the boggy area which is just behind that beach and which is all that separates the 1500 people of Ramea from the ocean and the high winds that prevail there.

Now, I am sure, Mr. Speaker, that had there been an inspector who could from time to time keep an eye on the situation in Ramea as it affects this quarrying, I am sure he would long since have called a halt to it. Not because the contractor is disobeying any permits or the provisions of any permits. I would submit that what the contractor is doing is probably well within the conditions of his permit. As I understand it, he is very probably not removing quantities beyond those allowed in the permit. The problem is that there is nobody representing the people, or in this case government, there is nobody representing the people in an inspection role to insure that what is being done is not only within the letter of the law i.e., within the terms of the permit, but equally to insure that what is being done is within the spirit of the law. Because certainly the spirit of the regulation and the spirit of the granting of permits is to protect the average citizen in this matter. As the situation is unfolding in Ramea we are going to have a unsafe set of events on our hands if we do not watch it. That is basically my caution and I am sure it is not one that is at all new to the minister. But as I said in opening my few remarks, it is one that I believe adds to some weight to the thinking of the department, the very

MR. SIMMONS:

wise thinking in my view as reflected in this particular Bill. One bit of input I would suggest for the Bill, just by way of repeating before I conclude, is that the inspection function be kept very much in mind because it is there that the regulations, or any teeth you put in the regulations, will bite or will not bite depending on whether there is provision, adequate provision for the inspection function to be carried out.

MR. SPEAKER: Hon. member for Windsor - Buchans.

MR. FLIGHT: Mr. Speaker, I have not all that much to add to this debate but there is a particular point I want to draw consideration to and it is the part of quarrying, Mr. Speaker, that is not so obvious to the general public of this province. Now in a town such as Buchans quarrying is obvious. The American Smelting and Refining Company started an operation, it may have been ten years ago, it was called the sand fill operation. It was an operation under which they pumped sand, they pumped sand from the surface into the mine as fill material. Mr. Speaker, it is unbelievable! One would have to see the mess that it made of the landscape in the area where this operation has taken place, only five miles from Red Indian Lake. We have been told that the tourist potential of the Buchans area may one day be the economic backbone of the town.

The tourist potential of that particular area of Buchans, Mr. Speaker, is for all time wiped out thanks to the actions and thanks to the actions of the company, and thanks to the fact that we had no control no inspection they did as they pleased and of course, as I said, they have ruined and wiped out very effectively any tourist potential development that could possibly ever take place in that neck of the woods.

But, Mr. Speaker, I am sorry to see the minister for Forestry not in his seat he just left about a minute ago. Now I want to draw attention to what is happening in the part of the province that nobody sees except the paper companies. Mr. Speaker,

MR. FLIGHT: the Price and Bowater Limited in this Province will one day be, may be again the backbone of a tourist potential development of this Province. They are using the rivers and they are bulldozing access roads into the timber sites and the problem, Mr. Speaker, with the situation is that nobody sees what is happening. A contractor goes in and builds five miles of road, he has no consideration whatsoever for the environmental damage he is doing. There are rivers in this Province that will never ever, because of the way the paper companies abused them, will never again be in their natural state. The method used by the paper companies to build roads, the quarrying where they get their materials, they are wiping out for all time, Mr. Speaker, the potential use of that land for tourist potential and recreational development. And it is no point having a quarrying bill, having this legislation which I commend the minister for, which is good legislation. However, Mr. Speaker, a great part of our Province is subject to quarrying by the paper mills in complete secrecy. The roads they are building into—the access roads to the timber stands, the roads they are building along the rivers to bring the wood out and dump into the rivers, the quarries they are building there, the wharfs they are building is wiping out the environment. And unless the Minister of Mines is prepared to have somebody carry on an inspection of that type of quarrying, of the type of quarrying that the various paper companies do in the secrecy of their operations on their own timber limits, we will go in one day ten years down the road and find that the land that they are working now has been ruined.

So I would suggest that the Minister of Forestry would take note of this warning, and that in proposing this legislation and in enforcing this legislation that some method would be found in this Province, Mr. Speaker, to watch and control the type of quarrying that the construction companies, and particularly

MR. FLIGHT: the pulp and paper companies are doing in what they may believe to be their right. But in practicing what they believe to be their right they are wiping out our heritage. They are wiping any possible recreation and tourist development potential that is in the area that they are working. And the problem is nobody will know it until it is too late when we get in there and see it. But it is there. It has been going on for twenty years, Mr. Speaker, and this legislation will be useless unless we find some way of monitoring what the paper companies and the various people that are in positions to do this type of work where they are not open to public scrutiny.

