

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
WEDNESDAY, MAY 4, 1977

The House met at 3 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order please.

STATEMENTS BY MINISTERS:

MR. SPEAKER: Hon. Minister of Forestry and Agriculture.

MR. MAYNARD: Mr. Speaker, I wish to provide the House with a status report on the planning which is taking place in relation to the Spruce Budworm Research Programme we are undertaking this year.

One part of the program, details of which were announced by me earlier in March, involves the spraying of five test blocks in Central and Western parts of the Island using two chemical insecticides - fenitrothion and matacil and also a biological insecticide B.T.

Stephenville Airport has been chosen as the base of operations for the limited spraying program. Arrangements for office accommodations, insecticide storage, disposable containers and personal accommodations have all been finalized for the Stephenville Area. Satisfactory progress has been made in purchasing of all equipment and insecticide and the necessary pump tanks related to the program have been requisitioned through the Government Purchasing Agency and I understand the purchase orders have been issued.

The Forest Protection Division in co-operation with the Canadian Forestry Service is finalizing plans for monitoring of the budworm development. This phase of the program is extremely important, since it is necessary to determine precisely the insect development to achieve maximum benefits in terms of insect mortality. Plans are also being made to

MR. MAYNARD:

carry out both spray and post-spray surveys in order to determine actual mortality from the insecticide and the effective coverage from the spray aircraft. Four sampling crews will be operating in the field and will be supported by vehicles where road access is possible and will be transported by helicopter where necessary elsewhere. The period in which the field survey work will be conducted is between May 15th and July 31st. However, actual spray operations will not last more than a week to ten days - in early to mid-June - depending on the weather conditions in the Spring.

Two temporary laboratories will be established, one at Pasadena and one at Bishop's Falls. Each laboratory will be staffed by ten people and student assistants will be engaged under the supervision of a senior technician from the Canadian Forestry Service in the counting of insect populations and determining the larval development in relation to the location in which the insect sampling was carried out.

Insect samples form the basis for a decision as to whether or not larval development has progressed to a point which would make them vulnerable to chemical insecticide. Information from the regional labs will be forwarded on a daily basis to the spray headquarters at Stephenville.

Qualified aircraft spray contractors were invited to supply aircraft and personnel for the actual spray operation and the contract for this important aspect of the work has been awarded to Conair Aviation Limited of British Columbia. Conair has a national reputation in forest protection both in waterbombing and aerial application of chemical insecticides. The company has been engaged in previous years by Forest Protection Limited of New Brunswick and by the Province of Quebec for spray operations in these areas. They also were the company which conducted the major portion of the spray operation in this Province during the hemlock looper infestation in 1968 and 1969. The aircraft to be employed during the experimental program in 1977 will consist of one DC-6B, two Cessna Agwagons and a Twin Engine Supervisory Control Aircraft. In addition, two Jet Ranger helicopters will be engaged for survey work and other related activities.

The primary chemical insecticides being used have been purchased. The aminocarb, matacil, has been purchased from Chemargo Limited of Mississauga, Ontario. This is the only company to manufacture this chemical in Canada. Forest Protection Limited of New Brunswick will supply the chemical fenitrothion. The Bacterium B.T. will be purchased from Sandoz Inc., of San Diego, California. A very small amount of the chemical orthene will be used with B.T. and is being obtained from Chevron Chemicals of Canada Limited.

Planning has also been progressing well in assisting the Environmental Branch of the Department of Consumer Affairs and Environment in establishing a detailed environmental assessment of the experimental program. I am sure my colleague, the Minister of Consumer Affairs and Environment will be more than happy to provide the details on this important aspect of the program.

Mr. Maynard.

I am also happy to announce that the President of Memorial University , Mr. M. O. Morgan, has accepted my invitation to establish an impartial and independent committee to examine relevant documents concerning the spruce budworm problem and to prepare a report for government by Fall of 1977, which will advise government on the possible effects of the current spruce budworm epidemic on the Province's forest resource and the industry of the Province and realistic solutions to the budworm problem. Details of the composition of this committee have been made by the president and further announcements will be made by Mr. Morgan or the Chairman of the committee, Dr. D. H. Rendell.

My department will also be undertaking a public information program to make available all the facts concerning the budworm problem and to outline government's position regarding its decision to conduct a limited spray program in 1977. The information primarily will consist of radio advertisements outlining the various aspects of the program together with newspaper advertisements. Senior staff members of the department will also be available for public discussions and interviews when requested. I am also pleased to announce that my deputy minister, Mr. Clarke, has been asked to act as interim Council of the Eastern Spruce Budworm Council, a Council which will consist of senior Government representatives from the Atlantic Provinces, Quebec and Ontario, as well as the forestry representatives from the Canadian Government, U.S. Government, and the State of Maine. The formation meeting of this Council took place in Quebec City in the first week of March and a further meeting is scheduled and will be hosted by my department in St. John's and is tentatively scheduled for some time in May. I will be announcing further details of that proposed meeting at a further date.

In general, Mr. Speaker, the whole program is progressing smoothly, and I will continue to keep the House informed.

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

MR. FLIGHT: Mr. Speaker, just a brief reply to the minister's statement. On behalf of this side of the House, one, let me say we have supported the minister or the government in their approach, the experimental approach to spraying. We recognize the dilemma that the minister or the administration finds itself in. We recognize it is a damned if you do and damned if you do not situation. However,

MR. FLIGHT: we have to accept or we have to believe that the experimental spray programme is exactly what it says it is. There are some groups in Newfoundland today who believe that the experimental spraying programme is the thin end of the wedge, that it is a cushioning of the effect, that the administration's intention is to come in with an experimental spray programme this Summer and go whole hog next year. That may or may not be true but as I said it is a concern in this Province.

Now it is interesting this past several months, since the government have indicated their intention to have an experimental programme, that knowledgeable groups, knowledgeable people have come out very strongly and are asking questions as to whether or not, regardless of what the results of the experimental programme is, we should spray.

It is very interesting that Ed Ralph - I am sure the minister is aware of Ed Ralph's opinions - now nobody will criticize or question Ed Ralph's authority with matters pertaining to forest management and he is one individual who has indicated that he is not at all impressed or not at all sure that spraying will be the answer. So what has got to be said I think, Mr. Speaker, is that number one, the public has got a right to know the results of that spraying programme. There are some other groups who think that maybe the purpose of the spraying experimental programme as outlined by the minister is not so much to determine the effects on the spruce budworm as to perfect the method of spraying itself in this Province.

Mr. Speaker, on behalf of the conservation groups, on behalf of the people who are afraid of the results of a spraying programme, I would suggest to the minister, and suggest

MR. FLIGHT: to the House that there be no attempt at all to treat this experimental programme and the results with any secrecy at all, that the environmental groups should have complete access to the results of the spraying programme. Indeed I have heard that some of the larger and more equipped groups are looking at the possibility of doing their own analysis from the time the spraying programme begins until it is ended. And I think that if they had the resources and are able to, then I think that they should be permitted to carry on their own analysis right on the site where the spraying is going ahead.

So, Mr. Speaker, having said that there is another thing that interests me personally; I am aware, as are all Newfoundlanders aware, that the minister spent three or four days in Corner Brook having discussions with the paper companies and as I understand it the purpose of the discussion was actually to talk about the budworm.

Now we are aware through the media and otherwise that at least one of the paper companies if not both, has been putting pressure on the minister and on government to cancel the experimental spraying programme and go into a full all-out massive spraying programme and I would very much appreciate it if the minister would indicate to the House whether or not there has been any change in the original programme as a result of his meetings in Corner Brook. Having said that, Mr. Speaker, we will go along and support the experimental programme and hope that the end result is in the better interest of the Province and the forestry industry.

MR. MAYNARD: Ask it during the Question Period.

MR. FLIGHT: I will ask the question in the Question Period, yes.

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

MR. PECKFORD: Mr. Speaker, I understand that I have unanimous consent of the House to propose a motion making a number of amendments to the Standing Orders to facilitate the more orderly attention by all hon. members on the estimates.

A number of days ago, Mr. Speaker, I did make the motion and we ran into some difficulty. So I can move ahead now if I do have that unanimous consent.

MR. SPEAKER: Does the hon. member have leave to present the motion at this time? Agreed.

MR. PECKFORD: Mr. Speaker, by your guidance and by the guidance of all hon. members here in the House is it necessary for me to read through the motion again, the amendments. I think most hon. members are aware of what is involved here, one to just

Mr. Peckford.

summarize very briefly, it has to do with the hours of the House for the estimates, and secondly, the allocation of time for each of the departments so all of them are called. So, Mr. Speaker, without further adieu I would move the amendments to the Standing Orders as distributed to all hon. members a few days ago.

SOME HON. MEMBERS: Hear, hear!

SOME HON. MEMBERS: Oh, oh!

MR. SMALLWOOD: The hon. member, Mr. Speaker, is overflowing with brotherly love.

MR. NEARY: And sisterly love.

MR. SMALLWOOD: No, no! Just brotherly.

MR. ROBERTS: Mr. Speaker, ought we not to divide on it so we can record the thirty-four.

MR. SPEAKER: Yes, I think that is a good suggestion.

I would ask hon. members whether as technically the motion has to be put, whether it will be taken as put or whether hon. members wish me to read it?

MR. NEARY: Mr. Speaker, I take the motion as put. I have no hesitation at all.

MR. SPEAKER: Is the House ready for the question?

Those in favour "aye." Contrary "aye."

I declare the motion carried.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Call in the members.

Those in favour of the motion please rise:

The hon. Premier, the hon. Minister of Transportation and Communications, the hon. Minister of Tourism, the hon. Minister of Forestry and Agriculture, the hon. Minister of Health, the hon. Minister of Social Services, the hon. Minister of Consumer Affairs and Environment, the hon. Minister of Rural and Industrial Development, the hon. Minister of Mines and Energy, the hon. Minister of Finance, the hon. Minister of Municipal Affairs and Housing, the hon. Minister of Fisheries,

the hon. Minister of Education, Dr. Collins, Mr. Young, Dr. Twomey, Mr. Goudie, Mr. Windsor, Mr. Cross, Mr. Patterson, Mr. Carter, Mr. Woodrow, Dr. Winsor, Mr. Marshall.

The hon. Leader of the Opposition, Mrs. MacIsaac, Mr. Canning, Mr. Strachan, Mr. Nolan, Mr. Simmons, the hon. Mr. Smallwood, Mr. Lush, Mr. Moores, Mr. Flight, Mr. Rowe, Mr. Winsor, Mr. Neary.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The motion is carried thirty-seven in favour, none against.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Are there any further ministerial statements?
The hon. Minister of Consumer Affairs and the Environment.

MR. MURPHY: Mr. Speaker, I was hoping to say at first that possibly in view of the good attendance, we might get a half day, and get out of here. But with reference to my statement, it is in conjunction with the statement just issued by the Minister of Forestry and Agriculture.

MR. MURPHY: During the fall of 1976 my Officials were invited to participate in discussions regarding possible measures which might be taken to control this current serious outbreak of spruce budworm in the forests of this Province. When it became evident that only a chemical spray programme could have any short-term effect on the budworm, we provided to my colleague, the hon. Minister of Forestry and Agriculture our views concerning the possible environmental implications of such a programme. At the same time it was agreed that, should a spray programme be undertaken, my Department would co-ordinate an environmental monitoring project to assess the side-effects, if any. Since government announced its decision to carry out a limited spray programme, an Environmental Monitoring Committee has been set up under the Chairmanship of one of my Officials. This Committee includes representation from the Departments of Forestry and Agriculture, Health and Tourism, (Wildlife Division), as well as Memorial University and the Federal Department of Fisheries and Environment. Excellent co-operation is being received from several federal agencies particularly the Environmental Protection Service and the Chemical Control Research Institute, each of which has volunteered to direct a segment of the monitoring work and to write the report on that segment. Most of the work will be performed by a temporary staff of twelve senior students with special abilities in this field under the direction of a Project Supervisor.

This work force will be organized in three teams, each of which will be responsible for monitoring the side-effects of a different chemical spray. The areas selected for study include spray blocks located near Stephenville, Corner Brook, near Hampden (White Bay) and on Noel Paul's Brook in Central Newfoundland. The studies will commence before the spray programme, following a two-week period of intensive training in and around St. John's. In each study area, the dosage of pesticide applied to

MR. MURPHY: the forest environment will be estimated using a technique involving sprayed droplet recording cards which are later analysed by a computerized scanning process. Samples of soil and foliage will be collected, frozen, and shipped to Ontario for analysis of any pesticide residues. Bees and other insects will be collected in order to examine any changes in population levels following each spray application. Within each area, streams will be selected for water sampling and for the study of fish and aquatic insects.

Throughout the spray programme and for sometime afterward, local bird populations will be studied for any evidence of side effects. Several weeks after the last spray application, shrews representing the 'small mammal' population, will be captured and examined for any sign of harmful effects on the reproductive process. Rabbits (snowshoe hares) are also to be studied in a similar fashion. For each of the above subjects, results from the sprayed area will be compared with those from a nearby unsprayed area.

In the matter of public environmental health, the main concern is for the safety of those persons who will be handling the pesticides. These operators will wear protective clothing and equipment. As an extra precaution, all hospitals located near spray blocks will be provided by the Department of Health with information on the pesticides, the symptoms of direct exposure to them in their liquid form, and the medical attention required in such cases. Based on recent experience in New Brunswick, Quebec and elsewhere, there is no reason to anticipate any harmful effects on the general public, even if persons should happen to be exposed to the spray. However, the spray operation will be closely monitored. Separate reports on all of these areas of study, written by specialists in each field, will be compiled into a single environmental report which will be presented to Government by the end of October, 1977.

Respectfully submitted.

SOME HON. MEMBERS: Hear, hear!

PRESENTING PETITIONS:

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

MR. P. CANNING: Mr. Speaker, I rise to present a petition, a very large petition, first from my own district, the district I represent, Burin-Placentia West and secondly, another petition from the district of Grand Bank. It is pertaining to - both petitions are similar, the prayers of both petitions are similar and I will present both at one time. Mr. Speaker, I do not know if that gives me five minutes or ten. But, Mr. Speaker, I have to present the one from Grand Bank first because I am told that the -

MR. SPEAKER: Order, please! Perhaps the hon. gentleman might wish to be informed on that. My understanding is that strictly speaking if he would like to present both together it would be five, by leave he would have ten. He obviously has the right to present two separate petitions as well.

SOME HON. MEMBERS: Agreed by leave.

MR. SPEAKER: Agreed?

MR. NEARY: Mr. Speaker, let me clarify. If the hon. member is talking about petitions that he has from various communities because there are other districts involved in this petition.

MR. SPEAKER: Is it agreed the hon. gentleman in presenting two petitions will have ten minutes by leave.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Agreed.

