

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
2:00 p.m. - 6:00 p.m.
TUESDAY, APRIL 4, 1978

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The House met at 2:00 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

PRESENTING PETITIONS

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

MR. RIDEOUT: Mr. Speaker, I rise to present a
petition signed by eighty-three residents of the
community of Pacquet in my district. This petition,
Mr. Speaker, is similar to one that I presented in this
House a couple of weeks ago in that the prayer is that
a new Pentecostal School be constructed in that
community.

Now, Sir, in supporting the petition
let me say that the present building that houses the
Pentecostal Elementary School in Pacquet is totally
inadequate to care for the educational needs of the
students in that community.

For example, Mr. Speaker, in 1978,
I do not know if members would be surprised or not to
be told that there are no washroom facilities attached to
that old building that the children are using in Pacquet.
They still have the outdoor toilets, in 1978, which most
of us would find unbelievable. I would submit, Sir, and
the parents are submitting, that the state of the
building makes it unhealthy and certainly unsatisfactory
in that the building is old and not insulated and so on.
The proper type of education cannot be provided for the
students in that type of building.

They also mention in the prayer of the
petition, Sir, that it is not an insulated building in
addition to the fact that it is old, so even though their
fuel costs are very high the building is extremely cold
during the Winter months.

MR. RIDEOUT: The present building, the old building that they are using is very poorly situated and we are always getting numerous complaints about the unsafe conditions, especially in Wintertime, of the access road to the school due to ice and snow control to that particular building.

I understand from residents in the area, Sir, that Department of Health officials are very dissatisfied with the present state of affairs at that building and that they are strongly recommending that the students, for the sake of their health, be taken out of it.

The conditions that I have outlined are certainly unsatisfactory and they should not be tolerated in this day and age. I appeal to the Minister of Education, who is unfortunately not in his seat this afternoon, to take up this cause with the appropriate DEC and to use his influence to see if some sort of priority system cannot be established, Mr. Speaker, when it comes to allocating funds for the building of schools. Certainly a school that is old and antiquated as this one, that is unsafe and unhealthy as is said by officials at the Department of Health, should not be allowed to operate any further and it should not be tolerated in 1978.

Sir, I think the prayer of the petition is a commendable one deserving of support and I ask that it be tabled and referred to the department to which it relates.

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

MR. W.N. ROWE: Mr. Speaker, I rise to support the petition presented so ably by my hon. friend and colleague, the member for Baie Verte - White Bay (Mr. Rideout). In doing so, Sir, I am very cognizant of the fact that I had the pleasure and privilege and honour for eight years

MR. W.N. ROWE: continuously, to represent the district in which Pacquet is located, and I sympathize very much with the petition of the eighty-three residents of that lovely town, that lovely community who wish to have a new Pentecostal Elementary School.

I realize, Sir, that it is not fully within the jurisdiction of this House, or even the government, to accede to that request since it is a matter which is a completely, as far as the allocation of funds is concerned, completely within the hands of the DEC's and in this case the Pentecostal authorities.

It is however, Sir, within our jurisdiction to this extent, that the DEC's are bound ultimately by the amount of money which is voted by this hon. House to them in a general way. In order to improve the quality of education in this Province there is a great need to increase the amount of revenue which the DEC's have for the purpose of school construction.

Therefore, Sir, I would like to go on record as supporting this petition, this very worthwhile, worthy petition asking for one of the very basics of our life in society today, a decent school, an elementary school for young, small children to go to to get their education in this Province. I support the petition wholeheartedly, Mr. Speaker.

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

MR. LUSH: Mr. Speaker, I would like to stand and support this petition as well, and also say a few words in support of it, and in support of the several other Pacquets that exist in this Province which so emphatically emphasize the great inequalities which exist in education throughout Newfoundland, particularly in rural Newfoundland. It is a rather ridiculous situation, Mr. Speaker, when we view the kinds of circumstances under which many children in this Province have to get an education. And I have great sympathy for the eighty-three residents of Pacquet, people with a school building that is certainly not in line with the kind of a school building that we should be having today in the 1970s. And again, as the Leader of the Opposition so capably pointed out, that the DEC's are restricted in what they can do in the amount of monies that they can allocate for school construction, and certainly the onus is on the minister and on the government to come up with a better plan for allocating funds for construction of school buildings when we have so many throughout the Province.

So I certainly would urge the government and the minister to see if they cannot come up with a better plan, a plan that will enable schools like Pacquet, and various school boards throughout the Province that have so many Pacquets, to see if the proper school facilities cannot be solved.

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

MR. J. HODDER: Mr. Speaker, I too would like to support the petition delivered by the hon. member for Baie Verte-White Bay (Mr. Rideout). There are some grave questions to be answered regarding the quality of education in this Province. And I would just like to point out here that I understand that the government will be setting up a task force to look into the problem of declining enrollments in the Province. And I believe that this task force should be much broader in scope and should look at the whole of the education system in the Province. And I believe that if the task force were to look at all problems that we would get quite a surprise as to the real condition of education in the Province. There are schools of this

Mr. Hodder: nature around the Province, all throughout the Province, and not only do we have a problem with programmes, Mr. Speaker, but we also have a problem with school buildings, and it is horrendous when one considers that a school in the community of Pacquet would have outdoor toilets, that sort of thing went out - I would think that the general public of Newfoundland, or particularly the more urban parts of Newfoundland, would have trouble realizing this particular fact.

But, Mr. Speaker, I feel that this task force must look into all problems because I think perhaps we need a whole new reorganization of education in the Province, and we need certainly to look into just what is happening in Newfoundland schools.

SOME HON. MEMBERS: Hear, hear!

PRESENTING REPORTS OF STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I table as Minister of Finance the following regulations which have been passed during the last year: The Retail Sales Tax Amendment Regulations dated June 24, 1977; The Retail Sales Tax Amendment No. 2 Regulations, 1977 passed July 22, 1977; The Retail Sales Tax Amendment No. 3 Regulations enacted on the 21st. day of October A.D. 1977; The Financial Administration Salaries Of Comptroller Of Finance And Auditor General Regulations enacted on the 2nd. day of December 1977, and various orders for the period January 1 to December 31, 1977 which have been duly gazetted.

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

MR. MAYNARD: Mr. Speaker, I would like to table the annual report for the Farm Development Loan Board for the fiscal year ending March 31, 1977.

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MR. NEARY: A point of privilege, Mr. Speaker,

MR. SPEAKER: A point of privilege.

MR. NEARY: Mr. Speaker, so far I believe I have over fifty questions addressed on the Order Paper to the Minister of Health. We have been in session now a month and I have not received an answer, a written answer yet from the Minister of Health, and I believe, Sir, that is a breach of privilege of this House. Could Your Honour take whatever disciplinary is necessary against the minister?

MR. SPEAKER: The hon. minister.

MR. HICKMAN: That is most assuredly not a point of privilege of this House and I would most assuredly remind hon. gentlemen of the previous rulings by Your Honour that the greatest abuse of privilege is to abuse the point of privilege itself. There seems to be very little doubt in anyone's mind, including the mind of the hon. gentleman from LaPoile (Mr. Neary), that this is certainly not a matter on which to rise on a question of privilege. Number one, the hon. gentleman failed miserably to prove a prima facie case and secondly, it is not a point of privilege.

MR. SPEAKER: On that specific matter the authorities will indicate that failure to answer a question is not regarded as a breach of privilege.

MR. SPEAKER: ORAL QUESTIONS

MR. SPEAKER: Hon. Leader of the Opposition.

MR. W. ROWE: First of all, Sir, by way of a preamble to my question I would like to welcome the Premier back to the Province.

MR. NEARY: The best tourist we have.

MR. W. ROWE: He is looking tanned, Sir, and angelic, an angelic look on his face. As a matter of fact, Sir, he does resemble an angel but only in this respect: Like the angels' visits to earth the

MR. W. ROWE: Premier's visits to this Province are short, Sir, and far between.

MR. SPEAKER: Order, please! I think I should point out to the hon. gentleman that, here I quote Bueauchesne "Observations which might lead to debate cannot be regarded as coming within the proper limits of the question and the rule with respect to preambles."

Hon. Leader.

MR. W. ROWE: Well, Sir, everybody in the Province expected some kind of a Ministerial Statement from the Premier today in view of the fact that the government is disintegrating before his very eyes. I will afford him the opportunity which he so obviously wants; he is there sitting, grinning like a Cheshire cat waiting, Sir, for me to walk into the trap obviously.

I would like to ask the Premier this, Mr. Speaker. Have the Premier and the Minister of Fisheries now resolved the problem mentioned by the Minister of Fisheries last week whereby the Minister of Fisheries issued an ultimatum to the effect that if the deal or the proposal regarding Nordsee is not changed to give the government part of the action, some of the equity in that, five per cent of the equity, Sir, that the minister would find it difficult to stay in the government and would in fact resign, there would be trouble. Has the Premier now resolved that difficulty?

MR. SPEAKER: Hon. Premier.

PREMIER MOORES: Mr. Speaker, if I may be permitted to answer the first part of the preamble of being out of the Province. I was out Sir, as you, Your Honour, was yourself, so I am sure you will be forebearing, for four days. I did not quit my seat and go to Paris.

PREMIER MOORES: And as far, Sir, as this government disintegrating, I strongly recommend that the hon. Leader of the Opposition look around

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AH-3

PREMIER MOORES:

him and see where the explosions are going to come from.

The Fisheries question, Sir, if I may?

MR. SPEAKER:

Order, please! I think that the quid pro quo is now accomplished and that the rules should be in more strict observance.

PREMIER MOORES:

To get to the Fisheries question, Sir, regarding the statement by the Minister of Fisheries, I would like to say that this government has from the beginning said that we were in favour of foreign investment. And that was said at the First Ministers Conference by all provincial governments and the federal government. And as that regards the Nordsee proposal that was something that this government has gone on record as supporting. And the reason why, Sir, which the Minister of Fisheries also has stated on many occasions, was that we do need technology and ships and markets for local employment both onshore and offshore as long as any sort of arrangement is done as a Canadian company and through Canadian regulations.

PREMIER MOORES: The fact is, Sir, that I think it is important that - I do not mean to take up the time in this particular regard - but I think it is important that the Province not become insular and parochial because foreign investment is needed in industry here as well as it is elsewhere in Canada and we must develop the resource.

Now regarding the Nordsee proposal itself, that is something that the Minister of Fisheries can well answer himself. The fact is that he advised me of it before I left. We had discussed it a few months before in the context of the Crown corporation which is mentioned in the Throne Speech, and to explain that possibly more thoroughly, Sir, the Crown corporation that was seen to be set up along the lines mentioned the Throne Speech and which will be the subject of debate in this House, was set up for many reasons, one of which the Minister of Fisheries has touched on. But the reasons themselves were, first of all, a co-ordinating agency must be established if we are going to do what we have to do in this Province, both in the area of establishing new marketing - there has to be a co-ordinating agency which helps to bring that about; we have to have a co-ordinating agency to bring in new technology and to extend it to our fishermen and to our plant workers and to our marketeers and so on; we have to have a co-ordinating agency to help set up, to assist the training of our fishermen as such: it has also been set up to take equity positions in companies, as was suggested by the Minister of Fisheries, equity positions where needed to stimulate that particular enterprise itself; it was set up to establish a distribution port or ports to support so-called inshore plants and offshore plants that are short of fish. There are many areas of assistance, Sir, that are going to be needed if we, in fact, are going to take full advantage of our fisheries.

Regarding the particular Nordsee position, I would ask the minister himself to comment on that. Some

PREMIER MOORES: six weeks ago I was in touch with the German company, asked them how they would feel about participation by the government and their not being in a majority position. They said that they would certainly be sympathetic towards any proposal. The Minister of Fisheries and myself discussed it before I left. It is something that, as I said to him, we are going to have to look at and see if that is what is required to bring about development or help to bring about development in the Province. Any misquote or any misstatement, I think, Sir, was one of understanding. I understand the Minister of Fisheries this morning has made a press release which more than covers the situation, certainly to my satisfaction.

MR. W. N. ROWE: Mr. Speaker, a supplementary.

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

MR. W. N. ROWE: I was sitting there waiting, Sir, thinking that the Minister of Fisheries, as the Premier indicated, was going to leap to his feet and indicate what had gone on and what now the position of the government is. Sir, I would like the Premier if he would to answer the question I asked. The question I asked was, Has the Premier reconciled himself with the Minister of Fisheries over the public position, Sir, taken by the Minister of Fisheries to the effect that if this Province, as a government, does not have an equity position in Nordsee, so that there can be control of the equity by local interests combined with the government, that there would be trouble? And I read it and everyone else in the Province read it as a resignation by the minister, obviously with a breach of solidarity. Now what is the position, Sir? The public of this Province has a right to know if the government has solidarity or not on this very important issue.

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Mr. Speaker, I am only too glad to answer that. First of all, there was no ultimatum issued as such to me. It is unfortunate that the Leader of the Opposition believes everything

PREMIER MOORES: he reads because by the time he gets to the back page of the paper he is in his league.

But the fact, Sir, very simply is that there is not a disagreement. It is a subject we are going to have a discussion on, it is a subject that is very important to this Province, it is a principle that we are establishing that if it is needed is a sort of thing that, as I said, this Crown corporation was going to be set up for. There is no great disagreement as far as I am concerned, Sir. The fact is that we are both interested, and the Minister of Fisheries is interested, in doing something for the fishermen, for the people of this Province, and with the opportunity we have in the fishery with co-operation from Ottawa we will bring that about.

MR. W. N. BONE: Mr. Speaker, a further supplementary.

MR. SPEAKER: The hon. the Leader of the Opposition, a further supplementary.

MR. W. N. BONE: A further supplementary, Sir, on the general subject of lack of solidarity apparently and publicly by the government. Will the Premier indicate whether he has received the resignation of the member for Naskaupi as Parliamentary Assistant to the Premier?

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MR. SPEAKER: Hon. Premier.

PREMIER MOORES: Mr. Speaker, I can assure the hon. member that I have not received any resignations nor any threat of resignations, that there is solidarity on this side of the House a great deal more than there is in some other circles and, Sir, if this government goes down it will go down on principle and not the political hypocrisy that the hon. Leader of the Opposition was associated with for so long.

SOME HON. MEMBERS: Hear, Hear!

MR. W.N. ROWE: I am urged, Sir, to raise a point of order concerning the Premier's use of unparliamentary words, Sir, but I have come to expect it so I am not going to bother with it, I am too interested and eager, Sir, to get some information for the hon. House and the public generally.