Having raised that concern, Mr. Speaker, I support the bill and I would presume that everyone on our side will support the bill.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Thank you.

MR. SPEAKER(DR. COLLINS): If the hon. minister now speaks he closes the debate.

The Minister of Finance.

MR. DOODY: Thank you, Mr. Speaker. I would like to thank the hon. members who have addressed themselves to this bill and I find that their comments were most constructive. There are one or two comments that I would like to make. The Quarry Materials Act as it stands now does have some stipulations within that act which governs the present quarrying of materials. The problem that the people who administer it have experienced over the years, which has been pointed out by hon. gentlemen opposite, is that they are completely constrained by that act. This will give them the authority and the power to move beyond that. And the minister responsible can spell it out very carefully and very clearly to people to whom permits are given that he has it in his power to bring to the executive council the request to impose such penalties or deny such permits to companies whom

MR. DOODY: he feels are irresponsible and are not doing the job that is in the intent of the act and in the intent of the permit itself which they require.

The safety question which some hon. members raised is a very real one and one which I think many companies have really not acted responsibly on in the past. I have had occasion when I represented that part of the then District of Harbour Main, which is now represented by my good friend from Conception Bay South, an abandoned quarry site in the Seal Cove area which was in effect several large lakes or mud holes deep enough to drown a regiment of children and the efforts we were

MR. DOODY:

making to try to get the company who had abandoned the site to take the necessary safety precautions were most frustrating and most unrewarding. This will give, once again, the minister the necessary teeth as somebody has said, to make these things happen. The people in the department who administer the Quarry Materials Act and I think particularly one gentleman, Mr. Bill Walsh who has been there for quite a long while, has done a remarkable job, an absolutely astounding job in keeping the records and in administering the act. The hon. member for Burgeo-Bay d'Espoir (Mr. Simmons) mentioned the beach records and that is something that he himself, Mr. Walsh, has taken a great personal interest in. I remember when I was in that department being amazed at the amount of knowledge he had right off the top of his head with respect to various beaches. I must say that I have never during my acquaintance with the department as minister responsible and later on as a minister of other departments, had any difficulty at all in having inspectors sent out to investigate complaints received by that department. The difficulty is, as the hon. member from Windsor-Buchans (Mr. Flight) has said is that there are many things going on out around the countryside that nobody is aware of until after they have happened.

MR. FLIGHT: Could the minister yield the floor for a second?

MR. DOODY: Sure.

MR. FLIGHT: If the hon. minister cannot answer probably the former Minister of Forestry may. Do the paper companies have to have a permit to quarry for the purpose of building their access roads on their timber limits?

MR. DOODY: They do. The hon. minister says that they do. So it is a follow-up. In the situation like that obviously there are not enough inspectors to monitor every job that is going on. But I would hardly recommend to the hon. members of the House that when

MR. DOODY:

they see a situation such a beach being destroyed or a situation such as the hon. member from Windsor-Buchans (Mr. Flight) mentions, the department should be contacted. My experience has been that an inspector arrives on the scene very, very quickly, a mining engineer who will see that that act is enforced. And as I say it is impossible to have enough staff to monitor each ongoing operation. But this act here does give the minister at least the power to do these things which are very necessary and which have been described. So, Your Honour, I move second reading.

On motion a bill, "An Act To Amend The Quarry Materials Act, 1976," read a second time, ordered referred to a Committee of the Whole House presently, by leave.

MR. HICKMAN: Order (6), Bill no. 35.

MR. SPEAKER: It is moved and seconded that bill no. 35, "An Act To Amend The Mining And Mineral Rights Act, 1975," be now read a second time.

The hon. minister.

MR. DOODY: Mr. Speaker, this is a rather peculiar little piece of legislation. The members opposite perhaps can remember from the previous administration, and I remember once again from my days in the Department of Mines, Agriculture and Resources as it was at that time, the constant ongoing debate between the Department of Finance and the Department of Mines and Energy as to who had the right to the information that was sent in by the mining companies. The Department of Finance is responsible for the assessment of taxes and the imposition of levies and royalties and the collection of all monies due the Crown, And so the mining companies report to the Department of Finance. The wording of the act is such that people, many people have been very reluctant to pass on any information other than that relating to the imposition of the tax to the department responsible for mining in the

MR. DOODY:

Province which is a ridiculous situation. And I remember the then Deputy Minister when I was down there, Mr. Fred Gover used to be most exercised at this. So the situation is still in effect and the only information which Finance passes on to the department is that which is directly related to the tax and they have to go out and find any other information on their own. So in the interest of common sense we just want to add the words, "or the administration of legislation relating to minerals," to that part of the act which says, "The imposition of a tax" so that any information that the mining company makes available to the Department of Finance we want to be able to make it available to the Department of Mines and Energy.