MR. CANNING: Mr. Speaker, it may not take me ten minutes. But I wanted to get that clarified because it is unusual to have to present the other petition under the present circumstances. As I just stated, I have been told that the minister said that he did not want any part of it because it was in conflict with his ministerial post as Minister of Justice, that the Board of Public Utilities came under that department. Mr. Speaker, I do not know how valid that is, but I do not think there

MR. CANNING:

is any validity there whatever. I think he can get up in this House as a member of the House of Assembly, present a petition to the peoples' House, be perfectly in order. And I think it would be his duty to present this and to defend it on behalf of the people.

Mr. Speaker, the prayer of this petition, of course, is simply that the people ask this House to give them protection against further raises of electricity rates this year or in the future years. Mr. Speaker, about just over forty-eight hours ago I presented a similar petition on behalf of approximately 500 people in my district. The petition I am now presenting is somewhat similar in many ways but in one aspect of this petition it stands out very conspicuously, Mr. Speaker, and it is this: The voice of this petition comes through me from the people who find themselves in a desperate position economically already, owing to high rising costs. The people who have not access to the area of defense that is available to prevent further raises in the cost of living, they have taken the -

SOME HON. MEMBERS: Oh, oh!

MR. CANNING: Mr. Speaker, I am always asking - I am going to ask again if the House will just keep quiet because I can assure you that this matter here is of utmost importance.

AN HON. MEMBER: Hear, hear!

MR. CANNING: There are 5,400, over 5,431, about 6,000 people here who have come to this House through me, through their representative to ask the help of the House. That is what the House is for. That is what petitions are for. And this I will try to do if I can get the indulgence of the House.

Mr. Speaker, they have taken the only measure available to them. They are petitioning this House, their House of Assembly, praying

MR. CANNING: for our help, the people whose names I hold here, sent me here to do exactly what I am about to do so I am going to approach this petition in a constructive manner and give justice to the request and ask the support of this House.

Mr. Speaker, why I say that they are in a position where they cannot approach the area of defence is the fact that those people number one, they cannot come into St. John's to meet the Public Utilities Board to put up there case. They definitely just cannot do it. I got hundreds of names there who will be down on the Grand Banks. There are literally over 1,000 people, at least, who will be working on the production line in a fish plant when those hearings are going to be heard, so they just cannot be here. Then of course there are others who just cannot come to St. John's to present their case to the board. So what they are doing through a democratic process through their House, they are asking us to support them, to defend them against rising costs what they think would be unjust and beyond their means.

Now, Mr. Speaker, there is no need for me to go into the cost of living today, the other costs other than electricity but I will just give some figures that I have gotten, actually right from the invoices of the bills for electricity. And it goes something like this, this Winter I checked modern homes, insulated, I checked on older homes that were not insulated who were using electricity and the lowest monthly bill I got would be approximately \$70, and I got from that to \$180 per month. So there is no need, when I have over like I said over 5,000 or 6,000 people there in that particular area, there is no need of my going into any detail or using any of my time to present this petition to prove that this cost has just gone to its utmost. It is about as much as the people can stand. They realize that. And they just cannot afford

MR. CANNING: to pay more without being impoverished.

Mr. Speaker, I have a suggestion to make regarding the answer or regarding something that this House could do, the government could do in order to help the people properly defend it or properly represent it in the future, not only with this petition but other petitions that they send. Number one is the ordinary person in the street he has not got access to the statistics or the cost. If he goes into a hearing and they have the expertise of the companies concerned, they do not understand the figures. They have not got the figures. They have not got the time to get them to put up their arguments so a company can easily win over the people. I mean what are the people supposed to know about the costs involved with that company, the cost of their dams or their wires or their lines or what not. So I have a suggestion I am going to make. I think it is a good one, Mr. Speaker, not only for this petition but others that will come and other matters that rise up where there are any boards set up to consider cost to the people.

Mr. Speaker, I am going to suggest that the government would form another board. Mr. Speaker, there are so many boards I imagine somebody will say, What, another board.-

AN HON. MEMBER: 11,000.

MR. CANNING: - will probably be the first argument. Well, Mr. Speaker, I am going to suggest now that a board comprised of people, people independent of political affiliation, an independent

MR. CANNING: board be set up comprised of people, I say, who are not involved with the House or with a political party or not involved, I mean, apart from the Government under no control of the Government. simply an independent board. Mr. Speaker, I make further suggestion that another argument would be put up, can we afford another board? Mr. Speaker, I would suggest that we could choose the members. We have a great number, at least a couple of thousand of overload of civil servants with this government now. Mr. Speaker, I would suggest that they could be picked from there. They perhaps the, out of the 27 people the Premier has around him to advise him and to help him out and what not, perhaps he could spare one. And I am positively sure that every minister in the government can spare one, some assistant to the assistants, to form a board who could go into the figures and cost and ably argue against any companies who are looking for raises trying to take more out of the people to see if that cost or that raise was justified.

Mr. Speaker, we could call it what you like, watchdog for the people or people's protection consumers board or call it what you like. I think that that should be done to help those who are far off or too busy to be here who cannot defend themselves. At the moment Mr. Speaker, I am going to ask the support of this House, both sides of this House in this matter because I am sure that although I have over 6,000 and I think possibly a couple of other petitions coming up containing another 2,000. But Mr. Speaker, when I present this I think that most of Newfoundland and Labrador could present the same petition today and be justified in presenting it and they would be justified in demanding this House, they sent us here to represent them. I am sure they would be justified in demanding both sides of this House take this very seriously and give it their support. Mr. Speaker, I ask that the petition be placed on the Table of the House and presented it to the department concerned.

MR. SPEAKER: Some other hon. members are speaking on the same petition.

MR. NEARY: I will yield the floor to my colleague then.

MR. W. CARTER: Mr Speaker, I support the petition presented by my friend and colleague. I support it Mr. Speaker, for two reasons, one that I agree with it and secondly that it also contains the names of 993 people from the District of St. Mary's-the-Capes. These people -

AN. HON. MEMBER: (inaudible)

MR. W. CARTER: Beg Your Pardon.

AN. HON. MEMBER: From your area?

MR. W. CARTER: No, similar it is the same petition really concerned about the electricity costs in their district.

MR. SMALLWOOD: Do you have any?

MR. W. CARTER: I have some here, yes. Mr. Speaker, this is a very very real problem to certain parts of my district as is evidenced by the fact that so many people took the trouble and the effort to sign that petition. Before I go any further I would like to commend the person who initiated the petition, Mrs. Fagan from the - Mrs. Fagan is the hostess on the very popular open line show on I think it is CHOM in Marystown. I think she is to be commended for her community spirit and the fact that she has managed to arouse so much interest in that area and in the surrounding districts with respect to the cost of electricity.

I am sure the House is aware that my friend and colleague the Minister of Mines & Energy will be taking the necessary action during the present session, whereby the Newfoundland Hydro will be required to justify the increase applied for by that corporation to the governments' Public Utilities Board. This I think is an excellent move and certainly one I have been advocating and in favour of for quite some time.

MR. W. CARTER: Mr. Speaker, the cost of electricity, like I said, is becoming a very real problem in that a large number of people, including yours truly, have built homes and provided electric heat on the promise that it would be probably cheaper and more effective than other methods of home heating, only now to find that the cost of providing the electricity to heat their homes has imposed a severe burden on the people who have built and heated their homes in that way. So certainly, Mr. Speaker, I support the petition. I commend my constituents again for taking the time and effort to become involved in the petition. And I again commend the author of the petition and I support it wholeheartedly.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Before recognizing the hon. member for Burgeo-Bay d'Espoir (Mr. Simmons), I will draw to the attention of hon. members the presence in the Chamber of some delegates from the town council of Glovertown, Councillor Feltham and Councillor Hounsell and also the town clerk, Mr. Sparkes. I know hon. members will join me in welcoming these gentlemen to the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

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

MR. R. SIMMONS: Mr. Speaker, I too have a couple of petitions bearing on the same subject, the subject which was introduced by my colleague from Burin-Placentia West (Mr. Canning) and supported by my friend, the Minister of Fisheries, the member for St. Mary's-The Capes (Mr. W. Carter). The gentleman from Burin-Placentia West has mentioned that he has more than 6,000 names affixed to the petition which he has tabled here today. And I have just heard from the Minister of Fisheries that he has just shy of 1,000, 993. I am pleased to present on behalf of my constituents in the communities of Ramea, Francois and Burgeo, three of the thirteen communities in my district, all of which are suffering under the adverse effects of high electricity rates, on their behalf

MR. SIMMONS:

I am pleased to present petitions totalling 1,831. There are some petitions yet to be forthcoming. They have been received by the sponsors of this petition, Radio Station CHCM in Marystown and they will be forthcoming and I shall be happy to table them at that time. You know, Mr. Speaker, it was such a nice day yesterday. We had the Minister of Transportation not only absent from the House but down in my district. And in two ways he was doing us a favour, doing us a real favour. But he is here today -

MR. MORGAN: Inaudible.

MR. SIMMONS: That is right. In two ways he was doing us a favour. But he is here today which means two things. One, he is not in my district and two, he is here. And so we will tolerate him. I prefer to tolerate him in some silence actually.

Mr. Speaker, my first words should be words of congratulations to the radio station as the Minister of Fisheries so well pointed out. It was the station and, in particular, Mrs. Fagan, the hostess of the Open Line or the Action Line show in Marystown that was responsible for giving those people, those thousands of people, I think 10,000 or 11,000 or 12,000 altogether, when we have heard from the various members, several thousands of people the opportunity to once again voice their concern about a matter that affects their pocketbooks. And I want without reservation to congratulate Mrs. Fagan and the station. And I am pleased to see that Mrs. Fagan together with her husband is in the gallery today and I think it is very appropriate she should be here for this occasion.

SOME HON. MEMBERS: Hear, hear!

MR. SIMMONS: Mr. Speaker, on behalf of the petitioners, in particular those in my own district, I must once again raise the question, "When, when, when in the name of humanity will the government give heed?" We have presented petitions with tens of thousands of names here in the last year or so on this very subject. Indeed as I look over the names on these petitions

MR. SIMMONS:

which I have before me I see names that were on the earlier petitions as well. So for many people this is the second time round they have had to bring this matter to the direct attention of the House of Assembly. And that is only because there was no action on their first petition. And I hope

Mr. Simmons.

now there will be some action. We are told, and we will be told again I am sure before the day is out that we have to pay our way when it comes to electricity . I do not believe any Newfoundlander, any person in this Province of Newfoundland and Labrador object to paying his way in terms of electricity. What he does object to is paying the \$75,000 salaries of fellows like Mr. Groom, of paying for the cost of that useless jet that we keep supporting, and doing it all, Mr. Speaker, in the name of paying our way in terms of electricity costs. That is the farce about it, Mr. Speaker, and that is one of the reasons why we are in such a bind on this matter of electricity rates. Because a lot of things, Mr. Speaker, too many things, are getting written off, written off in the name of cost of electricity, things which have nothing to do directly at all with the cost of electricity. And I object to it as a taxpayer, and as a person who has to pay those bills, too. And I believe I speak from the heart for every petitioner whose name appears on these petitions which I am very happy and very proud to present, I support whole-heartedly, and I would request that they be placed on the table and referred to the appropriate department of government.

MR. SPEAKER: Before recognizing the hon. member for Placentia, I would also draw to hon. members' attention the presence in the gallery of Mr. Ron Fagan who is the President of the Confederation of Mayors and Municipalities of the Province. And I know hon. members join me in welcoming him also.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Placentia.

MR. PATTERSON: Mr. Speaker, I rise to support the petition so ably presented by my friend and colleague, the member for Burin - Placentia West (Mr. Canning). I, too, have a petition here, and it is part of the petition of over 15,000 names which originated with

Mr. Patterson.

Mrs. Tina Fagan at radio station CHCM, and that petition includes the district of Placentia.

As the member for Placentia, I support this petition because as one who has lived all his life in the communities in my district, I know the history and perhaps the people a lot better than any other member of this House.

I am, as the member for the area, very aware of the problems brought about by the high cost of living, and the increase in the price of clothing and other necessities of life. May I say, Mr. Speaker, that as the member for the area, and as a member of the caucus, I have fought constantly and will continue to fight to see that any proposed increases applied for by Newfoundland and Labrador Hydro will not be approved unless they are approved by the Public Utilities Board.

My colleague the Minister of Mines and Energy has already indicated to me that he will take steps to bring about the appearance of the board before the Public Utilities Board, before further increases are approved.

So, Mr. Speaker, as one who has been in most of the homes, if not all in the district, and who knows most of the residents of the area by their first names, no one can tell me about the economic conditions that face the people and the area, and that it is for this reason that I continually fought and will go on in this manner objecting to any increase in electrical rates or any other increases that might seriously affect the citizens that I represent. Therefore, Mr. Speaker, I can say that I endorse and support the prayer of this petition and, in fact, I honestly believe that it - because of the efforts of the people such as myself and the other members who have supported this petition that further increases in electrical rates by Newfoundland Hydro will not be approved without public hearings. I have discussed this time and time again with my colleague, the Minister of Mines and Energy who indicates to this House that this will be done.

Mr. Patterson.

In closing, Mr. Speaker, I again assure the residents of my support of this petition, and I now lay this petition on the table of the House and ask that it be referred to the department to which it relates.

SOME HON. MEMBERS: Hear, hear!

MR. LUSH: Mr. Speaker, I would like to stand to support the petition presented by the hon. member objecting to the escalating cost in electricity to the consumers of electricity in this Province. If the escalating costs continue the way they have been in the last year-and-a-half I really do not know how the ordinary people of this Province are going to be able to cope with this financial burden. It is absolutely fantastic, these escalating costs and I certainly want to support the petitions that have been presented and the ones—I understand that there are others to be presented and I do hope that the government will move quickly with its legislation to place the Newfoundland Hydro under the Public Utilities Board so that the board will control and scrutinize the Newfoundland Hydro so that they will have to justify any raises in electricity to Newfoundland Light and Power which consequently, of course, results in increases to the consumer. I think the Utilities Board proved its usefulness recently when they turned down an increase by the Newfoundland Light and Power. Granted it is only a temporary thing but I believe they made the right decision to hold off on this increase pending on the government's decision to place the Newfoundland Hydro under the Public Utilities Board. And the sooner this is done the better for the consumers of electricity in this Province.

I just simply want to say, Mr. Speaker, that I give these petitions my wholehearted support.

MR. SPEAKER: The hon. member for Conception Bay South and after him I recognize the hon. member for Bay of Islands.

MR. NOLAN: Mr. Speaker, in rising I hope I am permitted to endorse the petition as presented by my hon. friend from Placentia and all other hon. members who may have presented this joint petition in reference to hydro rates in the area. People are really uptight, Mr. Speaker, as is evidenced by the presentation of this petition and by a series of things, because of the fact that the hydro rates are

MR. LUSH: just one of the straws to break the camel's back. Every day when one turns on the radio, picks up a newspaper you have the further increases in the cost of living on food and clothing and shelter and transportation and any number of things. So people are being consistently hammered away at, their few meager savings if they have any at all, and they do not seem to know where to turn. Now it is difficult for them to communicate with a big corporation so they find that there should be some hope in dealing with something that is run by the government or any agency or an arm of government and here we come to Newfoundland Hydro.