In view of the fact that the member for Naskaupi has not tendered his resignation, Sir, may I ask the Premier whether the Premier has indicated to him that he is going to become a minister of the Cabinet as he so richly deserves ?

SOME HON. MEMBERS: Hear, Hear!

MR. SPEAKER: Hon. Premier.

PREMIER MOORES: No, Mr. Speaker, and I find it for the first time today I agree with the latter of the hon. member's question.

MR. W.N. ROWE: Further supplementary, Sir.

MR. SPEAKER: Hon. Leader of the Opposition.

MR. W.N. ROWE: As I understand it the Premier has not invited the member for Naskaupi into the Cabinet and the member for Naskaupi has not yet resigned so that should be a very interesting scenario for the next few days. Let me ask the Premier on this general subject, Sir, of lack of Cabinet solidarity, will the Premier indicate whether he has been notified as to whether or not the member for Ferryland district is going to

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MR. W.N. ROWE: resign as president of the party to which the Premier belongs and is the Leader of, the Progressive Conservative Party?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Maybe, Mr. Speaker, I can answer the next two questions as well; neither the member from Ferryland, neither the member from Green Bay, neither the member from Mount Pearl, neither the member from Menihek -

MR. FLIGHT: Bonavista South.

PREMIER MOORES: - nor the member from Bonavista South, none of these people, Sir, have told me they have resigned.

MR. W.N. ROWE: Further supplementary, Sir, if I may.

MR. SPEAKER: Further supplementary.

MR. W.N. ROWE: Has the Premier then indicated to the member for Ferryland district that he will be awarded a seat in the Cabinet since the member for Ferryland district indicated quite clearly publicly that unless he went into the Cabinet he was going to resign as the president of the PC Party ?

MR. SPEAKER: Hon. Premier.

PREMIER MOORES: To my knowledge the hon. member never said that, Mr. Speaker, -

MR. W.N. ROWE: How do you know he was not even in the Province?

PREMIER MOORES: - and there is no intention of enlarging the Cabinet at this time.

MR. SPEAKER: Hon. member for Trinity - Bay de Verde.

MR. W.N. ROWE: Sir, one further supplementary if I may.

MR. SPEAKER: A supplementary if the hon. member yields.

MR. F. ROWE:

Yes.

MR. W.N. ROWE:

Can the Premier indicate to the House and to the public of the Province, Sir, how when one of his ministers, namely the Minister of Tourism, the former Minister of Highways - Transportation and Communications, when a minister indicated publicly that he was going to resign from the Cabinet if the fifty - fifty deal which the Minister of Transportation has now agreed to with Ottawa, if that deal went through he was going to resign from the Cabinet, how can the Premier in keeping with British traditions of Cabinet solidarity and secrecy and some kind of aura of security and responsibility given to the public of this Province, how can the Prime Minister of this Province, the Premier, consistent with that, keep this hon. gentleman in the Cabinet? Can the Premier indicate to the House how he can do that, Sir, consistent with his conscience and principle?

MR. SPEAKER:

Hon. Premier.

PREMIER MOORES:

Mr. Speaker, I understand that in this House yesterday during the Question Period, and I arrived unfortunately shortly after in the building - during the Question Period rather, that the minister said, or the explanation that was given was one that is the government position and which he supports. The fact is that the hon. minister in question had for a long while fought with Ottawa on a principle that this government also believes in and that is the fact that this Province deserves a great deal more than the other Atlantic Provinces because we have suffered in the field of transportation under federal legis for far too long, and the fact that the Sullivan Commission is going to be a factor in any transportation agreement or policy that we have in the future, ~~are~~ the fact that that is the case which was from the beginning. I think possibly that once again the Leader of the Opposition is totally misinformed in that the minister did not say he was going to resign if that was not the case.

MR. W.N. ROWE: One final supplementary, Sir.

MR. SPEAKER: A final supplementary.

MR. NEARY: No courage.

MR. W.N. ROWE: The whole question of threatened resignations and real resignations and disintegrating governments and evaporating ministers, has the Premier, Sir, in view of the fact that he has the minister who has resigned from his Cabinet, the member for Grand Falls (Mr. Lundrigan) sitting in the House at the present time, has the minister now agreed to meet with the concerned groups in Grand Falls as they have publicly asked for, regarding the possibility of hospital expansion going ahead in the Grand Falls Hospital? Has the Premier indicated a time and place of meeting to the people who wish to meet him over this issue, Sir?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: The answer is no, I have not, Mr. Speaker. I got back, as the hon. Leader of the Opposition knows, yesterday afternoon. The telegram was on my desk this morning asking for such a meeting. It is something I will be giving consideration to and advising the people in Grand Falls.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: A final supplementary, and then I will recognize the hon. member for Baie Verte - White Bay.

MR. RIDEOUT: Mr. Speaker, I wonder if the hon. the Premier would indicate to the House, Sir, just what his reaction is to a statement that was made by the Minister of Fisheries a short while ago, that he would not leave the Cabinet even if the Premier told him to leave: What does the Premier have to say about a statement of that kind by one of his ministers?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: It just goes to show, Mr. Speaker, the extreme loyalty I have from my ministers over here.

SOME HON. MEMBERS: Hear, hear!

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

MR. F. ROWE: Mr. Speaker, I have a question for the Premier. In view of the fact, Sir, that the Minister of Fisheries is quoted publicly as suggesting to the Premier in very strong terms that the Nordsee proposal should be revised so that Nordsee would have forty-eight per cent, the government five per cent and Ocean Harvesters forty-seven per cent, has in fact the Minister of Fisheries put that to the Premier in strong terms? And in view of the fact as well that the Minister of Fisheries has suggested that the Premier is leaning toward the revised formula or proposal, would the Premier indicate whether or not that is so?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Mr. Speaker, as I said before, it is something that the Minister of Fisheries and I discussed in the past, not as it applies to Nordsee specifically but as a general approach to Nordsee or any other type of arrangement, whether it be training or fishing or processing or whatever. Regarding the Nordsee proposal itself, I have been in touch with the Minister of Fisheries regarding that, we have discussed it, we will be discussing it in Cabinet as to see the merits of such a proposal. I think there are a lot of merits for such a proposal and if it is the right thing to do the government will do it.

MR. SPEAKER: A supplementary.

MR. F. ROWE: Could the Premier indicate, Mr. Speaker, whether or not there have been representations made to Fira by the Premier himself, the Minister of Fisheries, or any minister of Cabinet prior to the public statements recently made by the Minister of Fisheries.

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I am not sure I got all the question but to my knowledge -

MR. F. ROWE: I will reword the question, Mr. Speaker. The question asked is, prior to the public statements made by the Minister of Fisheries regarding the revised proposal for Nordsee, prior to that, has any member of

MR. F. ROWE: the Cabinet, the Premier or the Minister of Fisheries, or any other Cabinet minister, have they made any representations or proposals, or had any discussions with the Foreign Investment Review Agency in Ottawa?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Mr. Speaker, and you are not referring, if I may just to get a clarification -

MR. F. ROWE: To Nordsee.

PREMIER MOORES: Nordsee but to the formula of participation or to Nordsee generally.

MR. F. ROWE: Right, Nordsee generally or specifically.

PREMIER MOORES: As far as Nordsee generally is concerned, yes, Sir, we have made representation to Fira. Our officials have appeared before them and discussed what the provincial conditions were, the conditions that were discussed in this House previously. I personally have talked to a few Cabinet ministers regarding the same thing in a general sense and what we put a degree of importance on, the approach to this sort of foreign investment but as far as any specific shareholding proposal is concerned the answer is no.

MR. F. ROWE: A further supplementary, Mr. Speaker.

MR. SPEAKER: A further supplementary.

MR. F. ROWE: Did the Premier indicate that he did not bring up the subject of fifty-one per cent ownership by Nordsee? The question of investment, control, ownership was not brought up with the Foreign Investment Review Agency, is that what the Premier is saying, that the whole question of foreign investment, or private investment was not brought up with the Foreign Investment Review Agency?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, the percentage that was involved was not the facts before Fira. It was the principle of why there should be foreign investment at all. Now, Sir, just to get one thing absolutely straight, at that First Ministers' Conference it was very nearly decided to do away

PREMIER MOORES: with the Foreign Investment Review Board entirely because if you look at the economy of Canada, and if you look at the value of the Canadian dollar you will realize we better get some foreign investment into this country because we find that the little old ladies are not emptying their banks accounts to do what has to be done in this Province, or in this country.

MR. SPEAKER: A supplementary.
Perhaps I should indicate that this be the final supplementary. It will not preclude the hon. gentleman from coming back to it but I have to use discretion and I do recognize that other members are endeavouring to get in.

The hon. member for Trinity Bay de Verde.

MR. F.B. ROWE: Thank you very much, Mr. Speaker.

Mr. Speaker, I am trying to get something quite clear here. We are not against foreign investment on this side - that is my preamble - what I am trying to find out from the Premier of this Province is whether the representations made to FIRA was on the basis of foreign ownership or simply foreign investment without control? There is a heck of a difference between control and pure investment. What I am trying to ascertain from the Premier is were the representations along the lines of those contained in the Private Member's Motion by the member for Harbour Grace (Mr. Young) requesting 51 per cent NORDSEE investment, in other words, foreign control?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: That was the original proposal. Yes, Mr. Speaker, that is what our officials and ourselves have supported from the beginning.

PREMIER MOORES: I thought I made that very clear in the first part of the question, Sir.

AN HON. MEMBER: No.

PREMIER MOORES: And I thought we made it very clear in this House previously. The fact is that if it helps either internally at home to bring about a successful venture that is acceptable and more desirable to the people, and there is a way to do that, of course, that is what we are here to do, Sir. We are not here to have stringent positions just for the sake of taking stringent positions, but I thought I made that clear to the hon. member well before now.

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

DR. KITCHEN: Mr. Speaker, my question is for the Minister of Mines and Energy. Wednesday two weeks ago in a speech that the minister made, he referred to two proposals that had been made to the federal government concerning; one to DREE for the funding of a major study of all aspects of the Trans-Labrador Railway and Port Labrador, and then another one on February 1977 in co-operation with NORDCO, 85 pages. My question is, when I asked the minister, in a letter of March 23, for a copy I have had no response to that. I am just wondering will he be allowing me to have copies of these?

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

MR. PECKFORD: Mr. Speaker, I saw the hon. gentleman's letter this morning at about 9:15 a.m. and I will be responding in the usual manner.

MR. SPEAKER: A supplementary.

DR. KITCHEN: My supplementary is I understand that these proposals have not been received in Ottawa. Could the minister also assure the House that these

DR. KITCHEN: proposals will in time
be sent to Ottawa?

MR. SPEAKER: The hon. minister.

MR. PECKFORD: Mr. Speaker, I do not necessarily agree with some of the assumptions or presumptions that the hon. member has put forward, one of which is that the proposals have not reached Ottawa. I just do not know where the hon. member gets his information from and whether it is the same as where I get mine. I indicated to the hon. member through a speech that I made in the House that two proposals were put before DREE for funding under the planning subsidiary agreement and were rejected in turn, first one and then the other. Now whether rejection of a proposal means that the proposal when it was first put is passed back tangibly, concretely, hand to hand from a federal person to a provincial person and that that is the reason why it did not reach Ottawa, I do not know.

All I can say is that we presented two proposals, both of which were turned down by the Federal Liberal Government who then turned around and hypocritically supported a proposal by a Liberal Delegation to a Policy Convention in Ottawa contradicting their former rejection.

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

MR. NEARY: Mr. Speaker, a question for the hon. the Premier, Sir, in connection with a question that was already asked by hon. colleague the Leader of the Opposition. Yesterday, Sir, the Concerned Citizen's Group from Grand Falls met with their M.H.A. and the chairman went away quoted as saying that he was pleased with the meeting. What I want to know from the Premier - just a simple yes or no answer - has the government altered its

MR. NEARY: position at all in
connection with the Grand Falls Hospital?

MR. LUNDRIGAN: Get your facts right.

MR. NEARY: I have the facts right,
Sir.

MR. LUNDRIGAN: It was the administrator
of the hospital.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Speaker, my question
is to the Premier. The hon. gentleman had an opportunity
to answer questions as a minister and the hon. gentleman
has reneged to take advantage of that opportunity. My
question is to the Premier - a simple yes or no answer -
will the construction of the extension to the Grand Falls
Hospital be going ahead this year or will it not? A
simple yes or no.

MR. W. N. ROWE: Yes or no?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: The position of the government - I have not met with any of the people from Grand Falls and I have not talked to the hon. member for the district at any time for the last few weeks, Mr. Speaker. And as far as I am concerned the position on hospital construction as outlined in the Budget has not changed.

MR. NEARY: A supplementary.

MR. SPEAKER: A supplementary.

MR. NEARY: Mr. Speaker, would the Premier indicate whether or not he has received a request from the Concerned Citizens Group in Grand Falls either orally or in writing to meet with the group

AN HON. MEMBER: He has already answered that.

MR. NEARY: No. I am asking the hon. gentleman if he has received a request?

SOME HON. MEMBERS: Oh, oh!

PREMIER MOORES: Mr. Speaker, I have already answered that question today.

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I have already answered the same question.

MR. NEARY: A supplementary then, Sir.

MR. SPEAKER: A final supplementary.

MR. NEARY: Mr. Speaker, would the hon. the Premier indicate whether or not either the Premier or the Minister of Health have received any letters of protest in connection with the \$3 rate that is charged on beds in hospitals, and the \$2 service charge on the childrens' dental programme? Have there been any protests over these two charges?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I personally have not received any. I will check and see if there have been any in the office and advise the hon. member, Mr. Speaker.

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

MR. STRACHAN: Mr. Speaker, I hate to change emphasis but a question to the Minister of Health. In Labrador, the people who are not employed by government or people who are not on welfare have to pay for transportation to hospital especially, for instance, emergency cases of a person being a stretcher case, they have to pay as much as three seats on Eastern Provincial Airways. I have here since August compiled information in the Happy Valley-Goose Bay area of Lake Melville Hospital of people paying up to \$1,400-\$1,500 per patient to be transferred out, plus the cost of a nurse, plus the cost of the nurse's expenses and their journey back. Could the minister indicate to us whether he will be looking into this discriminatory situation for people who are sick in Labrador, who unfortunately sometimes cannot use the government air ambulance, and who have to pay sometimes tremendous costs as high as \$1,500, again I say, for the transfer to the Island part of the Province to be treated in a hospital?