MR. DOODY: It is not a very difficult thing to do once that act is amended. But right now we have been questioned on our right to pass that on to the Department of Mines and Energy and we would like, obviously, to give them access to any information that we get from a mining company in the Province.

MR. SPEAKER (MR. YOUNG): The hon. member for Eagle River.

MR. STRACHAN: Mr. Speaker, we have no problem with this bill at all. It is obvious from the explanation by the Minister of Finance, who is familiar with the situation, that the addition of the words, or the administration of legislation relating to minerals is important inasmuch as the information must be available to the Department of Mines and Energy, the same information as is available to the Department of Finance.

There are a number of other points that I would feel could be raised here but I think it can be gone into in a later debate on Mines and Energy estimates and so on, relating to some of the situations that are raised between companies. So we have no hesitation whatsoever in supporting this bill.

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

MR. DOODY: I have nothing to add Your Honour except to move second reading.

On motion, a bill, "An Act To Amend The Mining and Mineral Rights Tax Act, 1975," (Bill no. 35), read a second time, ordered referred to a Committee of the Whole House presently, by leave.

MR. HICKMAN: Order 3, Bill no. 12.

Motion second reading of a Bill, "An Act To Ratify, Confirm And Adopt Two Indentures Of Mortgage Relating To A Mill At Hawke's Bay, And To Make Provision Respecting Matters Connected Therewith." (Bill No. 12).

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Yes, Your Honour, this is a bill that should have been presented to the hon. House last year. It was on the Order Paper but it was one of those bills that slipped off during the rush to get out which happens in the June - July period every year.

The Newfoundland Forest Products Mill in Hawke's Bay was started back in-I guess it was before this administration came into office. It was started, I think, in 1969 as a result of what appeared then to be, which still is in concept, a very, very sensible and reasonable idea. The idea was that in an area of high unemployment with a very available timber resource that was being unutilized, and the woods rights were Bowaters, that the Bowaters woods and the Bowaters wood cutting ability, their forestry ability could be combined with Lundrigan's marketing ability and their management ability and, of course, Lundrigan's Limited had a chain and probably still do, of retail hardware building supply outlets across the Province and the idea was that these two companies would get together, put a fairly large and modern mill at Hawke's Bay, and all the pieces were there, and it was a pretty natural and reasonable assumption that the thing would fly. At the same time a second mill was built at Stephenville by the same people to do the same thing, under the same conditions as the Bowaters Woods lot in Stephenville. So the company was promoted and incorporated on the 26th. of April in 1969, I have it there now.

Up to April of 1970 the mills were constructed at Stephenville and at Hawke's Bay, the woods roads were prepared. Some wood was harvested but the Hawke's Bay Mill had not up to this period produced any lumber. And as of the 10th. day of April of 1970 the financial position of the company was - the two companies involved had put in a shareholders equity of \$500,000. They had advances from the two companies involved of some \$200,000 and they had a loan from the Bank of Montreal

MR. DOODY: for about \$850,000, which gave them a total investment of \$1.6 million and they had an operating deficit, exclusive of depreciation of some \$80,000, and this was back in 1970.

From the 1st. of May to the 31st. of December of 1970 both mills operated but they did not operate at capacity. The unavailability of wood, which sounds peculiar but apparently, and perhaps my hon. colleague, the member for the district, the Minister of Forestry and Agriculture may comment on this,

MR. DOODY:

but my understanding was the unavailability of wood, although it would appear to be an abundance of wood in the area, there was not sufficient wood of a saw log capacity or saw log potential, saw log type. There was an awful lot of wood there but an awful lot of it was dry rotted. It had been standing there for so long unharvested that the cull factor was huge. And they had to cut down huge quantities of wood to try to get enough logs to run the mill. So by the end of that period the long-term bank loan had been reduced to \$400,000 but the shareholders had advanced a further \$540,000. And now by this time in 1970 the government first got itself involved when they received a grant of \$110,000 from the then administration. And as I say the companies had demonstrated their own ability to get themselves involved because the total capital was now \$1,800,000 and the company had lost an additional \$196,000.