Now, Mr. Speaker, it is pretty difficult to justify some of these things when you have members standing up talking about \$75,000 salaries to head up that board, possibly with a house and transportation thrown in, all expenses paid. I mean that is not bad living, not bad. And if you are flying around in a private jet, I mean how much does that cost a year and how much would that save the people down on the coast? Now we have to face up to these things and it is no good merely scorning at it and saying it does not amount to nothing and all the rest. The people are not prepared to accept that anymore.

Now we have to look at Newfoundland Hydro. The Public Utilities Board, as the hon. the Premier has said, and as I recall the hon. Minister of Mines and Energy has already indicated, I believe, that the Newfoundland Hydro will go before the Public Utilities Commission. Well now the sooner the better. But there is something else. The Newfoundland Light and Power has an involvement with a group called Montreal Engineering. Montreal Engineering sit in on the board of the Newfoundland Light and Power and if you check far enough you will find that Montreal Engineering is involved with a company, I just forget the name of it at the moment, who does work for Newfoundland Hydro.

MR. RIDEOUT: Shawmont.

MR. NOLAN: Shawmont. Now unless we really dig into the Newfoundland

MR. NOLAN: Light and Power and look at the corporate set up, the intermingling, the bookkeeping and the whole works we are never going to have the truth.

MR. NEARY: Hear, hear!

MR. NOLAN: Never. So let us stop conning ourselves on that. There is a very definite and sometimes suspicious involvement between Montreal Engineering on the one hand and the Newfoundland Light and Power on the other and unless you let it all hang out and get it out into the open this petition is going to solve nothing at all. Apart from what I have said, and that is as has been indicated by the Minister of Mines and Energy and the Premier, of course, we will certainly hopefully have Newfoundland Hydro appear before the Public Utilities Commission

MR. NOLAN: and to give an account of themselves which they have not been doing up to now, particularly since they are now talking about making profits, and that is what they are saying right now that they hope to make a profit this year. Now who is going to furnish the profit if it is not we the consumers.

So in closing, Mr. Speaker, I would certainly like to commend Mrs. Fagan and all those who took the time to circulate the petition and a petition that is well worth-while. Now it is up to us to prove to Mrs. Fagan and all her listeners on the open-line show and all those who circulated it and all those who went to the trouble to sign it that it is not a useless gimmick bringing these things in here to the House of Assembly, that they do get a proper hearing and not only that that those members here on either side are quite prepared and are knowledgeable of the fact that people are suffering today, really this is not an exaggeration, suffering because of the enormous increases in the cost of living.

See the Newfoundland Light and Power or Hydro when they bring in the increases, it is not just to the consumer because the consumer pays again when the businesses that are affected when their power goes up they pass it on to the consumer as well. So it is pyramiding all the time and there is only one source of funds and that is the man or the woman and their children who live in the communities that are so ably represented by my friend on my left and the Minister of Fisheries and my friend from Placentia and so on.

So I commend Mrs. Fagan and all those who were involved in the petition and can assure them of our complete, whole-hearted and most sincere support.

MR. SPEAKER: The hon. member for Bay of Islands, then I will recognize the hon. members for LaPoile and Fortune - Hermitage.

MR. WOODROW: Mr. Speaker, I would like to add my words of support to the three petitions. It is going to be very difficult

MR. WOODROW: not to be repetitious in what I have to say but I will try to avoid repetition as much as possible.

Now first of all, Mr. Speaker, I would like to say that this is a very serious matter, very, very serious and anybody who plays politics with it he deserves to be electrocuted. We are dealing with the lives of people, Mr. Speaker, and that is something we cannot be political about, we have to speak from our heart on this thing.

Now, Mr. Speaker, in the smaller areas of our Province many people have built homes and they have installed electric heat in them. In fact they did this with the promise or the impression that they would get cheaper electricity. But they find that in many cases the amounts are not only doubled but trebled and the like. Speaking for my own district, about ninety per cent of the new homes built along both sides of the Bay of Islands have electric heat. And people, in fact, over the past year or so are wondering where they are going to turn and they are also putting wood and oil furnaces in their homes, especially wood furnaces.

So, Mr. Speaker, I would like to see every member of the House support this petition that I feel in their hearts they will support it but it is impossible logically for every member to speak about it.

I would also like to congratulate Mrs. Fagan and all others who took part in getting these petitions out. I have been involved in my lifetime many times with petitions and the like and I realize that it takes an effort on the part of somebody to get these petitions, as it were, off the road.

I feel sure and I am confident that the hon. Minister of Mines and Energy certainly has a heart for Newfoundland, he loves people, I am sure that he will do his utmost to see that

MR. WOODROW: the people are given just and fair treatment when he has an opportunity to speak about it.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. member for Fortune - Hermitage.

MR. J. WINSOR: Mr. Speaker, I as well rise to support my colleagues who have already presented petitions on this same subject. I have to present petitions on behalf of Boxy, Wreck Cove and Coombs Cove.

Mr. J. Winsor.

Boxey, 122 persons; Wreck Cove, 100; Coomb's Cove, 66. Now these are three and only three of some twenty-three communities. And I think the mails will probably produce in the very near future petitions from the other twenty communities in my district.

In supporting this petition - well first I should read the prayer of the petition that I have. I did not hear the hon. member for Burin - Placentia West's. I did not hear his prayer as there was a bit of noise going on in the House. The prayer reads: "We the undersigned protest the present high cost of electricity and are concerned with the possibility of placing one or more annual rate increases. We feel that there is a very real possibility that the cost of electricity may reach an unjust and unrealistic high point within the near future. We, therefore, ask that you, the Government of Newfoundland and Labrador do take a realistic look at this situation and take whatever action is necessary for the protection of the people of this Province.

I am very pleased to see members from the other side of the House presenting petitions on this as well which indicates that they are certainly sympathetic with the prayer of the petition. My colleagues on both sides have already pointed out that this massive petition has been sparked through the good offices of Mrs. Fagan and her action line of CHCM, which we are thoroughly familiar with. It is also backed up by the co-operative effort of one-third of Newfoundland, the South Coast districts, the action coasts. And these are the combined efforts of Placentia East, St. Mary's - The Capes, Burin - Placentia West, Fortune, Hermitage, Burgeo - Bay d'Espoir, Grand Bank and LaPoile.

The hon. member for LaPoile (Mr. Neary) has not presented his petition yet but that is coming I presume.

These people are looking at a possible twenty-five per cent increase over the next few months, possibly by the end of the year.

MR. J. WINSOR:

Three years ago it was \$60 a month, then \$90, then \$140, add another twenty-five per cent on that \$140, and you have it up to \$175 a month for your light bill.

Now we could say that the people were led down the garden path by ads proposing that they insinuate their houses and install heating, and I know in my home town, amazingly enough over half the homes are totally electric, and we started off with diesel power, diesel generated -

MR. ROBERTS: Was this in Gaultois?

MR. J. WINSOR: Yes, in Gaultois believe it or not. It is hard to believe.

MR. SMALLWOOD: Now or -

MR. J. WINSOR: Now. And, you know, that has been so for several years. We started off with diesel generated power, and then, of course, we have an undersea line installed across the bay which is working quite successfully. It has never given any trouble whatever.

MR. ROBERTS: Touch wood.

MR. SMALLWOOD: That is hydro power now, is it?

MR. J. WINSOR: Yes, touch wood. My colleague, the leader says, Touch wood.

The only problem we have is with salt water on the open lines on a very exposed coast, and then we get a knockout, And I have personally gone through three days of ten to twelve below zero without power and, therefore, no heat. Burn birch junks and whatever. Coleman stoves. But the power is welcome, and it is certainly a wonderful adjunct to the well-being of our people on the coast. But they should not have to suffer for mismanagement in a way, an overloaded, top-heavy corporation. When the administration of a business, the cost of it exceeds the production somebody should be looking after balance sheets and doing some cutting. Our people cannot carry this extra burden. It is the duty of government to find a way to put a freeze

Mr. J. Winsor.

on further escalation. The consumer has become thoroughly frustrated. The morale of the people is suffering extremely, not only from power but from other things. And the consumer pays for everything.

I, therefore, ask in supporting this petition, I ask that this be placed on the table of the House and referred to the department to which it relates.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, it goes without saying that I share the concern of the hon. members who have presented these petitions and that I share the deep concern of the people - what was it, 15,000 of our fellow Newfoundlanders who have signed these petitions. I share their concern.

MR. NEARY: Hear! Hear!

MR. SMALLWOOD: I agree with those who have expressed words of congratulation to the lady who organized the distribution of the petition which I understand she did through her enormously popular radio programme, emanating from Marystown, is it?

MR. NEARY: I think you are going to be on on Friday.

MR. SMALLWOOD: I am going to be on that line on Friday morning so I had better be careful what I say. Nevertheless I am not going to pull my punches and I am not going to dissimulate, I am going to express the truth as I see it. It is appalling for the consumers of this electricity up there, nothing short of appalling to see prices rise as they do for electricity and for lots of other things as well. It is appalling for anybody anywhere in the Province to see prices of almost everything rise as they are rising.

But, Sir, I have to ask myself candidly and honestly, I have to ask myself the question - Are the Hydro Commission - what is the name now? - Newfoundland Hydro.

MR. NEARY: Newfoundland Hydro Corporation.

MR. SMALLWOOD: Hydro Newfoundland is it?

MR. NEARY: Corporation.

MR. SMALLWOOD: Newfoundland Hydro Corporation, are they overcharging? Are they out to make a profit? Well is it any more than a nominal profit?

MR. PECKFORD: They are not out to make a profit.

MR. SMALLWOOD: They are.

MR. PECKFORD: They are not.

MR. SMALLWOOD: They are not. They are a public service who are serving the people.

MR. PECKFORD: That is right.

MR. SMALLWOOD: And I suppose either they have to break even -

MR. PECKFORD: And they are not breaking even.

MR. SMALLWOOD: Either they have to break even by charging enough to the consumers to get enough revenue to break even or if the consumers as consumers do not pay enough to enable them to break even then the consumers not as consumers but as taxpayers - remember that every consumer of electricity is a taxpayer and in one capacity or the other they got to contribute to the Hydro Commission to make them meet, pay their bills.

Now what I do not understand is what is this escalation in the costs of producing power? If someone says it is the escalating cost of crude oil that is brought into the Province from the oil producing countries and burned to produce electricity, and the cost of the crude oil in the last two years has gone up from \$1.25 a barrel to \$14.00 a barrel, the plants that are burning up that oil to produce electricity, naturally their cost of production has gone sky high. But to that my hon. friend from his constituency may very well say, and a lot of the people on the Southwest Coast may say, "But we are not consuming electricity that is produced by burning expensive oil, we are consuming electricity that is produced in Bay d'Espoir by falling water, and there is virtually no expense to that once you have installed the productive capacity. Afterwards there is virtually no expense." But, Sir, in reply to that surely to God we all have to recognize that the electricity that is produced by burning expensive oil and the electricity that is produced by falling water is all merged, it is merged in a grid that is owned by Hydro Newfoundland and they might indeed charge a very low price for those who consume the hydro power and a high price for those who consume the oil fired power and have

MR. SMALLWOOD: two different rates, one very low and one very high, that might be done but would it be fair? Would it be fair? Is it not more fair to average it out and charge a bit more than would normally be the case in one part and a bit less than would normally be the case in another by averaging it out. It so happens that I am the one who initiated the great power development in Bay d'Espoir. It so happens that I am the one who initiated the programme of rural electrification in Newfoundland. When we brought in rural electrification we subsidized it very heavily, because most of it at that time was, the same as my hon. colleague says, it was diesel power. All around this island we had diesel plants, we must have had a couple of hundred of them producing electricity by burning oil. The Government subsidized that power to the amount of hundreds of thousands of dollars a year.

MR. PECKFORD: \$11.8 million in this coming fiscal year.

MR. SMALLWOOD: We are subsidizing rural electricity. That is rural as distinct from the other the more conventional form. Now, we have to ask ourselves this question, as legislators and, of course, the government even more have to ask themselves the question, if we are subsidizing rural electricity will we also subsidize hydro electricity and the conventional normal sale of electricity throughout the province? If the government subsidize it, it has to find the money to do it. Where will it get the money? By taxing the people. So that the consumer pays as a consumer in high prices or he gets low prices and pays as a taxpayer.

Look, Mr. Speaker, we must, surely to God we must, look at these facts. We can sympathize with the 15,000 who signed that petition. We can sympathize with them. We can have boundless respect and admiration for the lady who organized the petition, but in doing both surely to God we must as level-headed Newfoundlanders and legislators we must look at the actual fact and try to find some kind of a solution if that is possible to do. It is the burden

MR. SMALLWOOD: of the government. The Opposition have not got to find the solution, it is the job of the government to find it if there is one to find. On that I have mysterious doubts. Now, the general manager, the boss of Hydro Commission is getting what, \$70,000 or \$80,000 a year. This is referred to, okay! Let him work for a dollar a year, put down a lot of the high paid men to a dollar a year and what difference will that make in the price of electricity? Do away with the jet, the expensive jet? Close down the office in Montreal and cut down the overhead of that Hydro Commission and what difference will it in fact, in fact what difference will it make in the bill that is sent out for each kilowatt hour of electricity consumed?

Maybe I am not being very helpful. But I am trying to be honest, I am trying to be realistic.

MR. SPEAKER: Hon. member for Eagle River.

MR. STPACEAN: Mr. Speaker, I have talked about this subject a couple of times before. The petition is from the South Coast of this province and I represent the Labrador Coast which gets all of its electricity from oil-fired diesel generators, in a situation where we are subsidized only at the rate of 500 kilowatts and above that we pay an escalating rate as we use more electricity we have to pay more, substantially more. The businesses for instance, more businesses have a multiplication factor of 9. Small families in the winter use a considerable amount of electricity 75 more than the 500 kilowatt subsidized figure.

MR. ROBERTS: 500 kilowatts is not even normally more than a T.V. set or -

MR. STPACEAN: No, so now we are faced on the coast, and Newfoundland Hydro are faced with people who are unemployed, people who are on welfare, people who now owe Newfoundland Hydro from \$600 to \$1500 I know people who owe Newfoundland Labrador Hydro \$1500. My question then in supporting anything in the range from

MR. STRACHAN: this petition is what is the hydro company going to do? Are they going to take the people to court? Can they cut off their electricity during the summer months? They certainly cannot during winter. How are they going to come to terms with the fact that there are people who are unemployed, people on welfare, people who cannot afford these rates and cannot afford to pay these bills? How are they going to come to terms with them? And what is going to happen is that if they do not come to terms then more and more of the people in the communities will refuse to pay their bills because many of them cannot face such high electricity costs.