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Yes, Mr. Speaker, the problem to which the hon. member alludes is a very real one, and the way to deal with that, the most practical way to deal with it, and the most beneficial way to deal with it is to improve the hospital situation in Labrador, hopefully to be able to attract the proper specialities into the new Melville Hospital in Happy Valley-Goose Bay. It is not a different situation, Mr. Speaker, from a person residing in Corner Brook who might have to be referred to St. John's or indeed a person in St. John's who may have to be referred to Montreal or Toronto. It is a problem down there and it is being reviewed. But the answer to it is developing the specialities in Labrador.

MR. STRACHAN: Mr. Speaker, a supplementary to that.

MR. SPEAKER: A supplementary.

MR. STRACHAN: I totally disagree with the minister in that it is the same as Corner Brook or anywhere else. We face already in Labrador

Mr. Strachan: the highest airfares in Canada - in Canada! - and someone who is sick on a stretcher who has to pay for three seats of an EPA flight from Goose Bay to St. John's at \$102 return that is a cost of \$378, \$400 each way plus escort charges, plus nurses charges, it is entirely different from somebody being sick in Corner Brook. I am asking the minister to indicate -

AN HON. MEMBER: Shame!

MR. STRACHAN: - to us whether the people, not the welfare people who are paid by government, not the MOT people who are paid also by government, the different branches of government, but the ordinary person in Labrador who is suffering from illness, can the minister indicate to us that he will end this discrimination and allow these people to be transferred out of Labrador instead of having to pay these high costs themselves?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: I said, Mr. Speaker, that is under review, and it is my opinion and the expressed desire of the department, of the government, and the best advice we can get from the medical profession is that the way to deal with this problem, the most practical way to deal with it, and the most beneficial way in terms of being in the interest of the people in Labrador is to develop the expertise at the hospitals in Labrador.

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

MR. LUSH: Mr. Speaker, I have a question for the Premier. The Leader of the Opposition alluded to a couple of the time-tested principles by which British Cabinets operate, mainly Cabinet solidarity, and collective Cabinet responsibility, and secrecy and so on. I am wondering can we assume from the recalcitrant action and the unorthodox behaviour of the Minister of Fisheries and the Minister of Tourism, actions that were quite out of line with these two principles, and I wonder if we can assume from this that the Premier has dispensed with following these time-tested principles and

MR. LUSH: plans to run a Cabinet that is guided by intimidation and threats and resignations?

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: I must point out that the wording of the question somewhat stretched the rules.

The hon. Premier.

PREMIER MOORES: The answer is no, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Mr. Speaker, I would like to ask -

MR. HICKMAN: On a point of order.

MR. SPEAKER: A point of order has come up.

MR. HICKMAN: Mr. Speaker, may I suggest that there cannot be a supplementary to a question that has been ruled out of order.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Speaker, as usual the hon. Minister of Justice is not listening to what is going on in the House, Sir. The hon. the Premier answered the question. I want to direct a supplementary question -

MR. SPEAKER: Order, please! I think I do have to make some reference to the points brought up by the hon. the House Leader.

The question is whether a question which is out of order can have a supplementary. The definition of a supplementary in our Standing Orders is that, "A supplementary arises out of the reply to a question." And I suppose if there is a reply then a question can arise out of it, as far as I can see.

PREMIER MOORES: Mr. Speaker, can I just say that my reply was also out of order to see if that helps, Sir.

MR. NEARY: In keeping, Mr. Speaker, with British Parliamentary tradition where men of stature and men with qualifications and ability are invited -

MR. W.M. ROWE: Integrity.

MR. NEARY: - and integrity are invited into Cabinets, will the hon. gentleman indicate whether the member for Bay of Islands (Mr. Woodrow) has been invited into the hon. gentleman's Cabinet?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: The answer is, as I said earlier, Mr. Speaker, that there has been no people lately invited into the Cabinet. The business of integrity and how to behave oneself in Cabinet or without, the stretching of that credibility by the hon. House Leader opposite is something that we all behold in wonder, Sir.

ORDERS OF THE DAY:

Motion, the hon. the Minister of Rehabilitation and Recreation to introduce a bill, "An Act Respecting The Rehabilitation Of Disabled Persons," carried. (Bill No. 17)

On motion, Bill no. 17 read a first time, ordered read a second time on tomorrow.

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

MR. CHAIRMAN: Order, please!

MR. HICKMAN: Department of Mines and Energy.

MR. CHAIRMAN: Mines and Energy, number XI, page 73.

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MR. PECKFORD:

Mr. Chairman.

MR. CHAIRMAN: (Dr. Collins)

The hon. the Minister of Mines and Energy.

MR. PECKFORD:

I have a few brief comments to make on presenting the estimates for the Department of Mines and Energy for this hon. House Committee.

Mr. Chairman, I guess it is pretty much of a cliché to say that some of the major issues facing the Province in the last number of years, now in 1978 and onwards into the future, into the next decade - ten years from now - come under the Department of Mines and Energy and a lot of industrial policy will be dependent largely upon how we handle the energy side of it. A lot of fiscal policy will be decided on the basis of how successful we are both on the energy and industrial side based on energy and on our offshore hydrocarbon resource and whether in fact we will be able to exploit and find commercial finds of that resource, and of course, Mr. Chairman, the traditional mineral resource and the importance that it still has and will continue to have in the ongoing employment opportunities and economic activity in the Province. In the past I guess there has been a fair amount of attention paid to the traditional role of the department and the traditional resources, primarily your base metal, your iron ore and your copper and lead and zinc and asbestos and fluorspar right up until this past year, and the great contribution that that activity makes to the Province. That has been somewhat enlarged now in the last decade with hydro power in Labrador and the development of the Upper Churchill, the possible development of other hydro sites in Labrador, the ongoing development of hydro sites on the Island, like, for example, the beginning this year of the Hinds Lake project. So the whole scope of the department and of energy in general has enlarged a lot. And then, of course, on into oil and gas activity offshore.

On the mineral side, Mr. Chairman, as most hon. gentlemen recognize, we have had a rather troubled year, what with the closing of St. Lawrence fluorspar property by Alcan, by the -

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MR. PECKFORD: quite likely now - closing of the Buchans operation which has been alive for so long and which has contributed so much to the economy, not only to the Buchans area but to the Province as a whole, one of the major lead and zinc ore deposits in the world over the last several decades and a very interesting geological formation which has taken up the attention of many academics in the field of geology around the world - still does to this day. So the mineral side of it - the lead and zinc side, the fluorspar side - minerals in general as it relates to operations in existence has been a troubled one. We have had some bright spots in the Province; albeit they have not fully realized themselves as yet into mines, but we have had a fairly significant gold discovery over in

MR. PECKFORD:

the Port aux Basques area, LaPoile area and a fairly significant lead discovery in the Hampden area, in the White Bay area, both of which are seeing a lot more exploration activity in those two areas. As a matter of fact, it was those two particular areas that had not had all that much exploration activity until these discoveries occurred. So it has meant an increase in activity in those areas as it relates to mineral exploration and hopefully 1978 will see additional discoveries of gold in the Port aux Basques area and lead in the Hampden area so that additional mines can come on stream.

MR. NEARY: Get your geography straight. Off Isle aux Morts or near Burnt Island.

MR. PECKFORD: I know. The Burnt Island property is usually referred to.

MR. NEARY: The hon. gentleman had it up in the Codroy Valley (inaudible).

MR. PECKFORD: No. I did not. As a matter of fact I will challenge the hon. member for LaPoile (Mr. Neary) now to put his Newfoundland geography on the line and I will put mine on the line and we will see who knows the geography of Newfoundland or of this Province better. So when the hon. member for LaPoile (Mr. Neary) is ready we shall dispense with the estimates for the Department of Mines and Energy and get into geography. Anyway, Mr. Chairman, to continue: The major eighty-five per cent of the mineral production of the Province of course comes from the Labrador area of our Province, from the Wabush and the Labrador City deposits. The whole iron ore industry is not in all that good a shape right now both from a labour point of view as it relates to strikes ongoing, but more importantly and in the long term from the steel point of view worldwide there is a fairly depressed state right now in the steel industry in the United States, Europe and Japan. The Labrador City operation depends to a large degree on Europe and Japan for its markets while the Wabush area depends more largely on the North American market, but in any case both operations are very vulnerable now given the fact that they have increased their capacity a lot over the years

MR. PECKFORD: and now find themselves competing very savagely with some new sources of iron ore in the world, in the underdeveloped world especially where labour costs are a lot lower and where therefore they can put a product which is just as high grade, just as good quality as what is coming out of Labrador. The longterm prospects remain very bright though for the iron ore industry and for the steel industry. Once the economy starts to pick up again, the world economy I mean, it is quite likely that we will see some additional expansion in the Labrador area on the iron ore side. And as we have mentioned in a resolution presently before the House, a private member's resolution, it will be the intent of the Government of Newfoundland to try and insist that these companies do additional processing, when they expand, with their raw material in Labrador or in the Province rather than shipping some of it out.

In any case, the whole mineral sector of the department and of the economy is in a state of flux right now. It is interesting to note that since our new mineral acts have gone through the House, our new approach towards exploration rather than the concession system, a freer and open one, that there has been a higher level of exploration activity. Claims staking is way up and this is of course the reason why we had the discovery that I referred to in the LaPoile area, or the Burnt Island area, and in the Hampden area, because of this higher level. And we are going to make even a larger step, Mr. Chairman, this year towards trying to bring additional mines onstream rather than just having these close downs which have to occur especially in the Buchans sense where the ore is all gone. In the St. Lawrence sense, of course, there is still some fluorspar there and that is a very unfortunate -

MR. FLIGHT: (Inaudible) ore at Buchans (Inaudible)

MR. PECKFORD: I do not mean it as an absolute statement, I mean it in relative terms, from a commercial point of view right now. But in any case we are going to make a major step and on the Order Paper right now, Mr. Chairman, there is a bill before us which is going

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MR. PECKFORD: to say to the companies which have large tracts of land for mineral exploration, either have them for perpetuity or for long periods of time, that company A or company B, you have this land under a standing agreement; we are saying to you through this act that you must relinquish that acreage over a graduated basis or pay a tax on it if you want to keep it, or start doing some exploration on it. If you do your exploration on it then of course your tax is reduced or eliminated, depending on how much you do. So that the whole purpose and intent of the legislation is to increase the exploration effort on acreages now held in the concession system for long periods of time or for perpetuity. We do not care who necessarily does the exploration as long as somebody does it so that if the existing company that has the concession

MR. PECKFORD: through this legislation is forced into doing the exploration sobeit. But the whole point of it is somebody has to do it. They either do it themselves or face heavy taxation, especially in the fifth year from now, or relinquish some of it so that a lot of the other companies, in the Province and outside the Province, who are interested in coming in can have a crack at it. Some of the best mineral acreage in the Province is held by these large companies and we have to get it released and open so that we can continue this very successful claims staking system which was brought in by this Administration. So all is not lost and I think we are in a sort of a down-turn now both from world economy point of view and from some of our ores being depleted, but the future looks bright and is bright as it relates to ongoing discoveries and ongoing mines in my view. And it still contributes in a real big way to the economy of the Province and will continue forever hopefully to do so.

The area of the department that gets perhaps the most visibility and the most print is on the energy side. Of course as we all recognize that is for a whole bunch of reasons, not the least of which is that we hear both nationally and internationally of the energy shortage, of the depleting oil reserves in the world, of the problem with large projects of gas pipe-line down the MacKenzie Delta, because of the Arabians now and the Arabs are able to tie up about seventy or eighty per cent of the known reserves of oil and gas in the world and the large, massive increases that occurred in '73 and '74 by the Arabs to give them some additional money. So it is a fairly high profile subject in the world, not only in the Province. And of course what makes it even more high profile for us are two major things, one Labrador hydro power and the possibilities of oil and gas offshore. And these are very interesting, large, capital intensive projects if they ever get off the ground.

MR. PECKFORD: On the Labrador power side, most Newfoundlanders, and I suppose most hon. people in this House, recognize what this present Administration is trying to do as it relates to Labrador power development. We have initiated court action as it relates to the Upper Churchill contract, Upper Churchill lease in the Supreme Court of Newfoundland and that is ongoing. And you know that court situation is one which none of us I guess are happy with but the court works slow and lawyers have their points to make. It takes a long while. Considering the fact that Quebec is putting just about every obstacle they can in the way of an expeditious route through the courts for it because I think they recognize that there are problems there.

Mr. Chairman, it is very interesting to note that last year in this hon. House when the estimates were being considered for the Department of Mines and Energy, one of the main attacks that the Liberal Opposition threw across the House was the fact that we were being extremely stupid, to say the least, and shortsighted in our approach to the whole question of the Upper Churchill, to the whole question of getting a better deal on the Upper Churchill, to the whole question of the power contract, the whole question of our dealings with Quebec and that the sensible, sound policy for this administration to take was as Saskatchewan had done, and impose a resource tax so that you could capture very quickly a lot of revenue from that very unfair contract. Our response was, Mr. Chairman, and is recorded in Hansard for any to see, that we said, No, Mr. Chairman, no we would not do that because our legal advisers, both provincially and internationally, have told us that this resource taxation now presently in place by the Saskatchewan Government was extremely dubious jurisdictionally and that there was a case presently before the Supreme Court of Canada challenging the right of the Government of Saskatchewan to impose that kind of taxation. Of course we all know what happened. The Supreme Court of

MR. PECKFORD: Canada ruled in favour of the federal government, against the Saskatchewan Government and there are appeals underway now of course.

MR. STRACHAN: What happened?

MR. PECKFORD: There are appeals underway now. Let me finish and then the hon. member for Eagle River (Mr. Strachan), that great authority on legal matters dealing with contracts, will have a chance to give his side of the story. Suffice it to say, Mr. Chairman, now that a resource tax, most - not most - all legal people that we talked to are convinced that this is not the way for us to go, that our best chance is the way we are now going, that we are now in court, that we are re-examining again any kinds of things that are existant in the lease agreement that might be in the power contract that could expedite some other legal route for getting at the whole question of the Upper Churchill. Let us not forget that,

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MR. PECKFORD: but that is ongoing at this present moment -

AN HON. MEMBER: Hear, hear!