In 1971 with both mills operating intermittently, on and off, from time to time as wood and other conditions, markets and whatnot dictated, the Stephenville sawmill closed down on August 26 of that year and the Hawke's Bay mill on September 23. The Hawke's Bay mill, the planer mill up there closed in October. That was winterized at that time. And so as in the previous operating period the company lost money every month of its operations. By December 31, 1971 the shareholders had advanced a further \$200,000 increasing the capital investment to \$2,010,000. During the year the company suffered a further operating loss of \$505,000 bringing its loss up to that date to \$781,000 without any depreciation allowance. By this time, I am sure hon. members can appreciate the fact that both Lundrigan's and Bowaters were having some very serious second thoughts about the advisability of continuing with the operation in Hawke's Bay.

MR. DOODY:

Eventually they came to the Government of Newfoundland and said that they were not prepared to put any further money in there and in fact Bowaters wanted out completely. They said that they were not interested in the sawmilling business. Lundrigan's Limited felt that they could carry on with the operation, so they came in with a rather complicated proposal as you can well imagine to persuade government to help them keep the mill in operation. And so a deal was worked out where a \$2 million mortgage arrangement was made available to the company, Newfoundland Forest Products Limited. Of that \$2 million the company only drew down from government, only took advantage of \$1.75 million. So there will be some discrepancy between the amount of money in the bill and the amount of money that was actually drawn down if one checks the public accounts. But that is simply because the company, as I say, did not draw down the full amount and now, of course, the option to take down the other amount has expired. In any event, they have not been pressing us for that money.

On September 5 of 1975 a re-organization option was accepted by government in which Bowaters sold its interests in the company, Newfoundland Forest Products, to Lundrigan's for some considerations. Then the remaining debt of \$1.6 million was split between Lundrigan's and Bowaters. The terms of the mortgage were eight and three quarters per cent in twenty-four equal six month instalments commencing December 31, 1975. And under the original agreement the terms were twenty-six equal six month instalments. The original amount of the mortgage, as I said, although it says here \$2 million, is now \$1.75 million and less the paid-on which brought the amount owing at the date of the re-organization to \$1.6 million. Bowaters assumes \$1,384,000 of that debt. Newfoundland Forest Products, which was the company now owned by Lundrigan's assumed

MR. DOODY:

\$231,000 worth of the debt. Government - I would like to stress now that although the mill in Stephenville was eventually sold to Newfoundland & Labrador Linerboard Ltd. for \$1 million which amount was applied against the government commitment, the mill in Stephenville it was felt at that time by the people who were brought in to examine it to have been very poorly set up in the first place. Apparently there was some obsolete equipment purchased from an obsolete mill somewhere in Quebec and that with the wood supply problem resulted in the mill at Stephenville never operating properly. The main reason Labrador Linerboard bought it was because they wanted to get control of the Bowaters woods limits in that area which were associated with the Stephenville mill and so with the stumpage arrangement with Bowaters the woods license was passed over to Linerboard.

But the Hawke's Bay agreement, I simply say that as an aside because that is not involved with this particular, with the two indentures that we are discussing here now, but obviously members would be interested in learning what had happened to the other mill which was built at Stephenville.

Obviously the intent of the agreement when it was entered into was that it was to have statutory authority, legislative agreement. And the agreement not being passed last year, then we are bringing it forward this year and it will be deemed to have had effect as of Sept. 5, 1975. It is possible that there may be some defaults under the agreement. Bowaters undertook to supply a certain quantity of wood to the mill in return for certain considerations providing that both groups could agree on a price that was reasonable and sensible. And in the event that such a price could not be arrived at then an arbitration clause was entered into the agreement - I think that is on page 33 Article 14 (01). To date to my knowledge the mill has not been operating. Certainly it has not been operating presently

MR. DOODY:

because of the absence of wood supply. Now it is possible that there is a default there, I do not know. We will never know unless we get this act confirmed because without legislative authority of course the agreement that we entered into is pointless. We cannot call on the parties involved in any other way because one of the articles of the agreement says that we have no right to examine the books and records of the company as long as their payments are up to date, which is reasonable. And not only are their payments up to date, in fact, their payments are all ahead of time. They have pre-paid or overpaid in advance their regular mortgage payments.

So in effect, although this is a very long and involved legal document in which all the mortgagors witnesseth this and witnesseth that and so on and it lists the various assets which changed hands, the intent of the bill itself is to give legislative confirmation to the government's efforts to reactivate and to help the mill at Hawke's Bay when the Bowaters and Lundrigans people agreed to disagree in 1975. If there are some questions on the woods situation and so on or in any other areas I am sure that I will certainly attempt to answer them. And those that I cannot perhaps my hon. friend from the district might be able to.