Another point raised in the petition which I would like to bring up is the Power Consumers Association that the member for Placentia West was talking about. On this I would like to say that Newfoundland and Labrador Hydro should have public hearings before there is any increase in hydro costs but I am also concerned that it comes underneath the Public Utilities Board or if anything does come under the Public Utilities Board normal people, ordinary people cannot go in front of the board and successfully present their point of view. I support the Public Utilities Board, the set up of it. I understand its limitations but it should be less technical. It should be less rigid. It should accomodate ordinary people, not lawyers, not people who have money behind them to present their cases. It should allow ordinary people to come in and give evidence on the situations concerning them without being so structured and so rigid. I saw many people, many people being frightened away.

MR. SMALLWOOD: Would the hon. gentleman not say that it would be even more important to bring in chartered accountants, you know, to get the actual dollars and cents facts of the case?

MR. STRACHAN: Absolutely. I have seen this happen at a couple of hearings that there are expert witnesses called but unfortunately

MR. STRACHAN: many people who want to present their point of view cannot travel to St. John's especially from the South Coast of Newfoundland or from the Labrador Coast for instance. They cannot travel in and present their point of view and many people have no access to the Public Utilities Board. And I think it is about time that the whole Public Utilities Board structure should be changed to allow people, ordinary people, not the expert witnesses, some input into control over electricity rates and hydro rates.

MR. NEARY: Hear, hear!

MR. STRACHAN: And I think that this should be done quickly. I have seen very frustrated people, very, very frustrated people who cannot have any input into the cost of living or in increases which affect them.

So there are two points I would like to make here in supporting the petition. First of all the high rates of electricity and what is Newfoundland and Labrador Hydro going to do with people who owe large sums of money up to \$1500 and will continue to owe these large sums of money? Many people are unemployed, many people are on welfare and cannot pay these sums of money, cannot pay their bills. Secondly the Public Utilities Board then should be restructured and broadened and less rigid so that ordinary people can have some kind of input.

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

MR. ROBERTS: Mr. Speaker, I think a great number of members have spoken on this and they have made most of the points which in my view ought to be made. I think it has been an excellent debate, I suppose we are not allowed to call it a debate, an excellent discussion in support of the petition and I would congratulate the members who have taken part and particularly my friend from Burin-Placentia West who presented the original petition.

MR. NEARY: Hear, hear!

MR. ROBERTS: I would also like to say a word of appreciation and commendation to Mrs. Fagan the host of the open line show on CHCM

MR. ROBERTS: Radio. That particular radio network, the VOCM network has initiated a number of these petitions. We had a very large one last year from the Clarendville area with respect to a hospital. This one I think is the largest one they have ever put together and I think that is very much to the credit of all who have been involved in it.

Mr. Speaker, the points which have been made by previous speakers, I think, are valid and I think that among the speakers, given the limitations of the five minutes which were allowed under the rules, the case has been made effectively and with a considerable degree of force and a considerable degree of precision and accuracy. As I see it the situation is this, on the one hand the cost of electricity is going up rapidly. I would venture to say it has just about doubled in the last few years in this Province after many, many years when it remained

MR. ROBERTS:

stable or near enough to stable. It is going up rapidly. Electricity is not a luxury, it is a necessity, and for those who heat their homes it is an absolute necessity and for everybody else in this Province, whether he heats his home with electricity or with some other source of heat, electricity is an absolute necessity in their lifestyle. To live without electricity would be unthinkable and completely unacceptable in this day and age. So we must use the commodity and by its very nature it is supplied by monopolies. We must use the monopoly. We must pay the price the monopoly charge. That is unavoidable. And equally it is unavoidable that the monopoly, in this case Light and Power and Newfoundland and Labrador Hydro, must increase their prices from time to time particularly when we are in the situation we are in today in this Province whereby all our incremental power is thermal generated, it comes from thermal fuels, mainly oil. And we all know what is going to happen and is happening and has happened to the price of oil. Now, Sir, so we must accept that. I do not find it very palatable. I heat my home electrically. And my electricity bills particular in the Winter months are staggeringly high. And there is no real way to keep them down. I go around turning out the lights and suggesting to the children and sometimes gently and sometimes -

MR. SMALLWOOD: (Inaudible.) LBJ?

MR. ROBERTS: Right. - sometimes less gently that they should keep the heat down a little below what they consider to be a tolerable thing. But we have to pay the bills. We all have to. Now, Sir, -

MR. NOLAN: We also pay sales tax.

MR. ROBERTS: Yes, my friend from Conception Bay South (Mr. Nolan) points out the sales tax is on it. It is a very unfair tax because it is the only source of heat anywhere in this Province that now pays a sales tax. And everybody who is paying for electric heat is paying, I believe, an unfair share of the load. But, Mr. Speaker, to come back

MR. ROBERTS:

away from the sales tax point for a moment, the main concern that I see is that we must insure that the price which we pay for electricity is the minimum that can be paid. If it is not subsidized there is a price, if it is not subsidized by the government then the price must be a fair and a genuine price. But let us make sure it is a fair and a genuine price. We on this side have been saying for many years now two things: First of all that the Hydro, which after all is a major component of the cost, the cost by Hydro I mean with a capital 'H', the Hydro operation, that that operation must come under the Public Utilities Board. Well the government have at long last accepted our view, and I understand legislation to that effect will be brought in at this session. And I have no doubt it will be adopted with the support of members on all sides.

We also feel very strongly, my friend from Eagle River (Mr. Strachan) touched on it and a number of other of my friends did, that we must, the government must act to make the Public Utilities regulatory process a meaningful one. As it now stands it is very lopsided. The board is fair and impartial. The board can only go on what is before them in the way of evidence. On one hand you have got the companies with a vast array of experts and technical advisors making their case and on the other hand you have got the Federation of Municipalities or a few, even, individuals or a few groups with very, very limited resources. I think that the cost of opposing applications ought to be paid for in the same way as the cost of making applications, in other words, put as part of the cost of the overall service being provided. Because if Light and Power, Mr. Speaker, spend half a million dollars preparing a rape case, then that half a million dollars is built into their costs and it is reflected in the bills which each of us as consumers pay. So the government have come part way -

MR. SMALLWOOD: Is it correct that the public have to pay the cost of their persuading the public to pay more?

MR. ROBERTS: That is exactly it. And the more persuasive Light and Power is and the more costly their persuasion is the more the bills go up. Well

MR. ROBERTS:

I would like to see an adversary system. I think the Public Utilities Board is the only real way to govern it. We have to have monopolies. The competitive system will not work. So that leaves us with a State, granted a State authorized monopoly and the regulatory process is the only way to insure that that monopoly does not get out of hand. I feel very strongly -

MR. NOLAN: How many provinces have outfits like the Light and Power right now?

MR. ROBERTS: There are two provinces of Canada that have privately owned power companies, here and Alberta, the richest and the poorest.

MR. SMALLWOOD: Well, Nova Scotia has some -

MR. ROBERTS: No, no, the government of Nova Scotia bought all the -

AN HON. MEMBER: Prince Edward Island do, do they not?

MR. ROBERTS: No, I do not think so. I do not think so. I could be wrong. I could be wrong. I could be. But Ontario, Quebec, Manitoba, British Columbia, New Brunswick are all publicly owned, the big provinces.

Mr. Speaker, I feel very strongly that the government ought to make the Public Utilities process a meaningful one by funding the consumer groups. The Federation of Municipalities I am told has put \$50,000 into opposing the rate increases in the hearings of phones and lights in the last little while, a staggering sum of money for an organization with relatively few dollars. Those dollars, of course, in the long run must come out of the public, because the federation has what it gets from its members, the municipalities, who in turn get their monies either from the government directly or from the taxpayers.

So I would say to the minister that I think that would be money well spent. And I would make one other point if I might, Mr. Speaker. I think it is of great importance that Hydro trim their costs, because I am one of these, like many in this House, who believes that Hydro is hopelessly extravagant. I think they are over-staffed. I think they spend money like it is going out of style. And the way they spend it, it will be going out of style. I think that in an era when they are expecting the people of the Province to pay swingeing increases in electricity rates, absolutely swingeing increases, Hydro ought to cut down maybe an insignificant part of the total. But the important thing about Caesar's wife - my friend from Twillingate would agree - is not simply that she be virtuous, but that she appear to be virtuous. And every time I go into the post office to get my mail in the morning - and I see fifteen or twenty Hydro cars there - and do you know they have a man employed who comes out each morning and starts those cars to make sure they are working, and then goes back in. So I am told that.

MR. NOLAN: Shame!

SOME HON. MEMBERS: Shame, shame!

MR. ROBERTS: And the vast salaries paid to the officials -

MR. NOLAN: The Premier of the Province -

MR. ROBERTS: That is telling me that I am nearly out of time.

If I may finish the sentence, Mr. Speaker, by leave?

- the vast salaries maybe not too much, but, for example, I am told that the Light and Power Company has one chartered accountant, and Hydro has four. I am told that the Valhala of salaries in Newfoundland today is to go to work for Hydro. I do not know if these are correct or not. I am told them and I believe that the people who gave them to me did so believing them to be accurate. But I think it is essential, and when these hearings come up with Hydro as they will in a month or two or three, Hydro should be submitted to the rigorous examination, absolutely rigorous. And if the government have to take \$200,000 or \$300,000 and fund groups to go in and tear Hydro's balance sheet and their expenses to bits, it would be money well-spent.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Because I would say that unless people, unless the people of this Province, can be shown that any cost increase is necessary, then we are heading for trouble, the sort of trouble - my friend from Eagle River (Mr. Strachan) talks of people refusing to pay their bills, many of my constituents are in the same problem. They have no choice but to pay these bills. The bills are hopelessly out of line. So I would think, Mr. Speaker, that this petition which my friend from Burin - Placentia West (Mr. Canning) has brought in, this petition organized by Mrs. Fagan on the CHCM open line show has led to one of the better discussions in this House. We spent an hour or more on it, and I think every minute of it was well-spent. And I would hope that other members would take part in it, Sir. It is a subject of great importance to the people of this Province. It is one, Sir, that the government must come to grips with, and I have outlined

Mr. Roberts.

what in my view are the steps they must take. I repeat, Sir, I think it would be money well-spent. I think it would be of service to the public interest, and I think it would be of a great service, because the matter is one of great importance. I support the petition, Sir.

MR. SPEAKER: The hon. Minister of Consumer Affairs and Environment and then I recognize the hon. gentleman for St. John's East.

MR. MURPHY: Mr. Speaker, this has become - even if we do not call it - somewhat of a debate. I am just a little bit concerned with the introduction of politics into it. But as Minister of Consumer Affairs, and as a private resident of this Province, I say that 5,000 could be 500,000 protesting the increase of rates. I get many calls - I would say in the hundreds - with regard to energy rates, and there is no justification or any help to the people of this Province to say that anybody has visited Mainland Canada or the United States feel in many cases that we are perhaps all in the same box. One time we used to talk about our light bill, but that is gone out the window now, and we are not worrying about our light bill any more as far as electricity is concerned. Everybody went and fell for the big bait that was thrown out some few years back where we had the juice running out of our ears basically. When the great Churchill was on the go, the electricity was going to run out of our ears, out of our noses, out of our eyes. At that time I nearly fell for it. I live in an older house, and I was advised that the cost of heating that house by electricity would be beyond my means even at that time, eight or ten years ago.

MR. MURPHY: We all fell into the trap of getting the electricity and no one, I think, cuts a load of wood any more. I was speaking to my hon. friend from St. Georges (Mrs. MacIsaac) the other day and asked her what is the prospect down in St. Georges any more? What about coal? The States are rapidly trying to get back to coal. Electricity is expensive. The people in the larger areas I understand like Corner Brook, St. John's, so forth are paying perhaps nearly half more than they should pay because of the plan that the member for Twillingate (Mr. Smallwood) mentioned where there are established normal rates.

But I have had many calls with reference to the cost of electricity and the cost of heating homes and we have just got to face facts, that we either pay the light bill or we put another two per cent or something on the sales tax to pay for it. So whichever pocket it comes out of it has got to be paid for.

We have heard Hydro abused and all the rest. Possibly they are living a bit high off the hog but again as one of the gentleman pointed out, their salaries would not by any means contribute enough to subsidize all our light bills or power bills as we would like them to.

So all I can say is as far as I am concerned, we have the Public Utilities Board and if some group goes to them and looks for an increase in prices, well that group has to prove that they need this. I am told that our Chairman of the Public Utilities Board is one of the most competent individuals, they have the staff to look at the balance sheet. And I have received many calls I think the hon. member for Burin - Placentia West (Mr. Canning) said about the ordinary individual cannot cope and I appreciate that fact but in this Province today where we are about seventy per cent unionized, and pretty well every union has a lawyer is it not possible, and I have told all the people in labour who asked me, is it not possible to get their lawyers to get together and prepare a case instead of the small groups

MR. MURPHY: getting together to prepare a case? Instead of a small group of individuals going out and hiring a lawyer who happens to have to pay perhaps \$30,000 or \$40,000 for that effort, make it an ongoing part of the lawyer's work to present their case.

But again I can only say, Sir, that we sympathize greatly with these people and all I can say again is all Consumer Affairs Departments say, turn your thermostat down a few more degrees and do away with the three way lights to 100 or 200 or 300 and get back to perhaps - live according to what we can afford to pay for, not what we would like to have.

I support the petition incidentally, Sir.

MR. SPEAKER: The hon. member for St. John's East.

MR. MARSHALL: Mr. Speaker, I want to have a few words on the petition in support of it. But before supporting it I would like to note that I do not think it fair or accurate, and most of the members of this House have not done so, to indicate to people who are using electricity that you may not have to pay for it and to bring in - or to make statements, let us put it this way, that the rates are too high and they should not have to be paid by the individuals concerned. Because if they are not paid by the individuals concerned, this has already been pointed out, they are going to have to be paid by the taxpayers. So they are going to either have to be paid directly or indirectly.

Now everyone can sympathize with what is in this petition. I think what is at issue really is not so much whether electrical costs should be paid for or how they should be paid for, that is probably another issue, but the main issue here is really are electrical costs in this Province being provided in the most economical manner possible? I think that is really the question which brings in Newfoundland Hydro and I will agree with the position as we have agreed before, that Newfoundland Hydro should be brought before the Public Utilities Board. But I

MR. MARSHALL: go a little bit further than that, I feel I want to speak on this petition to once again advocate the position I brought up and other people have brought up before about Crown corporations, an intensive investigation by the Public Utilities Board is very beneficial and should take place and the consumers -

MR. SMALLWOOD: I say more of them.

MR. MARSHALL: - of them - by the Public Utilities Board of Newfoundland and Labrador Hydro Corporation should take place with respect to the rate structure and what have you.

But there should also be a media in this House, Mr. Speaker, as I mention again and it will probably have just as hollow a ring as before, like the ring in a hollow oil barrel, that the Newfoundland Hydro's accounts should be brought before this House or a committee of this House in addition to the Public Utilities Board in the same way as all other Crown corporations for as intensive and detailed an examination as this House or any committee of this House is capable of giving it.

AN HON. MEMBER: - by the Public Accounts.