MR. PECKFORD: - that this kind of review is ongoing right now, so that we are just not putting all our eggs in the one basket and looking to say that somebody who gave us a legal opinion three years ago in their narrow legalistic way of looking at things is the view that we take without question and as gospel now. We can continually review with other lawyers ways and means by which we can get a better deal legally through the courts either on the power contract side or the lease agreement to try to break that very unfair situation as it relates to the Upper Churchill contract.

By the same token, Mr. Chairman, we do not stop there: we are still talking to the Province of Quebec about the Upper Churchill, about Labrador power development in total to see whether we can work out some agreement which is both satisfactory to the Province and will expedite other developments beside the Upper Churchill. That is ongoing.

We are also, of course, talking to the federal government to get their assistance for it.

And thirdly, we are also, as I indicated last year - it has not changed at all, it has been accelerated if anything - we are talking to industry. So what we are trying, Mr. Chairman - it gets rather complex really - is we are trying to find the best route to develop Labrador power - route in the broad sense, not in the sense of a route through Quebec, but the avenue through which some way can be found to develop Labrador power development without jeopardizing what are the legitimate concerns of everybody in the Province, that we do not sell out again and that we do not necessarily close the whole Upper Churchill problem as well. And it is not an easy one to resolve because at the same time as we are trying to do those things and that everybody is crying out, 'Do not sell out' and 'Do the best thing for

MR. PECKFORD: the Province', simultaneous with that kind of very provincial, local, legitimate concern by citizens of the Province you have them on the other hand saying, 'I want a job now.' So that is a real dilemma for the government and for this government particularly more than any other government in the history of Newfoundland for quite some time, that we are caught in that kind of a bind - on the one hand, everybody wants to see employment go up tomorrow morning, because we have such a high unemployment rate - and how much the nation contributes to it and ourselves and all the rest of it - and at the same time they are saying, 'You came to power on the throes of saying that there will be no more sell-outs on the Upper Churchill, that there will be a real good deal - this kind of approach. So the government is caught in that kind of a bind. On the one hand, if it holds out for what it considers to be the kind of deal that everybody wants, there are no jobs; on the other hand, if you create all the jobs you are on the horns of another dilemma because then you can be accused of speeding up too fast, going ahead too fast and selling out the Province. And from, you know, a pretty pure economic point of view, it is a real problem.

So what we are trying to do, Mr. Chairman, is to move ahead on all fronts simultaneously to see which of the three or four alternatives that we are following, one, talking to Quebec; two, talking to the federal government; three, talking to industry and still looking at reviewing the Upper Churchill and having that as the pinpoint around which all the rest operates to see what we can put together and still not sell out, and yet create jobs as soon as we can. That is quite a tall order, Mr. Chairman. That is quite a tall order. And hence, that is what we are doing. But there are no great miracles here, Mr. Chairman. There are no panaceas here. There is no great one answer that is going to be the salvation of Newfoundland on this score quickly, number one; and number two, even if there was, Mr. Chairman, unless you get reca'l provisions under the lease agreement

MR. PECKFORD: so that you can get some of the Upper Churchill back, you are not going to get any cheap energy any more, unless, like I say, conditional upon the Upper Churchill recall - other than that you are not. Hinds Lake is thirty miles when it comes on. You are talking about Gull Island, if it was transported to the Province, of around twenty-eight miles today by 1984.

PREMIER MOORES: Bay James.

MR. PECKFORD: And Bay James is the same thing. The day of cheap power is gone. The only salvation we have is if, because of that court action we have now taken on the Upper Churchill, that we can recall that three and one-half mil power, and that will not be three and one-half miles when it gets here to the Island, because we have to transport it and that has to be paid for. So that is, you know, in general terms where we are on that.

This year, as most people know, Mr. Chairman, we are going ahead with Hinds Lake. There are going to be 400 or 500 jobs before September of this year - new jobs, construction jobs that are so badly needed. Next year there will be about 1,000 people on the Hinds Lake project

Mr. Peckford: near Howley about 1,000 people working.

The other major point, Mr. Chairman, before I sit down on introducing this, especially on the energy side, is our ongoing negotiations with the oil companies as it relates to our offshore regulations. As most people know we have been successful in getting the Shell Texaco Group to apply, hopefully they will be drilling next year, and if they do, Mr. Chairman, and they have committed themselves to do so in their application, they will be setting the world's record, they will be drilling in 5,000 to 5,300 feet of water. The deepest part of the world, the deepest well drilled yet is in water of 4,300 feet. So they will be extending the world record almost 1,000 feet deeper. That is pretty, pretty deep water. We are still talking to Eastcan, we are still talking to Imperial, we are still talking to Mobile, who are the other major federal permit holders that are sort of eligible in this first round, and we hope shortly to be able to have deals negotiated with those companies as well on our terms so that we can get on with the exploration effort because it will mean a lot, and in the whole nation energy policy it means a lot because, remember, the federal government is about to introduce, perhaps in the next week or two, a new policy guideline as it relates to supplementing or, not only supplementing, but replacing gas, putting gas where oil used to be, in other words, because of the shortage of oil is so great, and now there is a surplus of gas in Canada, in the world right now, and will be for the next couple of decades that it is in our own national interest, both economic and from a political-national interest to replace with gas. And that will, you know, hurt us and the exploration effort off here if that gets off the ground in the next five years before we have commercial finds of oil because then you have the whole gas infrastructure in place which would have to be changed over again.

So it is very important that we get on with the offshore exploration effort, hopefully on our terms. And with those few brief remarks, many of which, others, I will make as we go along, I would like

Mr. Peckford: sit down on this, and to see what some other people have to say. Thank you, Mr. Chairman.

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

MR. STRACHAN: Mr. Chairman, in opening I would like to touch briefly on some of the points raised by the minister, and probably as the discussion deepens we will get into some more specific items, especially the Churchill Falls question in which a very superficial attempt to pawn off our attempts last year to try and introduce a resource taxation was discarded, but we will get into that later on.

First of all let me address myself to the question of the oil and gas exploration, and I am not particularly addressing myself here to the economic argument, and the argument with the oil companies, and the debate in particular, but what I would like to look at is the whole environmental question. As the minister has stated the companies will be drilling in a record 5,300 feet of water. It is a good 500 or 800 feet deeper than has been drilled in the world, it would be a world record. And that concerns us. It concerns us very deeply. I will leave the economics aside, and I understand there must be a balance between economics and environmental and I do not want to be totally environmental, but I am looking at the whole future of the fishery of this Province.

We have in Labrador the Hamilton Banks which is regarded as being the mother ground, the spawning ground, the bed for the whole Northeast fishery. The minister has in his power the ability to declare a moratorium on drilling on certain grounds. And I believe the minister should right away ask or put into force a moratorium on the drilling on the Hamilton Banks because should there be a spill or should there be a blow out, any problem at all, on the Hamilton Banks, let us say occurring in October, or early November or October, then there could be for eight, nine months of the year a continuine blow out, and do not say it cannot happen, it did happen, it happened in the North Sea on a well which at the surface of the water blew out and it

MR. STRACHAN: took three weeks to put out. Here we are discussing the Labrador current which if a blow out at 5,300 feet or any trouble in deep water -

MR. PECKFORD: You are confusing your facts now.

MR. STRACHAN: The minister similarly confused his facts about the resource taxation, he can correct me later on. I will continue on first. My whole point is this -

MR. PECKFORD: Fifty three hundred feet is not off, it is not near the Hamilton Banks. That is what I am trying to say to you.

MR. STRACHAN: I understand that. I understand that perfectly. It is not near it. Of course, it could not be. It would not be a Hamilton Bank if it was 5,300 feet.

MR. NEARY: The minister does not know any better.

MR. STRACHAN: I went to sea for years.

My argument is basically this- let us look at the Hamilton Banks first, and then extrapolate on - now even

MR. STRACHAN: in shallow water where this William Carson was sunk can they put a submarine down to film the Carson let alone try and put something down to the seabed to plug a blowout. So basically their argument is this, that even on the banks they cannot do anything with it in the Labrador current, and do not have the technology to do anything with it. Our argument is, therefore, that at depths like this off Labrador, or depths like this off the Island part of the Province, we could face dangers, economic dangers, not only environmental - and let us leave the environmental question aside - economic dangers, because what we would be doing is wiping out the whole fishery.

I noticed that the minister's environmental report stated essentially that we do not have to worry about it because the prevailing wind is Westerly it will all go out to sea anyway.

MR. PECKFORD: That is not what I said.

MR. STRACHAN: I only understand what I heard coming over the radio in Nain and the connotation given by the press, and they may be wrong but I can only go on that, was -

MR. NEARY: The minister did not deny it.

MR. FLIGHT: Quoting the minister, eh?

MR. STRACHAN: - quoting the minister - was that if the wind was prevailing Westerly there was an offshore flow and that generally, therefore, we would not have to worry, that is would not be as severe as we originally thought.

Regardless of that, what I am stating here is that there is a deep question in our minds and I would like to see the minister address himself to that. First of all, on the Hamilton Banks themselves there should be a moratorium because what we are envisaging

MR. STRACHAN: is wiping out the whole Northeast fishery. There will be no more Bonavista fish plants, or Fogo, or LaScie, or St. Anthony, or Labrador Coast, they will all be wiped out, or could be potentially wiped out, exactly the same as is happening in France at the moment with the inshore fishery there.

MR. NEARY: Hear, hear!

MR. STRACHAN: We could see a blowout which could continue on for years and years and years because the technology is not in place to be able to handle that at these kinds of depths or in those kinds of currents, as witnessed by the great difficulty in trying to get down to the William Carson. In the best time of the year, in August, they still could not get down even to do a simple filming because of the dangers.

What we are asking for is some serious application there. We understand full well that encouragement must be give to drill elsewhere but make sure that environmentally it is safe, and as well that it is safe economically, that we are not going to wipe out the fishery of this Province which is the whole basis of the economy of this Province and will be long after the oil and gas are out and gone. We will still have fishermen fishing, it is a renewable resource and it must be protected at all costs.

I will not get into a discussion with the minister on the oil and gas question since I fundamentally differ with some of the line of attack or the way the oil and gas regulations were brought in. I think it is an excellent job, the oil and gas regulations as they are. I think I have a great deal of respect for Cabot Martin, who has done some tremendous work there. Obviously, he has studied it well, researched it well and has done a very, very good job. I basically

MR. STRACHAN: disagree with the philosophy since I have always felt that instead - and I understand full well that we are getting away from the whole concession idea, concessions are old-fashioned, they are outdated. Not even the companies want to deal with concessions these days, they feel it is a handicap on them. We have progressed on from there and looked at a number of other systems and came out with what Cabot Martin has distilled out as being one of the best systems and I would fairly agree that he has obviously done a fair bit of work.

My basic argument has always been that if we are going to fight with Ottawa over who owns the seabed, and our argument basically is that we own the seabed, then if we fight with Ottawa to own it we should maintain ownership at all times. We should not by any form or other, whatever way we will not allow it, distribute that out to any oil companies even if it is revenue producing for us.

Our basic argument should be that the seabed belongs to us and therefore the companies can come in exactly the same as they do in some of the Arab countries, they can come in there, explore, they can take the oil out, but essentially the oil coming out belongs to us as well because it came from our seabed. This is the basic argument we have. Those differences in opinion, or differences in direction than some of the ways we are thinking there.

However, I feel seriously that, leaving the economic argument aside, the first points I raised here I would like to hear the minister address himself to. I do not think that we have done enough. Environmentally I think that the whole thing looks to me, superficially, and I admit that I have not studied

MR. STRACHAN: it or read it, I have just come back in from Labrador and I have not studied it or read it in depth, but it looks to me as though it is very superficial, it does not get down to the root of the problem, and we must first of all protect what we have first and then move on from there.

 So I feel very strongly that the minister should invoke his powers and call a moratorium on the Hamilton Banks, prevent any further technology- any further drilling and situations in which we do not have the technology at this point to handle it.

MR. STRACHAN: This is probably one of the hardest areas in the world, certainly by the sounds of it far harder than the North Sea which at that time was thought to be one of the hardest. It is certainly far harder than the Beaufort Sea operations in which they are drilling in fairly shallow waters, with different situations altogether. And we should make sure that what we do is protect our environment and protect our fisheries because that is the whole future of this Province.

Getting on to the energy question. By the way, the minister mentioned there, on the iron ore question he said we were suffering from depressed markets and the world situation and that is obviously agreed, I was in Labrador City and Wabush early this morning at one o'clock, two o'clock this morning having discussions with some people there and I should say that Wabush is still producing. And the minister says they are affected by the North America situation, that is correct. But it is also well known that Wabush mines has only four per cent of its production up for sale.

MR. FLIGHT: On the open market.

MR. STRACHAN: Ninety-six per cent of it is contracted, contracted to their own subsidiaries, their own companies, themselves. In other words, they have contracted with themselves. Only four per cent of Wabush ore is open and so therefore they are producing and they are in a different situation from the rest of them. So the minister questions there a situation that Wabush has been hurt; in fact I understand from last night that Wabush is producing a tremendous amount at the moment because of the Stelco situation with the pipe-line, and since it is all contracted ore, the world market virtually in this situation is not hurting them the same way as it is some of the other areas.

MR. FLIGHT: Using it to meet the ore requirements.

MR. ROUSSEAU: (Inaudible). They can only stockpile it so long (Inaudible).

MR. STRACHAN: Oh yes, I understand perfectly. I am not talking about some kind of layoffs. But the argument here was that in effect Wabush contracts its ore to itself through its own groups and so on and therefore have absolutely captive customers and in fact the whole Central Canada and Labrador iron ore has us in its grip and we have got to play the tune, whatever the tune they call essentially we have got to play it.

On the question of Churchill Falls, or on the question of hydro, I would like the minister to indicate a couple of points to us. He stated initially with a discussion with Quebec that the co-development of the rivers in Labrador was the bargaining lever, and I -

MR. PECKFORD: What?

MR. STRACHAN: - was the bargaining lever, and these are the Premier's words, is the bargaining lever to opening up the Churchill Falls contract, having a look at that Churchill Falls contract, and proceeding with this. There will be no, if we remember correctly, there will be no development of the five rivers or the four rivers, whatever rivers we get into, no development of these rivers until the Churchill Falls question was settled.

MR. FLIGHT: Hear, hear!