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

MP. MAYNARD: Mr. Speaker, I would just like to have a few words on this thing because as the member for the district where the mill is located, which this bill relates to, I have been involved with it for the past five years. And previous to that, as a member of the Development Association, I tried to encourage the concept in the first place. I guess it is fair to say that I have been involved with the thing for probably seven or eight years now.

As was pointed out by the hon. Minister of Finance the concept at the time was an extremely good one or it appeared to be. Bowaters with all their expertise in the

MR. MAYNARD: and the harvesting of wood and with the adequate timber limits in the Hawke's Bay area - As a matter of fact Bowaters controls pretty well all of the timber limits on the Northern Peninsula with the exception of an area known as the Mooney Block, which up until last year was controlled exclusively by Price.

On the other hand we had Lundrigans who at that time had, and still have a number of outlets, very large outlets in the Province for building supplies which appeared to be a ready market for any amount of lumber that would be produced in the Hawke's Bay mill. However from the outset the mill concept seemed to run into a number of problems. One of the problems apparently was the fact that when the cruise of the wood, the assessment of the amount of wood was made, the amount of wood that was suitable for saw log timber and the amount that would be available for pulpwood was made, the company, not the people who did the analysis of the amount of wood available, but the company when they set up the mill, over-estimated the amount they would be able to produce. If I remember the report correctly of the woods group who did the analysis they stated that there was a possibility of obtaining twelve million board feet of lumber per year on an ongoing basis for probably fifteen to twenty years from Bowaters' limits on the Northern Peninsula. That is in the Hawke's Bay area not including the limits they have in the Roddickton-Main Brook area.

However when the mill was set up it was designed to produce thirty million board feet a year which was probably the first mistake that was made in that the mill was overdesigned. It was too large and therefore it was a costly factor both from the capital installation point of view and obviously very costly to run. If it had run at full capacity the available timber, at least on Bowaters limits which the mill was basically set up on to start with, would have run out in six to seven years. But the other factor

MR. MAYNARD: that entered into it for some reason or another the agreement, or the arrangement between Bowaters and Lundrigans as far as the joint operation is concerned never seemed to work out, and the various problems came about over the years. Some of the problems were management problems and some of the problems were scheduling and marketing, and when I say 'scheduling' I am talking about wood being cut that could not be used in the mill itself because of the cull factor, the fact that the mill had to close down at other times because the woods operation was not being run in tune with the mill, and in general it was very poor scheduling and management. It seemed at most times that the woods operation was operating against the mill operation or the mill operation was operating in isolation from the woods operation and so on down the line. As a consequence the mill opened up on three or four different occasions and closed, ran into financial problems, produced very little lumber at times. Other times it would open up and the amount of lumber produced was as good as any mill in Eastern Canada.

The one thing that came through loud and clear all through the problems that were experienced by the Hawke's Bay operation, and I think the people who are involved in it at the present time will say, that the quality of the labour force was without question as good as they could find in Eastern Canada, the quality of the labour force both in the woods operation and in the mill operation. In any case because of the management problems, because of the problems in the two companies, Bowaters and Lundrigans, apparent problems at least, in their being able to co-operate with each other, the company was split up in 1975. This was after this present government had loaned \$1.75 million to try to keep the operation going and to try and keep the employment up in the area.

MR. MARYNARD: When the companies split up and Bowaters and Lundrigans agreed that Lundrigans would run, would own Newfoundland Forest Products and they would run the mill operation, and that Bowaters would reassume control of their timber limits in the Hawke's Bay Area and they would supply timber to the mill, that again seemed to be a good idea and it looked as if that would probably be the solution to all the problems that were being experienced. Again Lundrigans were the obvious people to run the mill since they had the markets. There is no problem there. As a matter of fact, the mill in Hawke's Bay could only produce about one-half, I believe, of what the Atlantic Building material chain sells throughout the year in Newfoundland.

However, as soon as the agreement was signed between Bowaters and Lundrigans and the government, the thing ran into problems again. Under the agreement Bowaters were to cut - under the mortgage agreement with the government Bowaters were to cut a minimum of 30,000 cords per year in the Hawke's Bay area, approximately 7,000 to 10,000 cords of which would be supplied to the mill in Hawke's Bay, assuming that the two parties could work out a price, could come to an agreement on the price.

Bowaters made an offer as to what they could supply logs to the Hawke's Bay mill for. It was looked at by the Newfoundland Forest Products people and they quite quickly came to the conclusion that there was no possible way that they could pay the price of the logs, produce it into lumber and come out on top. As a matter of fact, they would be going in the red pretty fast.