MR. MARSHALL: No the Public Accounts Committee you see comes into effect - well the Public Accounts what it does is it examines the accounts of the Province after the fact. It comes into effect, I suppose, indirectly through the estimates but we do not really get an opportunity by the way the - we never have

MR. MARSHALL: to really have a detailed investigation. What I am talking about is that there should be a committee of this House where the president and various officers of Newfoundland Hydro as well as other Crown corporations are called before that committee before they are given approval to expend the monies which they wish to expend for the purpose of having them examined as to the appropriateness, the reasonableness and the economies of the measures that they propose to take in the ensuing year. To examine it after the Public Accounts Committee, by the Public Accounts Committee might be valuable but it is like trying to shut the barn door after the horse has been let loose because you have no real control on the expenditures that have occurred before.

So I think that those are two arms that should be taken. I agree with all speakers who have stated that the public has to pay for it anyway whether directly or indirectly and the major issue confronting us on electrical charges is for the people of this Province to be convinced that the charges are as economical as they possibly can be even though they might be high and they may be burdensome. The only way that this can be determined is by certainly submitting them to the Public Utilities Board. That would be very valuable, indeed it would be invaluable but it certainly should go one step further. The Newfoundland Light and Power Company, to which the member for Conception Bay South referred has to, in addition to the Public Utilities Board, has to report to its Board of Directors, its shareholders and Board of Directors and here in this Province, of course, the shareholders of Newfoundland and Labrador Hydro Corporation are the people of Newfoundland and the people of Newfoundland should receive a report through a committee of the House because this is the only way it can operate.

So those I think are two positive steps. I do not know what we are going to do with Crown corporations, Hydro or any other of the Crown corporations. They seem to be running away and

MR. MARSHALL: running wild whether they are wasting money, they certainly appear to be spending a lot of money, whether they waste it or not nobody really knows but we will never know until these accounts are brought before the House or a committee of it.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to present a petition on behalf of 489 constituents in the district of LaPoile. The petition circulated by the same hon. lady, the hostess of the hot line programme in CHCM in Marystown.

Mr. Speaker, I will be listening with intense interest to what hon. gentlemen have to say in support of this petition. And I know, Mr. Speaker, that I cannot enter into the realm of debate but I want to say this, Sir, that it is a fallacy, it is a myth, we are fooling ourselves, we are being naive if we think for one moment that placing the Newfoundland Hydro under the Public Utilities Board or under some other regulatory body is going to stop or bar the increases in electricity in this Province. It is not. We are just grasping for a straw, Sir. Mr. Speaker, let us look at regulatory bodies, the Public Utilities Commission with all due to the gentlemen who are on the Board, hon. gentlemen, the Public Utilities Commission, any other regulatory body is decided by a Minute-in-Council, by the Lieutenant-Governor-in-Council, then they bring legislation into this House and then the Lieutenant-Governor-in-Council makes the appointments to these boards. Immediately, Mr. Speaker, the dice are loaded. The cards are stacked against the consumer. These people will follow whatever instructions are issued by the Lieutenant-Governor-in-Council, and let us not fool ourselves, Sir, that these increases that we are now talking about, that we are fighting the instructions, the decision has been made on the Eighth Floor of this building.

Mr. Speaker, what is happening here is that the Newfoundland Hydro have been ordered to go from a deficit position to a profit position in a very short time, and that is why they are

MR. Neary:

asking for over a 40 per cent increase in electricity rates. That is the political decision, Sir. You do not expect one regulatory body to regulate another government regulatory body, Mr. Speaker, we are just being naive and stupid if we expect that. It is not going to happen. We are grasping for straws. And that can only be the reaction of a hard pressed government, to get the government off the hook. That is the only reason why these bodies are established, Mr. Speaker.

Now, Mr. Speaker, let us be realistic about it. What we have to do is this, if we are going to be positive, my hon. friend from Twillingate (Mr. Smallwood) touched on it when he said "Let us be

MR. NEARY:

honest about it, we have to do one of two or three things in this Province. We have, first of all, Sir, to recover enough money from the sale of the power of the Upper Churchill to subsidize electricity in this Province, or, alternatively, we have to develop the Lower Churchill, not to bring it to the Island because that would be impractical. There is no way that you can sell the power from the Lower Churchill on the Island of Newfoundland by a transmission line, by building a tunnel to sell it less than twenty-two or twenty-three or twenty-four mils, no way. So that is not going to reduce the cost of electricity on the Island. So what we have to do is to bargain our position of the Lower Churchill, to sell it, to export it, and the revenue that comes into the public Treasury, use that to subsidize electricity to lower the price of electricity to the consumers on the Island of Newfoundland. Otherwise, Mr. Speaker, the only other alternative is to develop the hydro potential that we have in the small rivers and streams on the Island part of this Province. And if we cannot do that, Sir, then we are slaves to the Arabs. It is the Arabs, Sir, it is the foreign countries, the oil producing countries - the decisions are being made outside of this Province to increase electricity rates in this Province.

MR. SMALLWOOD: The same thing applies to Canada and the United States.

MR. NEARY: Well, more so to Newfoundland, more so to Newfoundland.

Maybe to Canada and the United States but more so to this Province. And this is what we are dealing with now, the price of electricity -

MR. SMALLWOOD: We feel it more.

MR. NEARY: We feel it more. And we are being forced to be slaves to the Arabs, Sir. They are calling the shot because we are expanding the thermal generating plant over here at Holyrood and we are getting into gasoline operated turbines which are very, very expensive operations. So, Mr. Speaker, we are talking about a situation over which we have no control unless, Sir, we are prepared to accept the challenge. Either use

MR. NEARY:

wind, solar power, tide movements or to look into the possibility of developing the hydro potential of the small rivers and streams on this Island. And nobody can tell me, Sir, that we do not have a very great potential on this Island. And until we are prepared, Mr. Speaker, to come to grips with this problem we can grasp for all the straws we like and we can talk about regulatory bodies which is utter nonsense because they are bodies that are established by the government. The dice are loaded, not going to help the consumer. They are not going to look into the extravagance and waste, into the various Crown corporations like Newfoundland Hydro and so forth. We are only wasting our time, Sir, unless we are prepared to face up to the problem and come to grips with the problem and try to develop the hydro potential on this Island, otherwise, develop the hydro potential of Labrador, export the power, use the revenue that comes into the public Treasury to subsidize the cost of electricity on the Island part of this Province.

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

MR. FLIGHT: Mr. Speaker, I rise to support the petition so ably presented by the hon. member from LaPoile (Mr. Neary) and the hon. member from Burin-Placentia West (Mr. Canning). Mr. Speaker, some of the things I have heard in the course of debate this afternoon is absolutely appalling. When I hear a minister of the Crown standing up and suggesting that somebody, the groups, various groups should get together to make a case against Newfoundland Hydro. Now what a red herring, Mr. Speaker. Newfoundland Hydro is an arm of the provincial government. It is a Crown corporation. And if there is a case to be made, why should Cabinet recommend that somebody else make it. If any member of Cabinet or any member of this government feels that there is a case to be made against Hydro, then how they would have the face to suggest that somebody else make it is beyond me. If there is a case and there is a case and the ministers have accepted, an hon. minister spoke, stood up and said that he would recommend that a

MR. FLIGHT:

case be made against Hydro, well, who is better equipped and whose responsibility is it to make the case against Newfoundland Hydro more than not Cabinet itself. And, Mr. Speaker, the Newfoundland people have been hoodwinked, sucked in to using electric heat in their homes. Regardless of whose administration or regardless of

MR. FLIGHT: when it happened it happened. And people on fixed incomes decided that electric heat would be the cheapest. We were going to get cheap -

MR. MURPHY: Mr. Speaker, if I could - would you pardon me please? I just want to come to a point of order. Because I said nothing about going against Hydro. Hydro had never been before the Public Utilities Commission. I referred to Light and Power and the others. I did not talk about Hydro at all. So the gentleman I think is mistaken.

MR. FLIGHT: Be that as it may, Mr. Speaker, the fact is that the Cabinet has got to accept the responsibility for the actions of Newfoundland Hydro. The Cabinet has got to accept the responsibility that the people of Newfoundland were deceived into believing that electricity would be abundant and cheap and the same people built homes and used electricity for heating purposes. And now once the government and once Hydro had them in their clutches we see a steady escalation of the cost of electricity.

It is not a case, Mr. Speaker, of whether the people of Newfoundland will or will not pay their electrical bill, it is a case as to whether they can or cannot pay it and any gentleman, any family living in this Province today who has got a fixed income of \$300, \$400, \$500 cannot pay \$250 for a light bill. It is as simple as that. It is not a case of whether they will or whether they will not. And another thing that is happening here, Mr. Speaker, is Hydro in lots of cases are getting blamed for things that the Cabinet and the government is responsible for.

I represent two towns, Mr. Speaker, that has got the hydro lines passing right through one of the towns but those two towns are forced to stay on diesel because the Cabinet refused to make the funds available in the Rural Electrification Vote that would take them off hydro.

MR. SMALLWOOD: What are the two?

MR. FLIGHT: Millertown and Buchans Junction.

Now, Mr. Speaker, the average bills in those communities during last Winter was anywhere from \$200 to \$250 to \$300 for diesel power. The cost of the line would have been \$500,000, Mr. Speaker, and Cabinet decided to withhold those funds. So in this case Hydro is not to blame. The Cabinet is to blame. Cabinet is perpetrating on those people a situation where they will pay \$200 a month for electricity.

MR. PECKFORD: They have not got the money to do all the hydro lines in the Province because they need dollars now to do it. - capital costs now you will find operating later.

MR. FLIGHT: Well, Mr. Speaker -

MR. PECKFORD: It is not as simple a matter as that. Where are you going to get the money?

MR. FLIGHT: Mr. Speaker, you have not got the money to do all the hydro projects in the Province that may be, but as the hon. member for LaPoile (Mr. Neary) said, why does not Cabinet accept the responsibility and rein in Hydro and look at the millions of dollars that that Crown corporation is spending that is not necessary. I have made a point - \$500,000 would electrify two communities. Getting back to the jet and I do not want to be petty, what would it have cost the jet to operate if we had ground it?

MR. PECKFORD: That has no relevance. That is out of CFLCo. and - and not out of Newfoundland Hydro as it is reflected in the rate. That is completely irrelevant.

MR. FLIGHT: It is relevant, Mr. Speaker, as far as the people who are paying the bills are concerned.

So, Mr. Speaker, I believe that the Cabinet has got a responsibility to the people of this Province.

MR. PECKFORD: Sure they have. Nobody is arguing that.

MR. FLIGHT: And I do not believe that they should be shuffling that responsibility off on the Public Utilities Board.

MR. PECKFORD: Oh, yes on the Board. Somebody has got to take

MR. PECKFORD: a look at the that, Cabinet cannot, they are not qualified.

MR. FLIGHT: The Public Utilities Board was appointed by and answers to the government.

MR. NEARY: That is right.

MR. FLIGHT: And it is a political decision all the way down the line.

MR. NEARY: That is right.

MR. BLIGHT: And the Cabinet should take responsibility for what happens in this Province with regard to Newfoundland Hydro.

MR. NEARY: That is right.

MR. FLIGHT: And until they start taking that responsibility we will not see any change in Hydro's actions. The people of this Province believe that Hydro is a fat cat spending money all over the Province, there are fleets of all-terrain vehicles, you cannot drive in Central Newfoundland without meeting half a dozen Newfoundland Hydro vehicles.

MR. NEARY: That is right.

MR. FLIGHT: You just cannot do it. And that gives the impression to the people of this Province that Hydro is making a profit -

MR. PECKFORD: They are not.

MR. FLIGHT: And then the question is whether they are spending it wisely. Mr. Speaker, it is time for us to stop playing around with this and have the Cabinet take the responsibility that they owe to the people of this Province. They have not done it yet.

MR. CALLAN: Eighty thousand dollar a year salaries.

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

MR. STRACHAN: Mr. Speaker, in supporting the member for LaPoile's petition there are a couple of points I want to raise that he had mentioned in the - I do not know if they are in part of the prayer of the petition but they are points that we should look at because we are concerned not only now with the production of electricity but down the road with the production of electricity. And the

Mr. Strachan.

member for LaPoile (Mr Neary) raised the problem of trying to get small river production in this Province. There are a great deal of small rivers.

MR. NEARY: How about Lloyds River?

MR. STRACHAN: And we raised the question -

MR. NEARY: That is right.

MR. STRACHAN: One second.

- we raised the question here then that there is a method of small river low head production using a straflo turbines which we brought up before.

MR. NEARY: Hear, hear!

MR. STRACHAN: The straflo turbines give a reduction in capital cost of between 15 per cent and 30 per cent, and they have a far greater efficiency than the Kaplan or Francis turbines which require the threefold change in direction with frictional losses. So there should be consideration then and discussion done for the future in the development of straflo turbines to produce electricity in the areas where it can be provided to communities and therefore lower the production costs.

Another point that I would like to raise here in trying to lower - it should be looked at possibly - in trying to lower -

MR. SMALLWOOD: Would the hon. member please allow me? Does the hon. member know? Is he aware of whether or not the Hydro Commission have looked at that?

MR. STRACHAN: Well, I think I will probably leave it to the minister to respond to that. My feeling is that they probably looked at it, but there was at one time a great deal of problems with the straflo turbine, because it requires a rim, the generating - what is it you call it? - it is on the rim, and there is a difficulty with the operation of that rim. And this was the real problem at one time. There is not a shaft in the centre of it. It is generated in the rim. And I think there were problems. But apparently these have been overcome. There are successful installations in Austria and Germany.

MR. NEARY: What about that company in Switzerland?

MR. STRACHAN: Escherwys Company of Zurich, Switzerland.

MR. NEARY: That is right.

MR. STRACHAN: - are producing these straflo turbines.

So possibly this could be looked into.

The second point I would like to raise is the fact that in this time when we are asking for energy conservation in this Province -

MR. PECKFORD: The first member who mentioned it out of all the people who have spoken so far.

MR. NEARY: No, Sir, I mentioned it weeks ago.

MR. STRACHAN: In energy conservation I agree with the programme, but I also want to talk about another aspect of energy conservation, and that is the fact that in 1974 alone, one hundred and fifty billion cubic feet of water was over-spilled in Churchill Falls. In 1975 it was one hundred and eighty-six billion cubic feet of water which was over-spilled in Churchill Falls which if generating capacity had been there could have produce about 3.9 billion kilowatts of power. An this represents something like 6.5 million barrels of oil that we could have saved in the generation of electricity. So there should be a look at this. The over-spill in fact from Churchill Falls could have produced roughly 70 per cent of the power required by Nova Scotia, and there should be a look at that kind of over-spill and all the situations in order to produce electricity more cheaply.

AN HON.MEMBER: Which Churchill?

MR. STRACHAN: That is the Upper Churchill.

And then the energy conservation -

MR. PECKFORD: (Inaudible).

MR. STRACHAN: My figures by the way are from the President of Newfoundland and Labrador Hydro, Dennis Groom who produced these figures.-

MR. PECKFORD: I am not talking about the figures.