MR. STRACHAN: Our basic argument is this, that it was a wonderful attitude to have and the minister again talks here about our situation there, our bargaining levers, our five rivers, our co-development, but it was agreed to with Levesque when Levesque was down there, that we would set aside the whole Churchill Falls question -

MR. PECKFORD: No.

MR. STRACHAN: - set aside the whole Churchill Falls question and proceed with talks on the co-development of five rivers. Now

MR. STRACHAN: if you are going to set aside the Churchill Falls question how can the five rivers be a bargaining lever? You have given away your bargaining lever. No wonder Quebec puts in obstacles in our course because Quebec wants this thing to drag on and drag on because for every year it drags on Quebec is benefitting and we are the losers.

So basically we are being put in the position, in our feelings, suckers in a position like this, because we are being bullied, cajoled by a very clever man, who many of us in Labrador, although we have no feelings towards Quebec at all, feel that we often wish that he was on this side, because his bargaining powers, his skill, his tenacity, his toughness, is something that we should be emulating and we should be, if admiration - what is it - imitation is the finest form of admiration, then we should be doing it.

MR. NEARY: He has got leadership, something that this government does not have.

MR. STRACHAN: We should be tough minded about this. We should get at it, and this is the whole argument we brought up last year on our resource taxation. Now the minister tried to put it down because Saskatchewan's resource taxation was overruled by the Federal Supreme Court. We said that last year. Blakeney himself has indicated to us that his legislation very likely was going to be overruled because it was legislation brought in in 1973 in which he felt that there were some technicalities with it. What

MR. STRACHAN: he did have, and we stated last year, was retroactive legislation that should the federal government or the Supreme Court overrule it, he had retroactive legislation right behind it to come in to make sure that the \$550 million, the half a billion dollars that he has taken from the companies, oil companies and the potash companies in Saskatchewan, the money, the revenue he derived through what was later an illegal tax by the Supreme Court, that the retroactive legislation would be put in place which would legalize the method of taxation. And what happened? He never had to pay one penny back. The oil companies in fact changed their attitude towards him and sat down and started saying, "Well, let us face it. We have to live with this tax so let us talk now of co-operation" and in fact are living with him and are continuing to pay the tax. Our basic argument therefore was still the same; we understand that the initial legislation was legislation which could be overruled in the Supreme Court. I am no lawyer, I do not intend to be, I have no idea of it, but I am very fundamentally interested in some of the positions we are taking. And what we are stating is that recalling 800 megawatts of power or any power is not the route this Province should be going in Churchill Falls. We do not need the power, we need money. We cannot even develop Gull Island because we do not have a market for that power let alone take back 800 megawatts from Churchill Falls. What we need in this Province is money situation. Give us the money first and we can develop the rest. What we are talking about are vast sums of money, At 10 mills we are talking about \$300 million, at 20 mills we are talking about close to \$700 million coming back in this Province as revenue from Churchill Falls and we are still giving them some of the cheapest power. Our argument is not the contract, which this government always wants to point out to; what we are stating is put in a resource taxation which is totally out with the contract.

AN HON. MEMBER: You cannot do it.

MR. STRACHAN: The contract makes no difference. If I sell a car to somebody - and it is a very simple analogy - but if I sell a car, then how I sell the car, under what terms the car is sold and who bought it is immaterial. We still have to pay our sales tax, and the sales tax, all it needs to know is fundamentally how much you sold the car for. What terms and what way it is done is totally none of the sales tax department's business; all they want to know is how much are you going to pay. Exactly in this situation here, what we are saying is we are talking about invoking a tax which is outside the contract; the original contract has nothing to do with it.

MR. FLIGHT: He does not understand. He does not understand.

SOME HON. MEMBERS: Oh, oh!

MR. STRACHAN: You can argue your point. The minister last year, who pooh-poohed our idea, in September and October, when the House was not open, and I cut out the clippings, stated that the tax that we proposed last year, last year we stood up in this house and argued it - we were communists, we were socialists, we were Banana Republic people because we were going to pull the switches and all the rest of it! That is what we were accused of, accused by the government here. And in September and October, I have the clippings, in which we find out that the government said it is legal, it can be done. They were running us down for being Banana Republic people for mentioning it last March and then in September they said it can be done, it is legal but it would be immoral of this Province to invoke a tax on Churchill Falls power. That was the statement, it would be immoral. And I can get the clippings and put them in the House here and table them. Immoral! That is what they said. What is immoral about the position of this Province here, being one of the poorest in Canada, what is immoral about Quebec gaining revenue from us out of the Churchill Falls power because of the sudden escalation of energy costs. And we have obviously got a

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MR. STRACHAN: route in which we can apply - at least we believe we can apply-a mechanism to get our just and fair rights and our fair return in money, in dollars, in cash to this Province, I cannot see what immorality there is in this Province, walking around in our bare feet. It is a foolish position so probably now what we are going to see is that the government who first of all last year told us it was illegal to do it, Banana Republic people, Socialists, tad, foolish ideas, and then six months later came around to the idea that it was legal. I remember the big arguments we had last year in which the Department of Justice was called and the lawyers were called and they stated that it could not be done. And then six months later we find out that it could be done. Our basic argument then is that we feel that what we should be looking at is getting a return for our dollar, get some money back

MR. STRACHAN: from Churchill Falls, never mind the power, never mind taking them to court - in essence taking ourselves to court, remember, because we bought out Brinco; so essentially we are taking ourselves to court in the first hand. This government, its right hand is taking its left hand to court, CFLCo, who in turn of course, go through Quebec Hydro. So we are taking ourselves to court to get the return of 800 megawatts of power by, I believe, October, 1983, since, if we got the power or it was awarded to us, in order to get a transmission line in place to get delivery of that power and bring it to the Island we would have to have the decision by 1976 or know we were going to get it and we would have to start work on the transmission line in order to take delivery in 1983. In other words, we are creeping up years. Even if we got the 800 megawatts of power tomorrow from Quebec and we won our court case we could not take delivery of it anyway. Levesque has us.

AN HON. MEMBER: Right.

MR. STRACHAN: Levesque has us.

AN HON. MEMBER: Right.

MR. STRACHAN: The man is obviously clever and he will give us 800 megawatts of power back when James Bay comes on in 1983 because he will then have a surplus.

MR. PECKFORD: He will not have a surplus.

MR. STRACHAN: He possibly will have a surplus, and he is clever enough to know that even then James Bay is on stream and he has other developments moving and he will therefore not need it the way he needed it now.

MR. NEARY: Hear, hear!

MR. STRACHAN: Our bargaining lever is now. Forty per cent of the power for the Province of Quebec is produced in this Province and we are getting no returns on it because we do not have the guts to put a resource taxation the same as Blakeney did in Saskatchewan, the same kind of threats that Lougheed used with turning

MR. STRACHAN: off the pipe-line to Sarnia Refineries in Ontario and stating to them, 'Pay, or else!' - and he never got as far as doing that, because they gave in.

AN HON. MEMBER: Hear, hear!

MR. STRACHAN: And yet here we are in a weak-kneed position looking for 800 megawatts of power, which if we get it anyway from the courts we cannot take delivery of it. The whole question begs the issue, The whole angle of attack as far as we are concerned is basically wrong and we feel strongly that what is needed is imposition of a tax. Let Quebec argue the legality of it. Let us argue the legality of the tax we are imposing. Let Quebec argue the legality of it. Where is Quebec going to argue the legality of it? The only place it can argue the legality of it is in the Supreme Court of Canada. And Quebec does not even recognize Canada, Levesque does not recognize Canada, so how can he take this Province to the Supreme Court of Canada to argue that our tax is illegal and we are bullying Quebec? The whole thing is nonsense. It cannot be done. He has no sympathy, no sympathy whatsoever, and what we should do is we should impose the tax, let Quebec then argue the legality of it and then we would be in the driving seat; we would be in the position of using our strong weapons, our bargaining levers. We can be flip and say, 'Pull the switch' or 'Shut it off' or all the rest of it. I agree it is flip, I agree it is eye-catching, I agree it is a wonderful thing to think about, and I suppose there is not one person in this Province who would not like to be in the position of turning off the switch and watching Montreal shut down and the Forum - the middle of the game at the Forum in Montreal, the Canadiens are playing Boston Bruins and all of a sudden because this Province has pulled the switch there are no more games. It would be wonderful to think that and everyone would like to be in that position.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: (Dr. Collins) The hon. member's time has elapsed.

MR. STRACHAN: Could I just wrap up my remarks - just thirty seconds before the minister comes back?

MR. CHAIRMAN: (Dr. Collins) Does the hon. member have leave? Agreed.

MR. STRACHAN: So what we are basically arguing then is that we should impose something like this. We should have the guts to impose something like this. We should move it instead of trying the timid approach that we are trying now and letting Levesque play around with us, stall us, put us off, and as the minister says, keep putting obstacles in our path, which he stated here, in order to delay it all, because the longer he delays it the more Quebec makes in general revenue.

AN HON. MEMBER: (Inaudible) to begin with -

MR. STRACHAN: That is not the point.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: The hon. the Minister of Mines and Energy.

MR. PECKFORD: Mr. Chairman, the hon. member from Eagle River talks about the weather conditions and the isolation where he happens to live, which is extremely true. One would think it would give him time to do some research and present a few more pieces of evidence than he has presented to date over the last year or two as it relates to this whole Upper Churchill question. It is the most simplistic, elementary argument! A four year old could concoct as good an argument as he concocts for implementing a resource tax. Last year, Mr. Chairman, members on the other side had indicated to do immediately what Saskatchewan had done and we had indicated that it would be proven unconstitutional. It was so proven. They have now introduced other legislation.

MR. PECKRORD: The hon. member for Eagle River fails to mention that there are no existing lease agreements and power contracts which explicitly say in words in English that the Government of Newfoundland, that no other agency in Newfoundland can levy any kind of taxation, can levy kind of new charge against the power that is being sold. There are existing lease agreements in place, there are existing power contract in place which are entirely different from the situation that he tries to compare it with in Saskatchewan. It is not the same; he is not comparing apples and apples, it is as simple as that.

Secondly, as I have indicated last year, have indicated many times.-

MR. NEARY: Mr. Chairman, I move the Committee rise, and report no progress and that the government not be given their estimates, Sir, and that we have no confidence in the present administration.

SOME HON. MEMBERS: Oh, Oh!

MR. CHAIRMAN: Order, please!

It has been moved that the Committee rise, report progress.

SOME HON. MEMBERS: Oh, Oh!

MR. CHAIRMAN: All those in favor signify by saying "Aye",

SOME HON. MEMBERS: "Aye"

MR. CHAIRMAN: All those contrary signify by "Nay".

SOME HON. MEMBERS: "Nay"

MR. CHAIRMAN: I rule the "Nayes" have it.

MR. NEARY: Mr. Chairman, a standing vote, Sir.

MR. CHAIRMAN: A standing vote.

MR. NEARY:

A standing vote.

MR. CHAIRMAN:

Three minutes, and those members presently in the House will vote as the question has already been put.

MR. PECKFORD:

A point of order, Mr. Chairman.

Can you have a standing vote in Committee?

SOME HON. MEMBERS:

Oh, Oh!

MR. CHAIRMAN:

The motion is reporting progress.

Those in favor, please rise.

Those against, please rise.

The count is 13 for and 13 against.

The Chairman votes against.

The hon. Minister for Mines and Energy.

MR. PECKFORD:

Thank you, Mr. Chairman.

SOME HON. MEMBERS:

Oh, Oh!

MR. PECKFORD:

Mr. Chairman, once again when somebody on this side of the House, Mr. Chairman, starts to get into something which might be embarrassing to the other side as was indicated a few minutes ago, this is one of the tactics they use. They used it, Mr. Chairman, on me just a week or so ago. They tried to filibuster and use every tactic they could to eliminate the time I had left to speak but, Mr. Chairman, I shall pursue, I shall move on and say, Mr. Chairman, that the hon. members on the other side if they can provide some evidence, not just hot air like the hon. member for Eagle River likes to do because it sounds motherhoodish, because it sounds and is a popular notion because it is only a notion. You can hardly classify it as a sound idea; it is a great notion to go around this Province or through this House indicate to the people of Newfoundland, turn the switch turn it all off tell those Quebecois that they are no longer going to get power from our development, 'institute resource taxation-fantastic terminology, 'resource taxation,' Mr. Chairman, fantastic. I mean, you know, because the Province of Saskatchewan can do it in different circumstances, and yet to be proven whether the new stuff, the new legislation is yet valid within this Confederation, to go ahead

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MR. PECKFORD: and make those kind of statements without any back up, Mr. Chairman, without any substantiation - I have not seen the Leader of the Opposition, the former Leader of the Opposition, the present member for Eagle River or anybody else opposite produce evidence, documentation, opinions, analysis of the lease agreement, analysis of the power contract, which could contribute to a new idea . -

MR. STRACHAN: You are government. Are you!

MR. PECKFORD: as it relates to - not re-negotiation, resource taxation having some validity, some angle in one of those things, the lease agreement or the power contract, which would indicate a way out. As I indicated earlier, Mr. Chairman, we are continuing monthly to review both the lease agreement and the power contract to find some other way, and I totally agree with the non. member for Eagle River that the first priority should be, if we can do it, is to try to get more dollars

MR. PECKFORD: as well as more power. Now we might try to have it both ways, this is the other problem with it. Everybody is crying out for lower power rates. You know energy is going up too high, here is a Province with all kinds of water and yet we have got to pay the highest kinds of power rates and all this, that kind of argument. But let us face it now, Mr. Chairman, we cannot have it both ways. My view is that if we can renegotiate the Upper Churchill contract, now or in a couple of years time or whenever, if we can get a better deal because we can use Gull, Muskrat and the five rivers as levers, if we can do that, that would be a fantastic victory for Newfoundland. A one mil change on the Upper Churchill contract would mean \$33 million a year into the provincial coffers, just a one mil change, from three and a half mils to four and a half mils, would give us that much more. And I recognize that as a high priority way to go for the Province. We must move in that direction. And whoever suggested that we had recently, in our meetings with Mr. Levesque and with the Quebec Government, acknowledged that we no longer want to consider the Upper Churchill as part of the whole package, has got his head in the sand because this government has not said that we have relinquished the whole Upper Churchill development, and to go ahead with Gull and Muskrat and five rivers without it. We did not.

MR. FLIGHT: They did it. They did it.