MR. MAYNARD: We looked at the thing from a government point of view and there was no doubt that the cost of the supply of logs to the mill was far too high to enable the mill to be viable. I am not sure what action we could take, and my colleague has indicated that in any case any action that we could take to try to straighten this out would not have been possible because of the fact that this particular piece of legislation had not been passed. As soon as the legislation is passed we have to take a look at the situation again because our department, Forestry and Agriculture, are very anxious to see the timber utilized in the Hawke's Bay area. We are very anxious to see that lumber produced. As well as supplying the employment that it would supply, probably 120 to 150 people on a single-shift basis, that is in the woods and in the mill, we are still working on trying to find other solutions. We have acquired rights to the Mooney Block which the department is now putting an access road in to. That will relieve some of the pressures for the supply of wood to the mill in Hawke's Bay providing we can find some market for the residue from the timber that is cut in there.

We have to find some solution to the problem of the cull factor, the wood on the Northern Peninsula in general. But I will say that we are actively pursuing, pretty well, every possible angle to get the mill started up again. It has not been operating since last Summer when it operated for a very short period of time. We are hopeful that we can come to some arrangement, either through the supply of wood from the Mooney Block or another arrangement with Bowaters so that the mill can operate this Summer and continue operating. It is something that we will be working with other departments on over the next few months, actively

MR. MAYNARD: pursuing the solutions to the problems that are being experienced there.

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

MR. ROBERTS: Mr. Speaker, I shall not be very long on this bill because as the Minister of Finance said in introducing it for second reading, first of all it is two years after the fact and all we are doing is ratifying an agreement between two companies that divides up between those two companies the assets of one company formerly owned by both companies.

 The security which the government hold, as I understand it, is no less. In fact, if anything it is greater because as the Minister of Forestry and Agriculture has just explained the feeling is that there will be a far greater chance of the Hawke's Bay enterprise making a success under this

MR. ROBERTS: arrangement than there was under the previous arrangement whereby Bowaters and Lundrigans jointly owned the company known as Newfoundland Forest Products Limited.

It is a legal document with two pages of legislation and, I suppose, forty of fifty pages of mortgage indentures, the two mortgages which have been entered into and which will be ratified by the bill.

MR. DOODY: A Clyde Wells document.

MR. ROBERTS: Well, my friend, the Minister of Finance says one is a Clyde Wells document. The other is a Leonard Martin document and they both, in other words, have been done by excellent lawyers.

MR. NEARY: Do you have a Fred Stagg document?

MR. ROBERTS: No. No, Mr. Stagg, Sir, has not entered into this. This is big timber and Mr. Stagg is not party to these agreements. Apparently Mr. Martin and Mr. Macaulay, acting for the government and Mr. Clyde wells, all of them estimable members of the Bar.

Mr. Speaker, I consider there is nothing in the principle of the bill to which we object. The Hawke's Bay mill has had a long and a troubled history as the Minister of Forestry and Agriculture has told us. I think he is very close to it, but a number of us have been relatively close to it over the years. It is important that that mill be made to work if it is at all possible to make it work. It is important that it be made a success if it is at all possible to make it a success. It is important both because of what it means to the area concerned - I venture to say this mill could easily be the economic underpinning of the whole Hawke's Bay - Port Saunders area, and we add it together with the fishery which is

MR. ROBERTS: centered about the Port au Choix, you know, it could make the area, and hopefully will make the area a very prosperous area indeed. It is important also, Sir, because this mill surely represents the type of resource utilization which we should try to encourage in this Province.

The Task Force Report on Forestry recommended just this type of development and I think Hawke's Bay is surely an example of what we should try to have.

Mr. Speaker, we support the bill. I do not want to go into any detail on the Hawke's Bay operation. I think the government's role can be praised in some respects and criticized in others but there will be time and a place for that so for the time being it suffice it to say that we on this side support the bill. All that it does, as I have said, is ratify an agreement entered into in September 1975 which surely must make this a bit of a landmark in that we are - what? - two and-one-half years after the event now - no, I am sorry, a year and-a-half. I guess in September 1975 people were preoccupied with other items of public business, Sir. But be that as it may, a year and-a-half after the event we will ratify this particular act and hopefully in another year or so we will get to unratify certain other acts which occurred in September 1975.

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

The Hon. the Minister of Finance.

MR. DOODY: Mr. Speaker, I have little to add. We have gone through the detail of this thing. There is one word that I would like to say, that there is no advantage in delaying a year and-a-half or two years in bringing such a bill forward because it means

MR. DOODY: you have to do all your homework over again. This time last year I knew exactly what it was all about, and I have to read the whole darn thing again on this particular occasion. I move second reading, Sir.