MR. STRACHAN: - and I quoted these.

MR. PECKFORD: I am talking about development and transmission of electric generated at the Upper Churchill site.

MR. STRACHAN: I am only stating the point as he presented it. He presented it as a point of energy conservation, and I am stating this as a point of energy conservation. And, of course, the programme which the minister has now got into of developing an energy conservation programme which is understood in this Province. And I think that if we could put some of these things and start looking down the line, maybe then we can start producing cheaper electricity in future for our smaller areas and rural areas which are really being hit, not so much the larger areas, but I think the rural areas are really being hit badly by the rising costs of electricity.

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

MR. PECKFORD: Mr. Speaker, first of all let me say that it has been a very interesting discussion and debate on the petitions that have been presented by different hon. members. I am especially impressed with the remarks of the hon. member for Eagle River (Mr. Strachan), the hon. Leader of the Opposition and the hon. member for Twillingate (Mr. Smallwood) who I thought took a very extremely responsible position relative to the prayer of the petitions presented. I, too, Mr. Speaker, support the prayer of the petitions that have been presented. I again as an individual, as a Minister of the Crown, as a member for a district, oppose increases to electrical rates in this Province in principle.

AN HON. MEMBER: What about the tax increases?

MR. PECKFORD: I oppose the tax increases that we have announced. I oppose a whole lot of things in principle, but I also recognize the realities of the situation. Now look, Mr. Speaker, let us get one thing straight. What the hon. member for Windsor - Buchans (Mr. Flight) had to say in my opinion - and with all due respect to the hon. member - was elementary, stupid and foolish for the most part, very, very foolish.

MR. FLIGHT: Was he?

MR. PECKFORD: It showed the lack of knowledge on the part of the hon. member. Crazy! Crazy!

MR. FLIGHT: It would be in your case.

MR. PECKFORD: It would be in your case. Let us just recognize that in the budget this year that this government today - in the next couple of weeks will be asking the hon. House to approve \$19.4 million for subsidizing Newfoundland Hydro, \$19.4 million, tax money to subsidize Newfoundland Hydro.

MR. NEARY: More or less.

MR. PECKFORD: Mr. Speaker, I have only got about four minutes left. all the hon gentlemen on the other side had a chance to speak I will not continue my speech if I cannot have protection from the Chair so that I can speak in silence. Speak without nobody else saying anything.

MR. SMALLWOOD: We need to keep silent.

MR. NEARY: The hon. gentleman made -

MR. PECKFORD: I know I corrected it.

MR. NEARY: I move to repeat the question, Mr. Speaker.

MR. SPEAKER: I cannot accept the motion because the previous question has to be moved to a motion and strictly speaking during petitions there is no motion before the Chair.

MR. LUNDRIGAN: Better to give protection, Mr. Speaker.

MR. SPEAKER: I am not aware of any point of order before the Chair so I am not permitted to go into a gratuitous discourse.

MR. PECKFORD: Mr. Speaker, the important question here as has been addressed by a number of hon members is that we insure that any increase in electrical lights in this Province is the minimum that is necessary to cover costs by the various utilities. That the people of this Province have to be convinced that whatever the increase is it is only the increase necessary to continue the ongoing business of generating and distributing electrical power in the Province. They have to be convinced of that.

MR. NEARY: But they are not convinced.

MR. PECKFORD: One way in which this can be done is to put the crown corporation Newfoundland Hydro under a public board, like Utilities Board.

MR. NEARY: Do not be so foolish 'bov'

MR. PECKFORD: And to insure that their accounts, their budget is absolutely and totally scrutinized every way, shape or form by that board.

AN HON. MEMBER: No way.

MR. PECKFORD: And I concur with the Leader of the Opposition that there must be some kind of adversary system to insure that this is done. You just do not trust to the board, even though they are very confident, you just do not trust to these people that they will not be swayed by the expertises that will come from the large corporation. That there is a very real responsibility upon Cabinet and government, this House to insure that this kind of adversary system is placed so that when an increase is approved by the board it can be recognized by all and sundry in the Province to be a reasonable and just increase given the evidence put forward by both parties, by both sides of the argument. That is what we intend to do, that is what we intend to do and we will see that through. Absolutely no question about it that that adversary system has to be in place. Now all the other red herrings that have been brought into the debate are hardly worthy to comment on, really. That is the key question in the whole thing.

SOME HON. MEMBERS: Hear, hear!

MR. PECKFORD: Mr. Speaker, let us remember, let us remember that the price of oil in Eastern Canada today is being subsidized.

MR. FLIGHT: How about the Golden Eagle situation?

MR. PECKFORD: At the price -

MR. SPEAKER: Order please! The hon. gentleman did inform members that he wished his right to be strictly observed so I must direct the hon. gentleman to be silent.

MR. PECKFORD: The price of oil has to be imported to Eastern Canada from Venezuela is being subsidized. The international price of oil today is around \$14 per barrel, that is the international price. It is being subsidized down to \$9.25 by the taxpayers of Canada right now. that is the price of oil, \$9.25 -

MR. SMALLWOOD: As against \$14.

MR. PECKFORD: As against \$14 - \$14.10 to be exact, \$14.10, that is being subsidized under the compensation programme announced by Ottawa which they are trying to get out off now because it is costing them too much. Some months they will make it from their ten cents excise and other months they will not and they are getting into trouble on it. So let us remember that when we talk about higher costs due to more oil fired generation let us put it into perspective that we are somewhat lucky in Eastern Canada and in Canada in general because we are living in a system whereby governments have recognized -

Mr. Peckford:

the Federal Government has recognized with the provinces that some kind of compensation programme to press the international price downwards to make it easier on the consumer who has to buy electricity generated by oil and that that kind of - and that is going to go up next week.

MR. NEARY: The tariffs...

MR. PECKFORD: A decision will be made next week for the 1st. July. Let us not forget either, Mr. Speaker, that every small hydro site in this Island has been examined in the last two or three years by Newfoundland Hydro, every single one. That is number one point. Number two point -

MR. NEARY: No way. That is not true.

MR. PECKFORD: Number two point -

MR. NEARY: What about the Straflo system?

MR. PECKFORD: The system mentioned by the hon. member for Eagle River (Mr. Strachan) has also been studied, we have had people go look at, not read it in books, but go look at it and to see how it operates. Number three, there is only one small hydro site in the Province that can ensure fairly relatively cheap power today, and that is Lloyds River.

SOME HON. MEMBERS: Oh, oh!

MR. PECKFORD: The rest of them Hynes Lake, Upper Salmon -

MR. SPEAKER: Order, please!

MR. PECKFORD: Up Terra Nova, Upper and Lower -

MR. SPEAKER: Order, please!

MR. PECKFORD: Cat Arm are all -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. PECKFORD: - expensive sites.

MR. LUNDRIGAN: And we have cancelled Lloyds River.

MR. SPEAKER: The hon. gentleman's time has expired. He can continue by leave.

SOME HON. MEMBERS: By leave.

MR. SPEAKER: The hon. gentleman has leave to continue.

SOME HON. MEMBERS: By leave! By leave!

MR. PECKFORD: I got to have by leave from everybody, I do not have it by the hon. member for Burgeo-Bay d'Espoir (Mr. Simmons).

MR. SPEAKER: Does the hon. gentleman have leave to continue?

MR. SIMMONS: Two minutes.

MR. PECKFORD: Two minutes is no good, I would just as soon sit down.

MR. NEARY: We gave the member for Placentia extra time.

MR. SPEAKER: The hon. minister.

MR. SIMMONS: Who did?

AN HON. MEMBER: We did so.

MR. SIMMONS: He was making sense about it.

MR. PECKFORD: There is no need - it is all right, Mr. Speaker, continue.

MR. SIMMONS: I rise to support the petition so ably presented by my colleague for Fortune-Hermitage (Mr. J. Winsor).

MR. LUNDRIGAN: Was he at it I wonder?

MR. SIMMONS: I attempted to comment on what just transpired. The last time I saw a fellow get so exercised he died just after of epilepsy.

Mr. Speaker, the member for St. John's East actually mentioned a point that bears re-enforcing. He and I are not always in agreement but on those happy occasions when he has the wisdom to say something as intelligent as he said today -

MR. LUNDRIGAN: (Inaudible).

MR. SIMMONS: Well the sometimes Cabinet Minister from Grand Falls -

MR. LUNDRIGAN: (Inaudible).

MR. SIMMONS: Mr. Speaker, I have tried some difficult stuff in my day but never anything as difficult as trying to educate that hon. member. That is beyond me completely. Even his Premier could not do anything for him there, Mr. Speaker. So I am not even going to try.

Mr. Simmons:

Mr. Speaker, the member for St. John's East (Mr. Marshall) mentioned the need for some kind of a committee, a Committee of the House. We have all mentioned possible solutions here today and perhaps what ought to be done when the afternoon is over, politics aside, and we have said some fairly partisan things, put that side, perhaps some ideas have come out of the afternoon discussion which can be followed up. And one of the ideas is the need for some kind of a committee, I do not advance this as the only solution or the solution, but it may well be a part of the solution. I understand that a number of the Provinces of Canada in addition to the Public Accounts Committee has a committee on Crown corporations, and indeed we are one of the few provinces now which does not have such a committee, a separate committee which performs somewhat of a Public Accounts function on Crown corporations. The extra ingredient that would be required - the extra ingredient that would be required is the licence or the freedom to investigate during the fact instead of only after the fact as it applies in the case of Public Accounts Committees - and I believe with the proliferation of Public or Crown corporations, Housing Corporations, Newfoundland and Labrador Development Corporation, Hydro, there must be, I do not know how many, but there must be fifteen or twenty or so Crown corporations.

MR. DOODY: At least.

MR. SIMMONS: At least those many, the Minister of Finance indicates. And there certainly is a need for some input from this particular level here, the elected level of public life, to have

MR. SIMMONS: some input into the decision making of those corporations. I do not suggest that that committee ought to be a board of directors but they ought to be a sounding board at the very least and a control function at most. They ought to exercise some control over these corporations.

The case before us is a good one, the need for somebody to hold some rein on this empire building Hydro. I have never seen anything, Mr. Speaker, in this Province and I suppose there is hardly anything in Canada where a corporation, financed by the public funds completely, has skyrocketed into a literal empire so fast to the direct financial advantage of a few and to the direct financial misery of almost every taxpayer in this Province. It is an incredible situation, incredible beyond words. And it is almost an indictment of us as a people that we would allow it to go on and to extend itself and to grow like a monster as I described it recently in this House, as a Frankenstein's monster, and it is almost to that point where it has gotten sadly out of control. We the taxpayers hardly know what is going on, Mr. Speaker.

I believe that we ought to give some attention to the matter of a committee of this House which would perform the function I have mentioned over Newfoundland and Labrador Hydro and also in relation to others of the fifteen or twenty or twenty-five Crown corporations which we have in this Province. I believe that kind of a committee is long overdue. The BC Legislature has just introduced legislation to make exactly this kind of a committee a part of its structure. The Saskatchewan Legislature already has that kind of committee. I am not aware of which other provinces do though I am told that others do. But these are two present examples where Saskatchewan has one and BC has just seen the wisdom and has introduced

MR. SIMMONS: legislation the past four or five weeks to bring in such a committee as part of its legislative structure.

I would strongly recommend that we in this House be looking at that kind of committee as well. I believe it would serve us very well but it might hold in rein some how, if it is possible to hold in rein at all, this monster, this Newfoundland and Labrador Hydro. It might serve to hold it in rein before it is too late.

MR. NEARY: Hear! Hear!

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MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: This is a motion, Mr. Speaker.

MR. SPEAKER: Does the hon. minister have leave to revert to a notice of motion. Agreed.

NOTICES OF MOTION:

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Mr. Speaker, I give notice that I will on tomorrow ask leave of the House to introduce a bill, "An Act To Amend The Newfoundland and Labrador Hydro Loan and Guarantee Limitation Act, 1975." (Bill No. 54)

ORAL QUESTIONS:

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to put a question to the hon. Minister of Industrial and Rural Development, Sir. I would like to ask the minister if there is any foundation to the fact that a sawmill in around near Gander had its equipment seized by the minister's department thus forcing the lumber company, the sawmill, out of business?

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

MR. LUNDRIGAN: Mr. Speaker, the answer is a categorical no. The company the hon. member is referring to I believe is Gander Lumber Company -

MR. NEARY: That is right.

MR. LUNDRIGAN: - that have had an input of some \$340,000 from various government sources and that have been unsuccessful unfortunatly. I believe the member is indicating there was a Rural Development loan to a subsidiary called Lakeside Lumber and that they did have equipment which was not able to be handled by the company and that equipment has been - what is the word, what word did he use, seized?

MR. NEARY: That is right.

MR. LUNDRIGAN: That equipment has been repossessed, I believe is the word, like maybe I will give the statistics and there is time maybe 100 companies that have had Rural Development loans for the past five years, four-and-a-half years. The answer is no. The company has had severe financial problems. About eighteen months ago, as a matter of fact the first responsibility I assumed was to put the - I am quoting off the top of my head, I am not anticipating the question - \$135,000, I believe, as a loan guarantee. behind that particular company, the company that employed a number of people in the Fogo district and in the Gander district as well, and particularly the Gander Bay area where there is a lot of high unemployment

Mr. Lundrigan.

as well, and it is with a lot of regret as a matter of fact, Mr. Speaker, because of the fact of it, number one. The second thing is that personalities can enter into it. The individual, the prime owner, the manager is a person I have known for quite a number of years. And every effort was made, considerable effort to support that particular company even to the point where I personally a year and-one-half ago almost went against recommendations of officials in the department to put a final - what we thought was a final level of support behind that particular company.

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

MR. SPEAKER: A Supplementary.

MR. NEARY: Do I understand from the hon. minister, Mr. Speaker, that if the minister and his department had not put the blocks to the Gander Bay Lumber Company -

MR. LUNDRIGAN: We did.

MR. NEARY: - which the hon. minister did, but if the minister had not done that, that the company would not have survived anyway? Is that what the minister is telling the House?

MR. LUNDRIGAN: No, Mr. Speaker, it is absolutely untrue, and incorrect. The government have not done anything to exacerbate the conditions of that particular company. As a matter of fact the loans have not been called. The banks, of course, were the people who were the most concerned, because they were exposed as well. And the government did nothing, absolutely nothing but to try and alleviate the problems right to the point where it was required for the company to survive. It would have been necessary for the government to bring in guarantees, substantial guarantees behind that company. And, of course, the conclusions were arrived at that even with substantial guarantees behind the company, it was impossible for the company to survive because it could not have tolerated that kind of a debt load. It would not tolerate the debt load that was in existence.

Mr. Lundrigan.

And I would go further and say, Mr. Speaker, that in response to a question that should be raised every day -I am disappointed that we do not get more questions on the forestry industry - that a lot of our larger mills have had trouble, and will continue to have trouble. The half dozen large mills that are in the Province have had very great difficulty in surviving, and I will get an opportunity, I hope, during the estimates to give some of the reasons for it.