MR. PECKFORD: We have not caved in, Mr. Chairman, and our position is that the Upper Churchill is very much a part of any deal we strike with Quebec, if in fact we can strike a deal with Quebec. We are trying desperately to persuade the federal government to become involved in a real way on the whole question of Labrador power development. We are still talking to industrialists around the world who might be interested in using 'cheap power', which will be not three mils or five mils or ten mils or fifteen mils; it will be closer to twenty or twenty-five mils. On site Gull Island is fifteen mils. And some people, I do not think, Mr. Chairman, recognize

MR. ZECKFORD: it is essentially a myth outside of the Upper Churchill, that hydro power today is cheaper power.

In the United States of America, the past two years, two or three years, a number of companies have built power plants, electrical plants over coal fields and have generated electricity from that coal field at fifteen and sixteen mils, which is fantastically cheap power today, fantastically cheap power today, fifteen or sixteen mils. Today, right today, Gull Island on site will be around fifteen mils. The Pickering Nuclear Plant near Toronto, which is one of the earlier nuclear generating plants in Canada, is producing electricity at eight and nine mils, eight to nine mils. Now the new nuclear plants that are coming on are far more expensive. They ran into a whole bunch of problems and they are going to be far more expensive but they are still going to be competitive. They are still going to be competitive. And it is only your big, large projects - I mean the evidence is so overwhelming it is not even funny. When one looks at Hinds Lake, I mean it depends on the scale that you are going into it in order to make it competitive now. James Bay is competitive because you have got 16,000 megawatts, three Upper Churchills in one development, and yet it will come in over twenty-five mils. And there is no surplus of power in the Province of Quebec even after James Bay is all on stream, contrary to what the hon. member for Eagle River (Mr. Strachan) is saying. There is, and will be, in 1985 and '86 a demand for additional electricity in the Province or then perhaps of Quebec, in Quebec, in Quebec itself. And that has been acknowledged.

Has the hon. member for Eagle River read the recent first phase white paper that the Government of Quebec put out on energy? Has the hon. member for Eagle River, or anybody on the other side, read the latest C.D. Howe Institute report on the vulnerability of Quebec in the energy field?

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MR. STRACHAN: Has the minister?

MR. PECKFORD: Yes. Absolutely. I would not make such a statement or ask such a rhetorical question unless I, myself, had already taken on that effort. These documents, written by reputable - written by themselves in one instance, their own energy strategy, their own white paper, concedes the point.

MR. PECKFORD: This is why the Province of Quebec is into the nuclear business which they hate, which they detest with a passion. They have already cut back because of their separtist leanings, their great vulnerability on uranium because they do not have any. Does anybody, Mr. Chairman, understand that the Province of Quebec - that is all it had, really, or has, hydro power. It has no uranium, it has no oil, it has no gas. It is completely vulnerable on all those fronts. James Bay will be totally on in 1984-85 and you have to start planning now if you are going to bring any new energy projects on for 1986 or 1987, and they must look, being pro-hydro, being very close in geography with Labrador across the border - they are already getting a lot of power - at that area for additional power.

Now what do we have to offer them? We have Gull Island, 1600 to 1800 megawatts, number one; number two, possibly Muskrat - that is what they are looking at enviously - which is around 600 megawatts; we have the five rivers, three of which would be competitive in 1986, the other two of which look like they would be competitive in 1990 - 1992, another 2200 megawatts. That is for starters.

They are anti-nuclear both in attitude because of their history and also because of the vulnerability on the uranium side. They hate nuclear for those reasons. They are vulnerable on the oil and gas side. And here they can look just on the East of them again and see some great hydro possibilities in which we will be competitive, and once built do not escalate. High capital, low operating, clean environmentally, which nuclear is not. The only other alternative they have, Mr. Chairman, that Quebec has, and let us not forget it, is to make some kind of deal for this replacement business, to gas, to extend the pipeline, Mr. Chairman, on

MR. PECKFORD: from where it is now in Ontario, into Quebec and down to the Maritime Provinces.

Now if anybody, Mr. Chairman, has read anything about the whole question of energy in Canada in the last six months they will recognize this, and this is how they are so vulnerable, that the proposed gas pipeline extension on into Quebec and the Maritime Provinces is somewhat of a carrot that is being thrown about by the federal government now in this whole question of energy. It is not viable. It is not economically viable either through Quebec, because Quebec needs it, on into the Maritimes or through Maine into the Maritimes. It is not economically viable to do. There would have to be a massive subsidy from the federal government on it.

Now, surely Quebec, in its vowed intentions to separate from Canada and move toward that kind of policy, would not want to be so vulnerable as to have to find hundreds of millions of dollars in order to make possible a gas pipeline, which they would have to do. So they are pretty well strapped and are extremely vulnerable on the energy side. It is a total myth to think that their hydro developments are so great and untapped that they can still move on with other James Bays; they do not have any more. James Bay is totally used in 1985. They have a couple of other hydro sites in Northern Quebec which are not as competitive as Gull Island. The best hydro site left is Gull Island. It is the first one and it is the most competitive one, technologically and from every other point of view, and they would like to have it, make no mistake about that, Mr. Chairman.

So my view is that our position vis-a-vis Quebec is much stronger than it is perceived in the popular mind, that we have a far better position, we are bargaining from a position far stronger

Mr. Peckford:

Now, Mr. Chairman, if we could find a way legally to get at the Upper Churchill situation we would implore the hon. member for Eagle River (Mr. Strachan) and anybody on the other side, anybody anywhere in Newfoundland or the world, to give it to us, to suggest it to us, to show us the way because we will do it tonight, we will do it immediately, tout de suite.

MR. FLIGHT: What happened to the Anglo-Saxon route that is going to bring the power down (inaudible).

MR. PECKFORD: Now if the hon. member wants to talk, I will mention the Anglo-Saxon - that is another. I want to thank the hon. member for Windsor-Buchans (Mr. Flight) very much for reminding me of that because it was in my mind to bring up in line with the whole Quebec situation. That is the other lever that is still there. The Anglo-Saxon route is not a dead idea nor a probability. Right now the Anglo-Saxon route, according to most experts, would put the cost of power in Nova Scotia or in the Maritimes about five to ten mils - give or take, you cannot nail it right down, obviously more expensive than going through the Province of Quebec. But with the increase in expertise on cable technology that is taking place very quickly -

MR. STRACHAN: It is not competitive.

MR. PECKFORD: It is taking place right now. The costs of transmitting power by cable is coming down because they are getting better at this whole business of transmitting electricity by cable. I think I have indicated, Mr. Chairman, in this House before that between Norway and Denmark there is a cable now over seventy miles transmitting electricity.

MR. STRACHAN: PEI and New Brunswick.

MR. PECKFORD: Well PEI and New Brunswick is a very short one. I am talking about sixty and seventy mile cables, which is the kind of range -

AN HON. MEMBER: The Scandinavian countries.

MR. PECKFORD: Yes.

MR. PECKFORD: Which is the kind of range. So, Mr. Chairman, the whole question of our dealings with Quebec primarily, and the kind of leverage we have should recognize these other facts that we are not without some good levers, with negotiation. And the Anglo-Saxon route can be very much a part of it as well, and it is not completely out of the question.

MR. FLIGHT: Would it not take all the power of the Upper Churchill to warrant the Anglo-Saxon route?

MR. PECKFORD: No, it would not. No, it would not. The cable as a matter of fact as it relates to Gull Island in bringing power to the Province, and a tunnel versus a cable, if you could - the question with a cable across the Straits, of course, is the ice scour and so on, and that is why the tunnel is a preferred route. But the cable, if there was no ice involved would save close to, I think, \$200 million. So the whole cable situation does not need that high amount of power in order for to make it viable. So the question is not that so much as ice scour, as the cable loss, the power loss that you have through the cables, this kind of thing which is being refined.

So, Mr. Chairman, you know, the hon. member for Eagle River (Mr. Strachan) is being extremely simplistic, is not presenting any evidence or substantiating his ideas, which in theory are great but which in actual practice does not bear much resemblance with the realities of the situation.

DR. FARRELL: Hear, hear, 'Brian'.

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

MR. STRACHAN: Let us get back to something practical. The minister seems to think the only people who can pass opinions or discuss these kinds of situations intelligently are people who read C.D. Howe's book, and this book, and that book, and who have a whole department behind him to provide him with all kinds of information, legal expertise, all kinds of expertise, engineers, scientists, everyone feeding into that department so the minister can stand up as the head of all of this and spout forth; and anyone else who talks, and anyone

Mr. Strachan: else who deigns to beg leave to address him is ignorant, is lowly because they do not have the information, and they do not know, and they are very simplistic.

MR. NEARY: The minister does what Burneau tells him to do. That is the real boss, Burneau.

MR. PECKFORD: I met him about once or twice.

MR. STRACHAN: Should I say that -

MR. NEARY: The minister read a paper he wrote here just before the House rose for Easter.

MR. STRACHAN: Should I say the minister states that because we live in isolated places we have all the time to study in the world, in fact, apart from CBC Hear and Now if we did not get that we would not even know in Nain in Labrador we belong to this Province.

SOME HON. MEMBERS: Hear, hear!

MR. STRACHAN: We get so little information, and our newspapers and so on are three weeks late.

AN HON. MEMBER: (Inaudible) can you read?

MR. STRACHAN: So obviously then the minister's attitude is - as far as I am concerned the minister's attitude is that no one has the ability to put forth any other argument other than the minister.

MR. PECKFORD: (Inaudible) I see.

MR. STRACHAN: The minister has argued against himself in a number of situations. Of course, like he says, the Saskatchewan deal we cannot argue because it is not apples and apples. That is a difference between politics and law. Law - or I should not say in fact in law, many cases it is interpretations, legal argument and interpretations. What we are talking about politically, is that politically we are taking legal arguments and we are bending them and moving them and making use of them. That is exactly what Saskatchewan did.

MR. STRACHAN:

If Saskatchewan for three years can earn \$550 million with an illegal tax, granted an illegal tax, from oil companies through the same arrangement we are proposing with Churchill Falls, sure it is not apples and apples. It is up to this Province - not us here in this Opposition - it is up to the government there who have the expertise and the power to do it to do the research and put in some form of taxation process which will hold, or at least if it will not hold we can at least go and let Quebec argue intelligently that it will not hold. And our basic argument is that what we are doing is self-defeating. We are arguing our case against ourselves when we should be leaving it to Quebec to argue the illegality of the law. This government, the administration, is arguing that it is not legal, that you cannot impose that kind of tax - it is not legal, there is this case and that case, this contract and this chapter, this clause which states it is not legal, so therefore we cannot do it. Blakeney in Saskatchewan did not say, 'It is not legal' or 'This clause says it is not legal' or 'The companies can take us to court on this and they can go and appeal to Supreme Court on that clause.' He did not say that. He had the guts to say, 'Apply it. Get the taxation, make it so they pay the tax immediately and let them take us to court.' And that is basically what we are saying here.

MR. NICHIAN:

And try and get it back

if you can.

MR. STRACHAN:

Let them try to get it back. Basically

that is the argument that Saskatchewan gave and meanwhile within three years collected \$550 million realizing full well that they would have therefore in the process. that if there were any loopholes in the taxation method they had applied, that they must shore up these loopholes and make retroactive legislation so that if Supreme Court ruled against them then they would have some form of legislation which came in. But the interesting argument is that the oil companies, although they

MR. STRACHAN: are appealing the situation, have reached the situation with Blakeney of Saskatchewan of saying, 'Okay, we will accept the tax,' and they have stated, 'Let us continue. We will discuss it. Now let us get into a co-operative situation with you instead of this old conflict situation.' And they are continuing to pay the tax and now they are not even looking for their \$550 million back and they are continuing on. Now that is with companies - oil companies, the hard nosed oil companies.

What we are basically saying then is why do we not try this kind of route of whatever interpretation, whatever way it is done. I do not know, I am not a legal expert. All I am stating is a simplistic idea. Sure, it is a simplistic idea. It has been mentioned many years before.

MR. PECKFORD: I have never seen any water but I know how to swim, is that what you are saying?

MR. NEARY: He is expert at it.

MR. STRACHAN: Expert, he is. The arrogance of it, you know, the arrogance of it. He struts and frets.

MR. HODDER: He only knows what Cabot Martin tells him.

MR. PECKFORD: (Inaudible) 'A tale told by an idiot full of sound and fury signifying nothing.'

MR. STRACHAN: The minister learned it - he obviously learns well - I quoted it to him last Wednesday and the minister obviously learns well. He makes a good pupil.

MR. PECKFORD: The best pupil will teach.

MR. HODDER: He knows what Cabot Martin tells him.

MR. STRACHAN: What we are arguing basically is that the route on which you are going is totally wrong. We feel that it is totally wrong. What you are arguing is you want to recall the power and you have even put in that you want that power back by 1983. But even if you were given the concession tomorrow and given it back and the courts rule in your favour, you could not take delivery of

MR. STRACHAN:

it anyway. It is foolish.

The argument is that Quebec is vulnerable, that we have Quebec. The argument is Quebec needs our power. Sure, they love to have our power. They do not need it, desperately need it. There are other areas of Quebec which do have potential, hydro-electric potential.

MR. PECKFORD:

Name them.

MR. STRACHAN:

George River and Great Whale River.

MR. PECKFORD:

How much?

MR. STRACHAN:

Oh, I am not sure of the facts. I do not have the figures in front of me. But I can tell you that George River ends at House Lake. I do not have the figures in front of me.

MR. MEARY:

He does not have a staff working for him as the hon. minister does.

MR. STRACHAN:

But there are other areas. But the fact is what he is trying to say is that we are in the driving chair and Quebec is in a weak position, that Quebec is vulnerable, that we are in the driving chair, the driving seat. That is totally wrong. Quebec is blackmailing us. They are holding us at ransom and they will continue to do so. They are playing with us and toying with us. They are putting obstacles up in our path and they are continuing to put obstacles up in our path and they will continue to do that because the longer it goes, then the better the benefit to them and the more losses we have. What we are stating is why not try this route, why not attempt some path, some sort of taxation resource like this, attempt it.

The minister in one question he answered at Question Period a short while ago said that they had a three pronged attack on the whole Churchill Falls question with

MR. STRACHAN:

Quebec, and one of them was financially they were looking at routes for obtaining additional funds, or sources, in the near future from Churchill Falls. I wonder whether the Minister could tell us what that financial route is? He stated it in Question Period, now he is stating that the financial route that we are proposing is total nonsense, so maybe the Minister has another way of financially getting some returns from Churchill Falls in the near future, not waiting for 1983. We would like to hear them. This one of ours is very simplistic. Last year it was not simplistic; it was dangerous, totally dangerous. Now it is paid off as being extremely simplistic.