On motion, a bill, "An Act To Ratify, Confirm And Adopt Two Indentures Of Mortgage Relating To A Mill At Hawke's Bay, And To Make Certain Provisions Respecting Matters Connected Therewith," read a second time, ordered referred to a Committee of the Whole House now, by leave.

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

COMMITTEE OF THE WHOLE

MR. CHAIRMAN: Order, please!

MR. HICKMAN: Bill No. 12, Order No. 3.

A bill, "An Act To Ratify, Confirm And Adopt Two Indentures Of Mortgage Relating To A Mill At Hawke's Bay, And To Make Provision Respecting Matters Connected Therewith." (Bill No. 12).

On motion, clauses 1 through 5, carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act To Amend The Mining And Mineral Rights Tax Act, 1975." (Bill No. 35)

On motion Clause 1 carried.

On motion that the Committee report having passed Bill No. 35 without amendment, carried.

A bill, "An Act To Amend The Quarry Materials Act, 1976." (Bill No. 36)

On motion Clause 1 carried.

On motion that the Committee report having passed Bill No. 36 without amendment, carried.

On motion that the Committee rise, report progress and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. SPEAKER: The hon. Chairman.

MR. CHAIRMAN: The Committee of the Whole have considered the matters to them referred and have directed me to report Bills No. 12, 35, and 36 without amendment and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of the Whole reports that they have considered the matters to them referred and have passed Bills No. 12, 35 and 36 without amendment.

On motion report received and adopted.

On motion bills ordered read a third time, presently by leave.

MR. SPEAKER: Order 3, Bill No. 12.

On motion a bill, "An Act To Ratify, Confirm And Adopt Two Indentures Of Mortgage Relating To A Mill At Hawke's Bay, And To Make Provision Respecting Matters Connected Therewith," read a third time, ordered passed and title be as on the Order Paper. (Bill No. 12).

MR. SPEAKER: Order 6, Bill No. 35.

On motion a bill, "An Act To Amend The Mining and Mineral Rights Tax Act, 1975," read a third time, ordered passed and title be as on the Order Paper. (Bill No. 35)

MR. SPEAKER: Order 7, Bill No. 36.

On motion a bill, "An Act To Amend The Quarry Materials Act, 1976," read a third time, ordered passed and title be as on the Order Paper. (Bill No. 36)

MR. HICKMAN: Mr. Speaker, I move that we adjourn for five minutes to await the arrival of His Honour.

MR. SPEAKER: It has been moved and seconded that this House adjourn for five minutes.

SERGEANT-AT-ARMS: Mr. Speaker, His Honour the Lieutenant-Governor has arrived.

MR. SPEAKER: Admit His Honour, the Lieutenant-Governor.

It is my agreeable duty on behalf of Her Majesty's dutiful and loyal subjects, Her faithful Commons in Newfoundland, to present to Your Honour a bill for the appropriation of Interim Supply granted in the present session.

A bill, "An Act For Granting To Her Majesty Certain Sums Of Money For Defraying Certain Expenses Of The Public Service For The Financial Year Ending The Thirty-First Day Of March One Thousand Nine Hundred And Seventy-Eight And For Other Purposes Relating To The Public Service." (Bill No. 38)

HONOURABLE GORDON A. WINTER (LIEUTENANT-GOVERNOR): In Her Majesty's name, I thank Her loyal subjects, I accept their benevolence and I assent to this bill.

MR. SPEAKER May it please Your Honour, the General Assembly of the Province have at its present session passed certain bills, to which, in the name of and on behalf of the General Assembly I respectfully request Your Honour's assent.

A bill, "An Act To Amend The Legislative Disabilities Act." (Bill No. 6)

A bill, "An Act To Establish The Newfoundland Statistics Agency." (Bill No. 9)

A bill, "An Act To Ratify, Confirm And Adopt Two Indentures Of Mortgage Relating To A Mill At Hawke's Bay, And To Make Certain Provisions Respecting Matters Connected Therewith." (Bill. No. 12)

A bill, "An Act Respecting The Establishment And Operation Of The Polytechnical Institute of Newfoundland." (Bill No. 14)

A bill, "An Act Respecting The Registration And Regulation of Consumer Reporting Agencies." (Bill No. 18)

A bill, "An Act To Establish The Bay St. George Community College." (Bill No. 19)

A bill, "An Act To Amend The Fish Inspection Act." (Bill No. 20)

A bill, "An Act To Amend The Land Development Act." (Bill No. 22)