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

MR. SPEAKER: A supplementary.

MR. NEARY: A final supplementary, Mr. Speaker. I would like to ask the minister, Sir, What happens in the case of equipment that is repossessed such as the equipment that was repossessed from the Gander Bay Lumber Company, and equipment from other companies? I notice that there are a lot of ads in the newspapers listed under the purchasing agency, the purchasing department of the provincial government. Why are tenders, why is public notice given under the purchasing department? Why is it not given under the minister's department? Is this a camouflage or a cover up? What is the reason for following this procedure?

MR. SPEAKER: The hon. minister.

MR. LUNDRIGAN: Mr. Speaker, that is one of the reforms of this government that the minister does not have authority to take a bit of equipment and throw it around to friends and relatives and others. It has to be done properly through the agency which the hon. member has described publicly tendered, so that every individual has the right to tender. And to this date, eighteen months having been in the department, I have not interfered with or made any kinds of a decision involving the disposition of any equipment. Further the member should be aware - and I am no lawyer, but my friend the Minister of Justice might be able to reaffirm what I am saying - that when any equipment is repossessed or taken back from a company, it is a legal responsibility to regain

Mr. Lundrigan.

from whatever sale or disposition of it is the major amount of funds which can only be done legally by public tender so that the debt which still might remain an outstanding debt of the individual can be reduced properly.

MR. SPEAKER: I recognize the hon. member for Burgeo - Bay d'Espoir for a supplementary and then the hon. member for Terra Nova.

MR. SIMMONS: Mr. Speaker, the minister mentioned that the government had done nothing to exacerbate - I think that was the word he used - it may be true. I think the minister has or perhaps otherwise he can explain why he wrote a rather vindictive letter to the principal of that company in the last two or three weeks, a very vindictive letter - he gave it very wide circulation -

MR. SPEAKER: Order, please!

I think I should call to the hon. gentleman's attention that in the process of questioning should be avoided argument, expressions of opinion or inferences and only information which is necessary for the question to be properly understood.

MR. SIMMONS: Thank you, Mr. Speaker. I shall abide

MR. SIMMONS: by your ruling. I want to ask the Minister did he in fact write the principal of the company we have been asking questions about in Gander, the Gander Lumber Company, a fairly lengthy letter outlining governments position and which letter he gave fairly wide circulation to, indeed he copied a number of other people.

MR. SPEAKER: The hon. minister.

MR. LUNDRIGAN: Mr. Speaker, about approximately a month ago the principal of the company wrote a five page letter, I believe it was to me outlining his concerns. It was widely circulated to quite a number of individuals and I responded to the gentleman pointing out point for point what government have done in order to assist them over the past number of years - professionally presented to him, I copied the same individuals and I could go on and give more detail on that but the reason I have not been more provocative is that it serves no purpose for me to defend government in any loud and aggressive manner if it is not going to be of any assistance to the individual. And I personally feel that it is maybe my responsibility to take a few of these bumps and knocks because I certainly would not want to get into a public pick fight. And if the hon. member had a bit more manners in asking his question I would give him a little bit more answer.

MR. SIMMONS: Mr. Speaker, Mr. Speaker. A supplementary.

MR. SPEAKER: A final supplementary in this line of questioning.

MR. SIMMONS: Mr. Speaker, I hope the minister can be governed by the same rules when he answers the questions too. I can talk about his manners if - I will not.

MR. LUNDRIGAN: They have gotten worse since I met you.

MR. SIMMONS: Do not be so childish, 'John,' for goodness sake.

MR. SPEAKER: Order please! The hon. gentlemen to my right and to my left, I must remind them both that the question is for

MR. SPEAKER: listing information the answer for giving it and if hon. members wish to debate then obviously there are the opportunities for it but it is not at the present time.

MR. SIMMONS: I am sorry, Mr. Speaker, I should not enter into it, I know he is sore after getting rapped on the knuckles about what he said in Grand Falls - but that is another issue. I want to ask a supplementary to the minister about - is he satisfied that the letter which he has acknowledged having written to the gentleman, is he satisfied that the letter did nothing by way of its contents towards - substance or inference did nothing to damage that gentleman's financial and business reputation?

MR. SPEAKER: The hon. minister.

MR. LUNDRIGAN: Mr. Speaker, if the hon. member has such an incapacity to be positive and to present a positive case then I do not feel obliged to answer that super-silly question which has so much negativity that it obviously answered itself.

MR. SPEAKER: Order please! Hon. member for Terra Nova.

MR. LUSH: Mr. Speaker a question to the -

MR. SIMMONS: A point of order, Mr. Speaker.

MR. SPEAKER: A point of order.

MR. SIMMONS: I believe, Mr. Speaker, that we on this side deserve the same excellent protection which the minister gets when we make inferences, inferences we should not be making, I agree, under the rules of the House. The minister twice now, Mr. Speaker, in answering or attempting or refusing to answer my questions, has made very loaded inferences which in his opinion maybe true, but that is beside the point. I have an opinion on those matters too. But if he is going to be given the opportunity to say these things then I ought to have at least the opportunity to respond in kind, if I would stoop that low, which I assure you, Mr. Speaker, I would not. But my point of order, Mr. Speaker, is that the minister is using

MR. SIMMONS: the answers, or his opportunity of answering during Question Period to get off some very low vendictive bile and I do not believe it is the place to do it and I believe he ought to be brought to order.

MR. SPEAKER: The hon minister.

MR. PECKFORD: Mr. Speaker, that is the most foolish, silly point of order ever I have heard. If the hon. member for Burgeo- Bay D'Espoir really has a point of order he should, of course, get up in his place and quote a number of Standing Orders or other authorities to illustrate how the hon. member from Grand Falls is out of order - which he has not done. By the same way in which he is trying to make a point of order about the hon. member Grand Falls using his answers as an attempt to get back, I would suggest that the hon member for Burgeo-Bay d'Espoir is abusing the rules of a point of order to try and do the same kind of thing so there is no point of order.

MR. SIMMONS: It was raised on a separate point of order.

MR SPEAKER: Is the hon. gentleman speaking on the point of order.

AN HON. MEMBER: No.

MR. SPEAKER: Then I have to dispose of that and I formerly recognized the hon. member for Terra Nova. The point of order raised by the hon. gentleman to my right was that the strictures with respect to answering questions are similar to those with respect to asking questions. Hon. gentlemen

MR. SPEAKER: will recall that just a few minutes ago I read from May, page 327, an excerpt which I will read in the entirety now.

"Argument and Expressions. - Questions which seek an expression of an opinion, or which contain arguments, expressions of opinion, inferences or imputations, unnecessary epithets, or rhetorical controversial, ironical or offensive expressions, are not in order."

I read one small bit of that in a point of order originating from the Chair toward the hon. gentleman to my right. A short while after that I intervened and pointed out that, and as I recall my language at that time, it was that the hon. gentlemen to my right and to my left must be aware of that the purpose of the Question Period is for asking information or for soliciting it and not for debate. So I think it has been ruled previously that in any unnecessary or offensive or irrelevant comment that both hon. gentlemen have infringed the rules of the House. I think that has been stated.

I had recognized the hon. member for Terra Nova before the point of order arose. He was about to pose a question.

MR. LUSH: Mr. Speaker, a question for the Minister of Education. I wonder if the minister is in a position to inform the House whether he has any knowledge about the intent or the desire of the Avalon Consolidated School Board here in St. John's to close out Blackall Elementary School?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, I have not heard it officially and I do not think there has been anything official said regarding the phaseout. I think what has been said that they are phasing out a kindergarten class this particular year because of the lack of population, in the zone that the school originally served and that there has been some reaction and some petitions about it and meetings about it.

MR. HOUSE: But with regard to the complete phasing out of the school I have not been made officially aware.

MR. SPEAKER: A supplementary.

MR. LUSH: Mr. Speaker, again I wonder if the minister has received any representation or representations from any group objecting to the closing of the school and what he has done about these representations?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, I have not received an official representation. I received a copy of a brief to the school board and I assume that was for my information and not for my action because actually the brief was presented to the school board for their action.

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

MR. FLIGHT: Mr. Speaker, a question for the Minister of Rural and Industrial Development and it is along the same line as the original question that was asked. Mr. Speaker, would the minister care to inform the House as to whether or not the action of his department, Industrial and Rural Development forced the bankruptcy and closure of the Botwood Lumber Company who at the time of closure was hiring between thirty-five and forty men.

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

MR. LUNDRIGAN: Mr. Speaker, the hon. member's comments are not correct. The Department of Industrial Development some two years ago or longer have put a guarantee in place for the company. I can get the absolute statistics for the hon. member. I cannot recall it right off the top of my head right at the moment but they are readily available.

I will present him with the information which I should have done maybe to the media in Grand Falls that had one side of the story and not the other. I do not believe there was one cent repaid by the company. It is my own opinion, and that is a sound opinion which I would say my colleagues would support clearly, that the company never had all of the kinds of the

MR. LUNDRIGAN: homework done. It was an effort by the government to try to get the company off the ground. They did not repay I do not believe, a cent of that total required repayment that was put in place as a result of a guarantee by the government and there was no opportunity as it was perceived as a result of months of follow-up by the department to ensure that repayment of the loan took place. There was no effort at all to make any kinds of settlement and it was perceived by the officials in the department that the future opportunities, to be able to rectify the indebtedness could not be justified.

So basically the member is saying that any action by the department put the company in bankruptcy, the answer is absolutely and categorically no. There was a loan put in place

Mr. Lundrigan:

and there was a total inability of the company to meet its responsibility.

MR. FLIGHT: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. FLIGHT: Is the minister endorsing the actions of the Department of Industrial Development when, in fact, the guaranteed loan - the buildings were padlocked eight months after the guaranteed loan had been made and the company had gotten into production?

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

MR. LUNDRIGAN: Mr. Speaker, all that is a bunch of nonsense the member is indicating. There is a long involved effort here to try and keep this company going. And the only thing I will say to the member had the member, from listening to what he said, had had the opportunity he possibly would not have done what was done because it would not have been politically palatable. It was not a very pleasant thing for us to do to call the loan or to force the -

MR. FLIGHT: That is right.

MR. LUNDRIGAN: - to make a decision which basically forced the issue with the company because of the fact that this company was a company that we had worked with for a couple of years.

MR. FLIGHT: It was only formed in 1975 'John'. The company was only formed in 1975.

MR. LUNDRIGAN: Mr. Speaker, had we supported the company and not done what we would have done, we would have been accused of being very political because the individual, the principal involved happens to be a former President of the P.C. Association -

MR. FLIGHT: That does not matter.

MR. LUNDRIGAN: He happens to be one of our great personal friends, and the member would have said had we not taken our action properly as we did in assuming our responsibility to the taxpayers that we are being political in the other directions.

MR. FLIGHT: You gave them -

MR. LUNDRIGAN: There are quite a number of companies -

SOME HON. MEMBERS: Oh, oh!

MR. LUNDRIGAN: - because I have had loans guaranteed and been put in place, and I think, the government, Mr. Speaker, -

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: How about the loans over three years and no payments?

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

The hon. gentleman may be recognized -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: - Order, please. - for a supplementary but he cannot interevene.

MR. LUNDRIGAN: Mr. Speaker, the government have, and I have as the minister, been absolutely insistent that companies that we in the future have dealings with, that every effort will have to be made to repay dollars that are put in place by the Government of this Province. And we have increased, for example, repayments in the Department of Rural Development, in the last eighteen months it has gone up from 38 per cent repayment to 44 per cent repayment, and this is an effort - we recognize that it is a waste of time for the government to throw loans at companies unless we are also willing to try to ensure that every effort is made to repay them. And if there is an inability of a company to meet its responsibilities, I think, the responsibility of any government and minister whether it is Lab Linerboard or Botwood Lumber Company to ensure that the public - the safety of the public dollar is protected and that we have to be realistic. To allow a company to go on and on and on or to put more dollars behind it in order to allow its survival is not being realistic, and that is the worst kind of economic management and the member should recognize that.

MR. SPEAKER: The hon. member for Eagle River followed by the hon. members for LaPoile, Conception Bay South and Terra Nova.

MR. STRACHAN: A question for the Minister of Mines and Energy. Could the minister tell us exactly when, and I mean 'exactly when' the new oil and gas regulations will be brought into force? And when they are brought into force exactly how the public are going to

MR. STRACHAN:

have input put into them? And how soon afterwards he expects them to made into law?

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

MR. PECKFORD: I think the hon. member's question - his first question was "When will the oil and gas regulations come into force? I do not think he meant that.

MR. STRACHAN: No come in?

MR. PECKFORD: He meant will they be published?

MR. STRACHAN: That is right.

MR PECKFORD: And then how long after they are published will they become law?

We hope to have them published in the next week or so, they are presently being given the final okay for release. How long afterwards? I do not know. We will publish a white paper accompanying the regulations, as an explanation, and other relevant information. How long afterwards? We will try to put a time limit on it, but that time limit is going to have to be flexible because it is dependent upon the kind of response that we get from organizations and from people around the Province. So I do not want to say it is two weeks or a month or six weeks at this point in time. I want to say that we are going to be flexible on our time limits as it relates to when we are going to make them law, conditional upon the kind of responses that we get from the people of the Province and the kind of time that they think they need in order to give a rational and mature response to them.

MR. STRACHAN: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. STRACHAN: Presupposing that Newfoundland and Labrador, this Province retains, and I use the word 'retains' very advisedly so, retains its ownership to the seabed, do these oil and gas regulations contain economic revenue-sharing and revenues from the development of any proposed oil and gas developments on the coast? Do you follow that?

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

Mr. Peckford.

I do not know if I do follow the point or not. If the hon. member is asking me that if we - suppose we have ownership of the seabed, do the regulations contain the provisions of royalty and tax regimes and so on right now that will be released in the next week or so? Yes, is the answer. They do contain all, the fiscal as well as everything else to do with offshore exploration and production.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, my question, Sir, is to the Minister of Municipal Affairs and Housing. The minister has been looking upon the Henley Royal Commission as an inspiration from the Holy Ghost. Would the minister tell the House if the government is going to force regional government on the people in the Metropolitan St. John's area, in the outlying areas, or will the people have an opportunity to vote by secret ballot whether or not they want to become a part of this super government that is referred to in the Henley Royal Commission?

MR. SPEAKER: The hon. minister.

MR. DINN: Mr. Speaker, the Newfoundland Federation of Municipalities have been holding meetings with all of the committees in the area, all the councils in the area. They have had some four meetings now, and their recommendation to me as well as the recommendations of all the councils that attended was to put in place regional government. It is not for me to say whether it is my intention to do it, because it is not my decision to make. It is a decision of government. But we are going along that route.

MR. NEARY: A supplementary question.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the minister indicate the procedure to be followed by - will it be the recommendation of the Royal Commission, the super government? Will it be a form of Metropolitan government? And will the people be given an opportunity in the various communities around

Mr. Neary.