The purpose here, surely, of this Administration and Government using all its expertise should be applying a taxation form and blending it the best way possible to suit the situation and suit the contract situation. I would say there is a contract there in the present situation. Obviously, you cannot take a Saskatchewan deal and apply it directly to the Churchill Falls question. One has to blend it, change it, move it, whatever way it is. That, surely, is the art of politics. And that is basically what we are questioning here. We still say that what we are doing is giving away our bargaining lever, and the Minister states that there is no question that we are going to discuss Churchill Falls.

The statement given after Levesque was here quite clearly, as I recall it, stated that we have set aside the question of the Upper Churchill because it is before the courts and we are now discussing the co-development of the other rivers. The statement before Levesque's visit here was that we were using the co-development of the rivers as a bargaining lever for the Upper Churchill.

MR. NEARY:

Hear, hear!

MR. PECKFORD:

was stated at all.

You are concocting that. That is not what

MR. STRACHAN:

I am not concocting that.

MR. NEARY: They shift the ground -

MR. STRACHAN: You shift and shift them back and forth, constantly shifting. We ask questions one day of the one Minister and we ask questions the next day of another Minister and we get totally different answers. Continually shifting.

That was definitely stated that we set aside the Upper Churchill question because it is before the courts, we agreed to disagree.

MR. PECKFORD: That is what you wanted to happen.

MR. STRACHAN: Not at all! What we want to happen is to have some guts and do something about it.

MR. NEARY: Hear, hear!

MR. STRACHAN: It would be interesting to see what occurs down the road. Possibly at election time maybe we will see that there will be another blast and another way of doing something, getting at it -

MR. FLIGHT: If we do not get the power back we are going to take it then: That could be the issue, a mandate to pull the switch.

MR. STRACHAN: Meanwhile, I notice that the Minister has not stated or replied or given me any answer on the initial questions I raised way back on the moratorium on the Hamilton Banks and then some of the dangers, environmental dangers, and the fact that as they stated, since everything is offshore and it is a westerly wind, we do not have to worry because it is all going to go out to sea anyway. Basically, I would like to get the Minister to expand on that theory and see whether we can manage to get down to some detailed work on what is going to happen to protect the Fishery, the economy, the basic economy of this Province, and that has to be done right away. So I would like the Minister to address himself to some of these questions and get back without the playing down, to indicate to us the three-pronged attack he stated that they are going to take on the Churchill Falls question and the financial source, the way they are going to gather the additional revenue in the near future. He did not say, wait until 1983 for delivery of power. He stated the financial - the method they are

MR. STRACHAN: going to get the return from the Churchill Falls in the near future from Quebec. I would be very interested to see if it is a different method from ours. Maybe ours is very simplistic and maybe the Minister has some other way which is much more complicated, much more devious and maybe can hold water more than ours, and maybe can stand the test of time. Maybe Levesque will not be able to take them to the Supreme Court of Canada and prove that it is illegal, since he cannot do it anyway. It is all pantomime anyway. But I would like to hear and see what the Minister is going to say on some of these questions.

MR. NEARY: Mr. Chairman.

MR. CHAIRMAN: Hon. member for Lapoile.

MR. NEARY: Mr. Chairman, I, too, will be looking forward to the answers to my colleague's questions by the Minister. The Minister has gotten up so far, Sir, in his forty minutes that the hon. gentleman has taken so far to outline the Government's energy policy and I sat in my seat for most of the hon. gentleman's remarks, and

MR. NEARY: I think I am more confused than ever, Sir. I said in this House a year ago that this government has no energy policy and I am more convinced than ever, Sir, that they are flying by the seat of their pants.

MR. W.N. ROWE: No energy.

MR. NEARY: Well they have run out of energy but every year so far since this administration took over we are getting a different statement of policy. They keep shifting their ground and we just cannot keep track of them, Mr. Chairman. And the minister again this year in introducing his estimates has failed in my opinion to outline any realistic energy policy for this province. Mr. Chairman, the hon. gentleman has made no reference at all to the possibility of developing the remaining streams and rivers on the Island part of this province. He has made no reference at all to nuclear power. He has made no reference at all to solar power. He has made no reference at all to wind power, although we have heard a lot of wind. There is an experiment going on down here at the university where they are using these - what do you call these things? Wind chargers. There has been an experiment going on down here for some time but no reference to any of these things at all, Sir. Yet if we had a wind charger on the hon. gentleman's lower lip today we would have enough energy, Sir, to keep this province going for the next fifty years.

MR. RIDEOUT: Put one on his arms too.

MR. NEARY: And on his arms, that is right. The hon. gentleman has been over negotiating with Hydro-Quebec too long and Rene Levesque because that is the frenchman's style, waving their arms and the hon. gentleman waves his arms. So we have no policy. My hon. friend, the member for Eagle River probably put forward today the most important question of all to the hon. gentleman and that is in connection with protection of our most important resource, the fishery. And the hon. gentleman asked if there was going to be a moratorium put on the area around the Hamilton Banks. No answer. No reply from

MR. NEARY: the hon. gentleman. Now that is a very important question, Sir, and one that should be answered. There are a lot of people in this province, Mr. Chairman, who would rather not see discovery of oil and gas if it is going to threaten our fishery. You would be surprised the number of people in this province who would say to hell's flames with oil and gas if it is going to ruin our fishery. And my hon. friend has gone into great detail in outlining what could happen if there was a blow out on the Hamilton Banks.

And so I think it is incumbent upon the minister to give this House the answer and tell the people of this province what steps the government will take to protect the most important resource that we have in this province namely the fishery. Now, Mr. Chairman, my hon. friend has pretty well covered the Upper Churchill and the Lower Churchill, and I must say I completely agree with many of the statements made by my hon. friend that the Premier especially has shifted his ground so often that we cannot keep up to him. Before Mr. Levesque came here just before Easter, before the House closed, the hon. gentleman was on the radio and television in his bombastic voice, very serious, very stern saying, "I will show Levesque when he comes down here and I will teach him. We are going to tell him a thing or two!" And down came Rene and the Premier melted just like butter in front of Rene.

AN HON. MEMBER: He caved in.

MR. NEARY: I do not know whether he caved in but he melted, and when the two gentlemen had their press conference you would not know but they were kissing cousins. The Premier did a complete reverse, turned himself inside out, did a somersault and, Mr. Chairman, I must say that not only were we surprised and dissappointed at the position of the hon. Premier but we could not believe it that this tough Premier who says, We are not going to give away Newfoundland, and has been saying it for the six years, parroting the member for St. John's East who somehow or other has some kind of a vendetta, who is always squirting venom against the former administration and the former Premier and the hon. present Premier falling into that trap. Crosbie

MR. NEARY: is gone but we still have the member for St. John's East (Mr. Marshall) who can manage to squirt his poison and his venom and say "Oh, the former administration" when he wants to stick the darts into the Premier and into the administration that he is supporting. He gets up and first of all he attacks the former administration, attacks their policy and then sticks the darts into his own administration. I do not know what the hon. gentleman expects to accomplish but the hon. Premier seems to fall into that trap. So, Mr. Chairman, as a result we have no energy policy in this Province, none at all. The minister is carrying the policy around in his vest pocket, if he wears one, or in his watch pocket.

MR. PECKFORD: I do not have one, sorry. Try again, the third time is always lucky.

AN HON. MEMBER: Your jock strap.

MR. NEARY: No. He does not carry it around in the opening that he has there. He probably carries it around in his top pocket. That is where the energy policy of this government is, Sir, in the minister's back pocket. And every time there is a statement - we ask the Premier a question and we get an answer, we ask the Minister of Mines and Energy a question and we get a different answer, we ask the Minister of Finance a question and we get a different answer again. We cannot keep track of it at all.

Mr. Chairman, let the minister get up, let the minister get up, if the minister is going to kill another twenty minutes, if the minister is going to get up and make speeches and not allow us to get into the item by item analysis of the estimates, if that is what the minister is going to do, just take up the six hours in making political speeches, partisan speeches, that is what he is going to do. Well, Sir, we can play that game too but we will prefer to get into an item by item analysis of the estimates. But if the minister is going to take up the time of the Committee then let the minister say something, let the minister tell us what the

MR. NEARY: energy policy of this Province is, let us hear what is going to happen on the Upper Churchill. When will the court case take place? Is it started yet?

Mr. Chairman, I have pointed out in this House a short while ago, much to the chagrin of the Minister of Justice who knew what I was talking about - a lot of other members on the opposite side did not know - that the only recourse that this administration has to recovering the power from the Upper Churchill is through a clause that was put in the agreement by the former administration. That is the only avenue, the only recourse that the hon. Premier and the hon. Minister of Justice, the hon. Minister of Mines and Energy and the hon. administration have. A clause that was put in the lease agreement by the former administration and that is the route that they are now following. So I say thank God for the former administration! The hon. gentleman from St. John's East (Mr. Marshall), the hon. gentleman shakes his head and says no, no, no! Well I say yes, yes, yes!

Mr. Chairman, if that clause is not in there, Sir, we would not be able to get the power back. But the fact of the matter is - and let this be reported, I have yet to see this in print, let this go out across this Province and across this nation,

MR. HICKMAN: They are not writing it down.

MR. NEARY: I do not care whether they are writing or not. But members of the House - it could not be repeated too often for members on that side of the House, who have been living by the big lie in this Province that we do not own the power when in actual fact the power from the Upper Churchill is merely leased, it is leased -

MR. PECKFORD: We know!

MR. NEARY: My hon. friend the Minister of Justice knows that. The power is leased to Quebec Hydro. Is that not correct?

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MR. HICKMAN: The contract runs well into the 21st century.

MR. NEARY: Mr. Chairman, the hon. gentleman says yes, the power is leased. He and I think alike on that. The power is leased until such time as Newfoundland wants to take it back. Is that not correct?

MR. HICKMAN: I hope you are right. It is not only leased but there is a provision for a further extension of the lease at the same rate. And our great, great grandchildren will probably not be around for the termination thereof. That is no myth, that happens to be cold, hard facts.

MR. NEARY: Mr. Chairman, let me put a question to Newfoundland's answer to Mr. Robinette, the hon. Minister of Justice. Can we not take back that power anytime we want it? Can we not take it back, I am asking the minister -

MR. PECKFORD: We do not know.

PREMIER MOORES: That is why we have to go to court.

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MR. NEARY: - first of all is the power leased?

MR. PECKFORD: That is the question. If we knew we would not have to go to court.

MR. NEARY: My hon. friend says the power is leased for many years. Newfoundland leased the power and we can take it back anytime we want to.

MR. MARSHALL: Meantime we have lost \$500 million a year.

MR. NEARY: Mr. Speaker, there is the rub!

This crowd have gone on such a spending spree -

AN HON. MEMBER: The biggest giveaway -

MR. NEARY: - they have gone on such a spending spree that they are saying well the only way we can bail ourselves out is to blame something on the former administration so we can get the money from the Upper Churchill to bail us out.

SOME HON. MEMBERS: Hear, Hear!

MR. NEARY: Mr. Chairman, the fact of the matter, Sir, and I should not have to say this, the fact of the matter is that the Churchill Falls Corporation is a private corporation. It was owned by one of the world's greatest industrialists, one of the principle owners the hon. Edmund Rothschild, Eddie, and I am sure that that gentleman when he negotiated with the and by the way, they were given the rights to the Upper Churchill by this Legislature, by a unanimous vote of the legislature, Tories and Liberals alike voted to give the Churchill Falls Corporation the right to develop the Lower Churchill, and now-how hypocritical can they get! they are over there saying the former administration did it.

Mr. Chairman, just for the sake of the people who happen to be listening to me today, let me say this that it is not governments who give rights to corporations like the Churchill Falls Corporation, it is this Legislature. Every time the hon. Premier and the hon. member for St. John's East, who was a minister at one time, and the hon. Minister of Mines and Energy says the former administration gave away the power.

MR. NEARY: In actual fact Sir, that is a big lie. It was this House of Assembly that gave the rights to the Churchill Falls Corporation to develop that power, not the former administration. There is a big difference. There was a unanimous vote, there was a unanimous vote in this House; it was the Legislature of this Province. I hope the press will not fall into that trap again. It was not former administration. It was the House of Assembly that gave the Churchill Falls Corporation that right, not the former administration or the former Premier.

MR. CHAIRMAN (MR. YOUNG): Order, please!

Speak to the Chair instead of the Press gallery, please

MR. NOLAN: Down boy, down boy!

MR. NEARY: And the power is only leased -

AN HON. MEMBER: The press should write it down.

MR. NEARY: And I would like to take that clause that the government is using now to take action against the Churchill Falls Corporation and Quebec Hydro, take it, xerox it and put it in every home in this Province because if that clause was not there the government would be - their hands would be tied -

MR. HICKMAN: Would you be prepared to put the other clauses in there as well?

MR. NEARY: Yes, all of them. Because, Mr. Chairman, nobody at that time, but nobody, knew that oil was going to go up as it did, including Mr. Rothschild who was no dumbbell and I am sure that that hon. gentleman would like to make a buck off the Churchill Falls -

AN HON. MEMBER: Including the Minister of Justice.

MR. NEARY: - including the Minister of Justice, who was then a Liberal, and the former Minister of Finance, who was a Liberal, and Mr. Crosby, who deserted the crowd after he did all his dirt and all his damage and went up to Ottawa, that hon. gentleman was a part of the administration. We are not, none, there is not a soul on this side -

AN HON. MEMBER: Right!

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MR. NEARY: - not a soul who was a member of that administration -

AN HON. MEMBER: There never was.

MR. NEARY: - but the Minister of Justice was. But yet we have to sit here and have the abuse heaped on us by that hon. gentleman from St. John's East, year in and year out. I can hear him now. As soon as I take my seat I would not be surprised but the hon. gentleman will leap to his feet and say the former administration gave away the resources of the Province -

AN HON. MEMBER: Hear, Hear!

MR. NEARY: - gave away the power, they sabotaged Newfoundland, and then he will go on to say but I have a few words of advice for the present Premier and the present administration -

AN HON. MEMBER: On the Lower Churchill.

MR. NEARY: on the Lower Churchill. I know I read the hon. gentleman's item in the paper and before the ink was dry the hon. Mr. Gillespie up in Ottawa said "we are prepared to put equity into that company, that Crown Corporation to develop the Lower Churchill and we do not want any of the profits." And the hon. gentleman thought he had a hold of something and he was going to make a big issue out of it and the whole thing exploded in the hon. gentleman's face.