A bill, "An Act To Enable The Bennett Brewing Company Limited To Become A Federal Corporation." (Bill No. 23)

A bill, "An Act To Repeal The Canadian Javelin Limited (Acquisition Of Crown Lands) Act, 1970." (Bill No. 24)

A bill, "An Act To Ratify, Confirm And Adopt A Certain Agreement Entered Into Between The Government And Burgeo Fish Industries Limited And Others." (Bill No. 25)

A bill, "An Act To Amend The Local Government (Elections) Act." (Bill No. 26)

A bill, "An Act To Amend The Real Estate Trading Act." (Bill No. 27)

A bill, "An Act To Amend The Hospital Insurance (Agreement) Act." (Bill No. 29)

A bill, "An Act To Amend The Unconscionable Transactions Relief Act." (Bill No. 30)

A bill, "An Act To Style The Department of Manpower And Industrial Relations As The Department Of Labour and Manpower." (Bill No. 31).

A bill, "An Act To Amend The Fishing Industry Advisory Board Act, 1975." (Bill No. 32).

A bill, "An Act To Wind Up The Permanent Marine Disaster Fund." (Bill No. 33).

A bill, "An Act To Amend The Quarry Materials Act, 1976." (Bill No. 36).

A bill, "An Act To Amend The Mining And Mineral Rights Tax Act, 1975." (Bill No. 35).

A bill, "An Act Respecting Timber Scalers." (Bill No. 37).

HONOURABLE GORDEN A. WINTER: (LIEUTENANT GOVERNOR): In Her Majesty's name I assent to these bills.

MR. T. A. HICKMAN: Mr. Speaker, I move that the remaining orders of the day do stand deferred and that this House on its rising do adjourn until Monday, April 18, 1977 at 3:00 P.M. provided that if appears to the satisfaction of Mr. Speaker after consultation with the government that the public interest requires that the House should meet at an earlier time, Mr. Speaker may give notice that he is so satisfied and the House shall meet at the time stated in the notice and shall transact its business as if it had been duly adjourned to that time.

MR. SPEAKER: It is moved that the House adjourn until Monday, 18th. of April at 3:00 P.M. provided that if it appears to the satisfaction of the Speaker after consultation with the government that the public interest requires that the House should meet at an earlier time, the Speaker may give notice that he is so satisfied and the House shall meet at the time stated in the notice and shall transact its business as if it had been duly adjourned to that time. Those in favour "Aye", Contrary "Nay". Carried.

This House stands adjourned until tomorrow Monday 18th. of April at 3:00 P.M. or earlier.

I N D E X

ANSWERS TO QUESTIONS

TABLED

APRIL 5, 1977

Answer to Question 143 by the Minister of Education asked by the Honourable Member for LaPoile.

Travelling

Within certain departments, for example the Extension Division and the Division of Co-Ordination responsible for placing students enrolled in the co-op programme in the Faculty of Engineering and in the School of Business Administration and Commerce with industries during their work period, travel is an essential feature. In other areas, it is part of the policy of the University to make accessible the expertise at the University to communities and other institutions. Members of the Faculty of Education travel to other parts of the province at the request of school boards for the purpose of holding workshops. Members of the clinical faculty in the Faculty of Medicine visit affiliated hospitals throughout the province and periodically hold workshops outside the St. John's area.

Travel to conferences to deliver papers and to hold discussions with their colleagues in other universities is such an essential feature of keeping a faculty member up to date, that the amount of travel grant per faculty member is a negotiable item in agreements in universities where the faculty has become unionized. It is through this system, in part, that this University has gained not only a national, but an international reputation because it is through papers delivered at these conferences that the work being done at this University becomes known.

Answer to Question 154 by the Minister of Education asked by
the Honourable Member for LaPoile.

Moving Expenses

It is the policy of the University to pay economy fare for a
new faculty member and his dependents. The cost of transporting
vehicles, pets and other animals, are the personal responsibility
of the new appointee.

APR 5 1977

APR 5 1977

APR 5 1977

Answer to Question 158 by the Minister of Education asked by the Honourable Member for LaPoile.

Corner Brook Housing

It was apparent that if we were to invite members of the faculty to accept positions in Corner Brook, provision would have to be made for their housing, as was necessary in St. John's during our period of rapid growth in the 60's. An Advisory Committee on Housing was established consisting of three distinguished citizens in Corner Brook to advise the University Administration and the Board of Regents on each purchase. No real estate company was involved, and therefore no real estate commissions were paid. Some of these houses have already been sold and it is the policy of the Board that all houses must be sold within five years from their acquisition, except the house acquired for the Principal.