St. John's to vote by secret ballot as to whether or not they want to become a part of whatever form of government the government decides to implement in the greater St. John's area?

MR. SPEAKER: The hon. minister.

MR. DINN: Mr. Speaker, something has to be put in place in the St. John's urban region with respect to the water system, the Bay Bulls water system that is coming on stream this July. Whether that is regional government as recommended by Henley or some modification of that or whether it is a corporation that will look after that regional water system, then these decisions have not been made. It is my intention to attempt to get regional government in place to look after that water system.

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

MR. SPEAKER: One additional supplementary, then I recognize the hon. member for Conception Bay South.

MR. NEARY: Do I understand the minister correctly? The minister in answer to my question stated that the implementations of the water supply of the Bay Bulls, Big Pond would be the forerunner of regional government in this area or will that be a separate entity unto itself? Will there be a bureaucracy created to look after the Bay Bulls, Big Pond water supply? Or could the minister tell the House whether there is an alternative rather than create another bureaucracy? Could some alternative be found to extend the jurisdiction for instance of the City Council to look after the supply of water from Bay Bulls, Big Pond rather than create another layer of bureaucracy?

MR. SPEAKER: The hon. minister.

MR. DINN: Yes, Mr. Speaker, there are many alternatives. One is that we could set up a corporation to look after that system. We could extend the powers of Metro Board to look after that system or we could put regional government in place to look after that system.

Mr. Dinn.

As I said the decision has not been made. I am opting for right now or leaning towards regional government.

MR. NEARY: Metro or that super government.

MR. SPEAKER: The hon. member for Conception Bay South followed by the hon. member for Terra Nova.

MR. NOLAN: Mr. Speaker, a question for my friend, the Minister of Consumer Affairs. In view of the fact that the soft drink companies in recent days have decided to substantially increase the price of soft drinks, and in view of the fact that when the price of sugar was much higher they increased the price of soft drinks but did not drop back the prices when the price of sugar dropped, which they had given as the reason for increasing them in the first place, has the minister now asked his officials to take a look at the soft drink companies, at the latest increases and to take a look and is willing to report to this House as to whether those increases are justified or not?

MR. SPEAKER: The hon. Minister of Consumer Affairs and the Environment.

MR. MURPHY: Within our capability, Sir, we do it, but we cannot do anything with prices as such. It is a federal matter, but we certainly explored the thing, and I received quite a request the other day with reference to the price of screech at one of the hotels, and perhaps someone, who perhaps purchased the article, might inform me - one ounce of screech, \$2.10, would that be a fact in the clubs?

MR. NOLAN: Oh, yes,

Mr. Nolan: But that is with coke and air conditioning.

MR. MURPHY: Is that what it is?

MR. DOODY: And a band.

MR. NOLAN: And a band.

MR. MURPHY: Quite frankly in answer to that we do get many - and I will just say this now that when I was on my holiday you could buy a twenty-eight bottle of Ginger Ale for thirty cents, -

MR. NOLAN: Right.

MR. MURPHY: - and in the States they a deposit on bottles which is, I think, right, ten cents, but thirty cents for a twenty-eight ounce bottle, and I think we pay something forty-nine or fifty, so we are checking it out to see why the difference in that type of article.

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

MR. SPEAKER: One supplementary, and then the hon. gentleman for Terra Nova.

MR. NEARY: Would the hon. minister inform the House if it is within the minister's terms of reference to check into the oligarchy - I think that is the proper pronounciation - into the increase in the price of cocoa and coffee -

MR. NOLAN: Ovaltine.

MR. NEARY: - the dramatic increases that have been announced in the last few days, is it within the minister's terms of reference to look into these dramatic increases?

MR. SPEAKER: The hon. Minister of Consumer Affairs and the Environment.

MR. MURPHY: Yes, we usually monitor the prices but we have no control over prices as far as - that is a federal matter, but we do refer on it if there is any - I noticed, I think, it was on T.V. last night, was it two one pound tins of cocoa and there was a difference of \$1.40-odd. But we do monitor regularly in all areas of the Province, and we forward our findings on to the Federal Department and let them check it out first and see what -

MR. NEARY: Well this will be automatically, I presume, monitored.

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

MR. T. LUSH: Mr. Speaker, my question was for the Minister of Industrial Development, but I notice he is not here, so I will direct the question to the Minister of Finance and the President of Treasury Board.

AN HON. MEMBER: Oh, okay.

MR. LUSH: I wonder if the hon. minister is in a position to inform the House as to the status of the sawmill in Gambo now? I do not know the name, but I am sure the minister knows which one I am referring to. What is its present status, whether it is operating or not or if it is not operating why not?

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

MR. LUNDRIGAN: Mr. Speaker, I cannot give the hon. member any indication of that particular sawmill, it is not owned by government, as the member is aware. I am sure that he is able to find the principals who own the sawmill, and find out precisely whether it is operating or what is happening to it. I could not give him a clear indication. I know that that mill has had a lot of problems since its inception, it has had ups and downs, it has changed hands, over a year ago it was practically bankrupt. We were able to interest another company in getting involved with them, to keep them going for a year, I believe, that company put some money into it. But it is a private company. There are dollars that have been put in place, and assistance given it, but certainly I cannot give the hon. member an indication of whether it is operating or how successful it is at the moment. But all those larger mills as I have indicated have had a lot of problems, and a lot of the problems have been, Mr. Speaker, if I might just say it, is that there has been by private owners, like there is almost in every industry in this Province serious, inadequate, private capital behind it. And the government itself, unless it wants to own all of the mills and get involved and take over the whole economy,

Mr. Lundrigan:

you just cannot run in and assume the full responsibility. And I hope that the House recognizes this.

ORDERS OF THE DAY

MR. SPEAKER: It being Private Members' Day the adjourned debate on Motion 7.

The hon. member for the Bay of Islands.

SOME HON. MEMBERS: Hear, hear!

MR. L. WOODROW: Mr. Speaker, as I launch out on a few remarks relating to the motion as presented by the hon. member for LaPoile (Mr. Neary) I endorse first of all my own feelings and without hesitation the feelings and sentiments of all members of this hon. House when I say we have a very confident, capable, conscientious, hard working and honest Minister of Fisheries.

SOME HON. MEMBERS: Hear, hear!

MR. WOODROW: Where else could we find a man with such qualities. I refer to the hon. member for St. Mary's-The Capes (Mr. W. Carter).

SOME HON. MEMBERS: Oh, oh!

MR. WOODROW: The hon. the former Premier (Mr. Smallwood) has said in this hon. House that the Premier could not have found a better man, and I feel every member agrees with this, as I do myself.

I know he is interested in the fisheries all over the Province.

MR. WOODROW: he travelled with me about a year ago to my district, the Bay of Islands district, and wanted to see what was going on in the fishery field, and how he could help and encourage the fishery in that part of the Province of Newfoundland and Labrador.

He also visited fifteen parts of Newfoundland in the recent months to make himself acquainted with the fisheries and to hear the views of the people in their own backyards. And held a great fishery regional conference which was, of course, an outstanding success.

Mr. Speaker, the principal part of the motion to my way of thinking, that we are talking about today, would be the following. "Now be it therefore resolved that in order to give effect to these purposes a select committee be appointed to enquire into the proposals with respect to joint ventures, to examine their implications and effects with respect to the fishery of Newfoundland and Labrador and to report thereon."

Mr. Speaker, I am a little bit disenchanted with the member for LaPoile (Mr. Neary) for showing such lack of confidence in the Minister of Fisheries.

MR. MURPHY: The next Premier.

MR. WOODROW: I feel that he is very capable with his staff to handle what is going on in the fishery.

MR. MURPHY: Hear! Hear! The best Minister of Fisheries we have had.

MR. WOODROW: And perhaps to determine the road and the great strides that the fisheries are going to take in this Province of Newfoundland. And in order to prove further what I have said I quote from the Wednesday edition, April 27th. of The Evening Telegram. In part it reads, "The federal fishery service works closely with the Provincial Department of Fisheries and between them they continue their efforts in their constant search for new species, new methods and new markets."

MR. WOODROW: The report shows that the fishery is very much alive and in good hands. With the kind of planning that is going on it is likely to have a long and increasing profitable future."

MR. MURPHY: Is that a local paper, The Evening Telegram?

MR. WOODROW: Yes.

Mr. Speaker, I think all hon. members will agree with me when I say that the fishery is the greatest resource we have in Newfoundland. Ever since John Cabot discovered Newfoundland our Province has been a fishing area. Indeed our very ancestors were attracted to these shores because of the bountiful quantities of fish.

Newfoundland continued to be a fishing colony of Great Britian. However, it seems to me that when we became a Province of Canada in 1949 our young people adopted the attitude that Mainland Canada was a land of milk and honey and therefore migrated in large numbers to places like Toronto and Western Canada.

Now, the statement attributed to have been made by the hon. the former Premier when he said, "Burn your boats, there will be four jobs for every man," was explained in a different way today. I think it was the day

MR. WOODROW: on open-line. They understood what he meant, "Burn your little boats, burn your dories and your small punts and skiffs. We are going to give you better ones." I am sorry he is not here because I was the one in fact who brought the matter up in the hon. House.

Mr. Speaker, history has proven this prophesy wrong and today we are experiencing a tremendous revitalization and re-emphasis in our fishing industry. Mr. Speaker, the exciting expansion and reorganization of the fishery was long overdue and it is somewhat startling to hear Opposition members presently criticize this exciting expansion. When the fishery remained in a state of stagnation and dormancy during their long term in office it is frightening to imagine what the present state of our fisheries would be if the attitudes and inaction of the previous administration towards fishery were allowed to continue.

Mr. Speaker, this government has not remained inactive and insensitive in dealing with fishery development and policy. We have moved with strong and new approaches to the fishery to provide our fishermen with a meaningful and productive future and to give the fishery the priority in development and effective management that it has always deserved, but has never attained.

The rapid development of the fresh fish industry during the war has brought on a transformation in the general character of our traditional fishery. Where cod was once the single species, constituted and processing meant drying and salting. Every edible species of fish in our waters is now sought and processing is as wide and varied as fish caught.

Mr. Speaker, I was looking back today when I was thinking about the few remarks I had to make about how difficult it was to fish in the outports of our Province before Confederation. First of all people had traps, for traps they had to have kegs, buoys, grapplings, launching boats, hauling up boats, building up flakes and the like to dry their fish. And, of course, above all else hauling their fish to the market. It meant the fish had to remain

MR. WOODROW: first of all in the stages for a while under salt, then it had to be taken up to the flakes, spread, respread, made up and the like and finally they would pray that God would send them a fine day so they could take their fish to market, which consisted in many cases, hauling fish on a horse and cart to perhaps as far away as ten or fifteen miles.

Mr. Speaker, these days thank God are gone. While the sedentary fishery still exists, the fishing industry is becoming increasingly mobile. Only our inshore trap fishermen wait for cod to move ashore. The multi-purpose boats, relatively new in use in Newfoundland, known as longliners equipped with sophisticated electronics seek our productive fishing areas,

MR. WOODROW: a few large corporations operate trawlers in the deep-sea fishery, while every deep-sea unit that is added to the present fleet is expected to cost \$3 million or more, while longliner owners are now confronted with costs that could run as high as \$200,000 or more.

Every aspect of our contemporary fishery, Mr. Speaker, is far more capital intensive than ever before. Far more competitive and far more sophisticated in terms of catching capabilities, techniques and processing.

Mr. Speaker, we have also learned, in fact, in recent days about the new boats that are going to be constructed in the Province. And to show how fair the hon. Minister of Fisheries and the Cabinet wants to be to everybody in the Province I understand that some of the boats will be constructed in Clarenville, in Bay d'Espoir, Fogo and wherever there is a small plant that boats can be built. I mean a small shipyard. So I think this really is going to be a great thing and it is going to let the people of Newfoundland know just what is being done for the fisheries under this capable administration, led of course by the Premier, who himself knows a lot about the fisheries of Newfoundland having fished himself in many cases off Labrador and, in fact, having dealt with fish in his own home town of Carbonear and Harbour Grace for many years past.

Mr. Speaker, in order for our Newfoundland fishery to improve and diversify, in order to compete better on world markets, a virtual overall of existing fish techniques, equipment and attitudes must take place and is taking place.

During the next five years our fishery will experience a virtual revolution in terms of the development of new ideas and new abilities. With the introduction of the 200 mile limit the possibilities for their growth and change within our fishery is limitless and challenging.

AN HON. MEMBER: Hear! Hear!

MR. WOODROW: Mr. Speaker, looking back, in fact, over the days when, in fact, perhaps a good number of us were just boys growing up it was almost a disgrace to be looked upon as a fisherman. In fact people disowned you almost if you said it and the wealth from our great fisheries went into the hands of a few merchants. In fact, this was indeed very sad because I believe, in my opinion, it kept many a Newfoundlander from occupying some of the occupations that are so common in this Province today.

But today, Mr. Speaker, it is going to be different. In fact, young people are going to look upon the fishing industry today as something exciting, as something worth-while and in many cases they are now able to earn anywhere between \$20,000 and \$30,000, which was unthinkable in years past.

Mr. Woodrow.

Mr. Speaker, there is today an evolutionary process taking place within our traditional fishery. We are after 500 years still in the infancy stages of development, and like a child who must learn to walk before he or she runs, we must feel our way along very slowly before we become confident and fully aware of our new possibilities and direction. Mr. Speaker, this brings me up to joint ventures. And joint ventures are at present one of our new possibilities within a new fishery as it were. This experiment into co-operative fishing ventures with other countries, who have superior technology and catching capability, is one option to be explored and evaluated after the first year of operation. Through such co-operation with other fishing countries such as the West Germans, who are able to prosecute areas impenetrable by our vessels, new methods of catching and processing can be learned as well as providing much needed employment in our processing plants at a time of high unemployment.

The fish which is landed through this year's joint venture programme is part of our Canadian quota that we cannot catch ourselves. I feel, sure, Mr. Speaker, as I mention joint ventures, some people feel that this is going to continue. But now that it is just an experiment, and when we get properly equipped, when we have the boats that are able to go out, as it were, into the deep, I feel then that we will be able to handle the 200 mile limit on our own.

As I said before, Mr. Speaker, where cod was once the single species prosecuted, every edible species in our waters is now sought. This in turn puts pressure on our industry to diversify, innovate and expand to make full use of increased catches, new technology and expertise. Mr. Speaker, I feel sure that there is a very exciting time for the fishery ahead of us. And we can in fact, can really make full use of our fisheries by using every technique and everything else that we have at our disposal to help our fishery.

Mr. Woodrow.

Mr. Speaker, I do not think I could continue my remarks. I would not have time to finish them in the next couple of minutes, but I adjourn the debate.

MR. SPEAKER: The hon. gentleman has moved the adjournment of the debate.

Is it agreed that it be called six o'clock?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: It being six o'clock I adjourn the House until tomorrow Thursday at 10:00 A.M.

This House stands adjourned until tomorrow Thursday, May 5, 1977 at 10:00 A.M.