AN HON. MEMBER: Mr. Gillespie did not say that.

MR. NEARY: Mr. Gillespie did say it, said it publicly that they would put equity into the company, into the corporation and in all likelihood they did not want any of the profits.

SOME HON. MEMBERS: Hear, Hear!

AN HON. MEMBER: Words, words and more words.

MR. NEARY: What is so funny? What is so funny?

AN HON. MEMBER: You are talking.

AN HON. MEMBER: Because Mr. Gillespie did not say it.

MR. NEARY: Mr. Gillespie did say it. I heard the gentleman myself say it.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: That is quite important.

AN HON. MEMBER: That was at the Liberal policy convention.

MR. NEARY: No, I was not at the Liberal policy convention.

Now, Mr. Chairman, that is enough said about that particular matter except that I have again to get back to the Minister of Mines and Energy, Sir, and I have to accuse the minister of being negligent and lazy in accepting an offer that has been made by the Government of Canada, the hon. Mr. Cullen, who has offered this province, a fifty-fifty deal to cut the timber, to cut the site of the Lower Churchill and my hon. friend does not have the initiative to take the Government of Canada up on that offer. Yes, Sir, a fifty-fifty deal to pay fifty per cent of the cost of each employee on that project.

MR. PECKFORD: You said fifty-fifty.

MR. NEARY: Fifty per cent of each employee, of the cost of each employee.

MR. PECKFORD: The cost of the project.

MR. NEARY: I did not say it was the cost of the project. The hon. gentleman heard what I said. Fifty per cent of the cost of each employee on that project up to a certain amount. And, Mr. Chairman, if the government do not want to take advantage of that job creation project, the money is laying up there in Ottawa for some other job creation project in this province and they are too lazy to take advantage of it. They are too interested in taking vacations than they are in trying to get these job creation projects off the ground before the summer sets in. The hon. Minister of Municipal Affairs is going bonkers again, is he, going berserk again, his eyeballs are starting to pop.

Mr. Chairman, I want to get back to one of my old pet peeves, Sir, and that is the -

MR. PECKFORD: Bell Island.

MR. NEARY: No, the Newfoundland and Labrador Hydro Corporation, but before I do perhaps the hon. gentleman can make a note to update us on the Bell Island situation, what is happening with regard to the progress of negotiations for the storage of oil in the Bell Island mine.

Mr. Chairman, the Newfoundland and Labrador Hydro Corporation has now been without a chairman, or will be without a chairman in due course, and there is no indication from the administration that they have a successor to Mr. Groom. Mr. Chairman, I would like to know from the minister if all the things that were brought out down at the Public Utilities Board hearings that my hon. friend attended, all the skulduggery, all the political appointments, all the political patronage that is driving up the cost of electricity to the consumer in this province, if these matters have been investigated by the minister, such as the free bus service from the Avalon Mall down to Donovans Industrial Park that the minister would not give me any information on in the House last year. And what about all these political appointments that have been made recently, former car dealers who are now down on the payroll of Newfoundland Hydro? Oh, yes former car dealers. Yes. Yes. Does the hon. Premier want - No, I will not mention names. I will not lower myself. And what about all these Englishmen that were brought in by Mr. Groom when he was down there, taking jobs away from Newfoundlanders? And what about all these high salaries that were brought out down at the hearings? And what about the mortgage money that was given to these people at no interest or five per cent interest? What about all these examples of extravagance and waste that came out of this hearing? Has the minister looked into these matters? Well then, let us have a report. Let the minister show this House and the people of this province that their electricity bill has not gone up because of skulduggery and political patronage and extravagance and waste of Newfoundland Hydro.

MR. PECKFORD: I have looked into it.

MR. NEARY: Well then let us hear it. I have been asking for it for two years. My time is up unfortunately, Mr. Chairman. I have not even

MR. NEARY: hit my stride yet. I hope I can come back to the hon. gentleman's estimates.

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

MR. PECKFORD: Mr. Chairman, yes, I am very, very pleased to be able to respond to some of the other questions that have been brought up by a number of members opposite as it relates to - First of all, let me deal with the question of the environmental problems offshore brought up by the hon. member of Eagle River and also brought up by the hon. member for LaPoile. A week or so ago I guess, or two weeks ago now, a week and a half ago, I issued an environmental report preliminary environmental.

MR. PECKFORD: reports as related to the offshore area where drilling has taken place and where drilling will take place in the future, and to give the public of Newfoundland some indication of the kind of risks involved here in various parts.

I suppose, Mr. Chairman, a lot of people know that down on the South coast in the Grand Banks area there were over forty wells drilled in the last ten years by AMOCO Canada Limited. There are no significant signs of oil and gas, but they did drill so there is some experience, outside of ice-infested waters, of drilling in fairly deep water.

The report that I issued was done by local consultants, as well as with help from the Department of Mines and Energy, and it was a report that was made public to fully brief the people of Newfoundland and interested parties, and citizens and agencies about the measure of risk. I think the report indicated that off Labrador there was a higher risk of problems than there was in the Southern part or off the Island of Newfoundland.

The area, for example, where Shell - Texaco is going to drill next year is in a fairly low-risk area. Now we recognize that there are environmental problems here, that is why the report was done. We have sat down with the federal government, who has some jurisdiction here which is not disputed, this is not in court. There is a fair measure of jurisdiction under the federal government in the environmental field as it relates to offshore exploration, excepting the business of jurisdiction on the ownership of the seabed. Even considering that, if Newfoundland tomorrow won its case offshore and had ownership, there would be federal involvement as it relates to the environment, that is my point.

MR. PECKFORD: We have been talking to them about it as well and just recently, about a couple of months ago, the federal government through the Federal Department of the Environment has initiated an additional environmental studies both in the Arctic Islands, Arctic Ocean area, Beaufort Sea area, and down on the coast of Labrador. So these environmental studies are ongoing and are in process right now.

It is interesting to note, Mr. Chairman, that it is the provincial government who have been first in this field as it relates to offshore Labrador and offshore environmental studies, that we have beaten the federal government to the punch. This is not the first time, Mr. Chairman, that we have been successful in doing that. Let it be recorded that on the whole question of offshore oil and gas regulations, the federal government has been eight years trying to develop a new set of oil and gas regulations for frontier areas, specifically offshore areas. They have a very ad hoc arrangement now as it relates to - each company has a different agreement, sort of, with the federal government. There are no standards. It varies from company to company, from area to area. They have been eight years trying to do that and lo and behold! out came this great bill C-20 which is now on the Order Paper in the House of Commons and the latest report we have on it is it will not get through the House of Commons this time because an election just might get in the way and so another year will go by without any frontier oil and gas regulations as it relates to areas that the federal government has jurisdiction over, the Arctic Islands and Beaufort Sea area and so on, whilst this provincial government, this tiny little government down off the East coast of North America, 500,000 souls plus has been able to develop a sophisticated set of oil and gas

MR. PECKFORD: regulations which would rival any anywhere in the world, in a couple of years, in about two or three years, and the federal government are still trying to do it after eight. On that score we beat them and now we have succeeded in getting into the hands of the public a preliminary survey, review of environmental problems, environmental concerns as they relate to the area under discussion now, off Labrador, off the East coast of the Island of Newfoundland.

We recognize, are fully cognizant of the problems that this could have with the ongoing fishing effort. Absolutely, no question about it, it is crucial, it is critical and as we get into these studies, these additional studies that are going on now, if it is demonstrated that any ongoing drilling activity will

MR. PECKFORD:

jeopardize in any real way the fishing effort in Hamilton Bank or any other area, obviously the Government of Newfoundland is going to have to very seriously consider closing that area down to additional drilling activity. Norway has been singularly successful on this score and to a lesser degree, but still important, Scotland or England. They have been very, very successful. It is a very interesting picture or scene in Norway, Northern Norway, up around Bergen and that area, to witness on the one hand in one view, in one glance, a huge production platform being built, even drilling activity going ahead, and within miles you can see two or three fish plants, herring plants and so on, so that you have both industries moving simultaneously side by side which is a pretty good accommodation to a very difficult problem. The fishing industry of Norway has been very successful even since the massive discoveries and the production that is going on in the North Sea. It is this kind of approach that we have to take.

Now I guess, if there is any area, any place in the world that we have extensively looked at, it is Norway; the Government has. We have looked at Norway because they have been the most successful. They have what are considered by most experts to be oil and gas regulations that take into consideration the environment and give the Government a fair amount of revenue and so on, a pretty, pretty good set of oil and gas regulations and very, very good environmental standards. We have done a lot of research and we have had a lot of talks with people in the government of Norway, and will continue to do so. So we are not at all behind on this score as it relates to measure it by ourselves or to measure it in terms of the Federal Government who have far greater responsibilities here. We have gone ahead and done our own environmental studies and they have, of course, requested that we pass those studies along to them. They have learned a number of pretty important lessons about how to go about

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MR. PECKFORD: doing these kinds of studies from what we have done to date. We have been sort of the pioneers in doing these environmental studies. Now we are participating with them in the ongoing environmental studies that they are doing in the Arctic Islands and down the coast of Labrador.

Remembering, also, Mr. Chairman, which is important for us as we get into this whole oil and gas play if, in fact, we do, at the present moment I think Nordco is doing work - Nordco is doing valuable environmental work and other work for Dome Petroleum who are in the Arctic. This Newfoundland agency has been chosen to do environmental work in Northern Canada which is extremely significant and shows the kind of expertise that we are starting to develop in this very important field and why we say in our oil and gas regulations to the companies, 'Now look, you are going to have to spend this money anyway in research and development on ice conditions and whatever else and, hence, all we are saying now, seeing you have to spend the money, is to spend it here and to use local companies to do it so that we will become, hopefully, experts in this field'.

So we fully recognize the important role the fishery has to continue to play in the Province, undoubtedly the primary role in ongoing employment opportunities and in economic activity. No question, the fishery is not finite in the sense of oil and gas. The fishery is renewable. Oil and gas is non-renewable and, hence, our first priority must be to those things which are renewable as opposed to those that are non-renewable because the fishery will be here long after the pools and reservoirs of hydrocarbons have been exploited that are commercial offshore. So there is absolutely no question about that.

To move on, Mr. Chairman, I will not go back over some of the same points again if I can help it,

MR. PECKFORD:

the hon. member for Eagle River (Mr. Strachan) - I have to address myself to that - said that all our environmental report said was because there was a westerly wind, therefore there was no problem, go right ahead. But then he says in the second breath that he has not read it. So, I mean, that is a wonderful, succinct summary of an environmental report that he has not read. It is just fantastic to think that the hon. gentleman from Eagle River (Mr. Strachan), a member of the House of Assembly, a member who wants to be over here and to be minister, I suppose, of Mines and Energy or some other related department, who wants to do that, can get up in this hon. House, a leader of public opinion in this Province, a man who is supposed to know a fair amount about, who is after reading a lot about energy related matters over the last year waiting for the House to open so he could display his great knowledge on this very important topic, this hon. gentleman can stand in this hon. House and talk about an environmental study that he has not even read. Astounding! So you know you cannot put too much credence in what he talks about, Mr. Chairman, because on the one hand he is talking about something he has not read and then making recommendations thereon. Very shallow indeed, Mr. Chairman, and hence I will not spend any more time on it.

Now the hon. member for LaPoile (Mr. Neary) talks about that there is no energy policy in this Province. Now I beg to differ very, very strongly with that position. We have indicated on how many times just exactly what our position is. We have a written, legislative policy as it related to mineral development in this Province. It was the P.C. government, Mr. Chairman - let me just give one little fact to the hon. member for LaPoile (Mr. Neary) talking about energy policy or mineral policy and so on in this Province - we have now in this Province on the mineral side and we are now developing it on the energy side, because there are a number of sectors to the energy side

MR. PECKFORD:

the oil and gas one and hydro is another one. So you have three or four angles.

Talking about policy, the never of the hon. member for LaPoile (Mr. Neary) to even talk about it. Would he be interested in knowing, for example, that on the mineral side we have totally revamped the whole mineral area and put into legislation, not just regulation and a very enabling act, but into specific legislation on a number of acts of the House of Assembly and changed the whole concession system, brought in the claim staking amendment free and tried to get more companies in. Would you believe -

MR. NEARY: How many mines have you opened?

MR. PECKFORD: Mr. Chairman, would the hon. member for LaPoile (Mr. Neary) believe that the mineral revenue that has come to the treasury of this Province, talking about mines, that the amount of dollars that have come to the revenue of this Province has increased from 1973 and 1974 year, the fiscal year, to 1977-1978 year - how much has the mineral revenue of this Province increased over the last four years? How much since we brought in a new mineral policy?

MR. NEARY: Who opened them up? Who opened these mines?

AN HON. MEMBER: We keep waiting for -

MR. PECKFORD: How great a percentage has the mineral revenue increased?

MR. NEARY: Who opened up the mines?

MR. PECKFORD: You never created the ore!

MR. NEARY: The hon. member never opened one mine.

MR. PECKFORD: Never opened the mines!

MR. NEARY: The administration has not opened one mine.

MR. PECKFORD: Daniel's Harbour. You are wrong.

MR. NEARY: No, that was our doing. It was a hangover from the Liberal Administration.

MR. PECKFORD: Mr. Chairman, the hon. members do not like to hear this. The hon. member for LaPoile (Mr. Neary) does not like to hear

MR. PECKFORD:

this. He has got to speak up now. I am asking him can he tell me by what percentage the mineral revenue to the Province has increased because we changed our mineral policy? How much? How much has the mineral revenue increased? How much has the mineral revenue increased?

MR. NEARY: We laid the foundation for a 500 per cent increase.

MR. PECKFORD: How much? How much?

MR. NEARY: Millions and millions of dollars -

MR. PECKFORD: 445 per cent increase in the amount of dollars that we get from mining companies in this Province because of our new mineral policy, 445 per cent. It has gone all the way -

SOME HON. MEMBERS: Hear, hear!

MR. PECKFORD: It has gone all the way from \$2 million measly dollars in 1973-1974 because of the wicked Liberal policy, mineral policy, which was a giveaway on the mineral side, a total and absolute giveaway. And the hon. member for Eagle River (Mr. Strachan) can sit over there and yet espouse all these new P.C. principles! How can he do it? It must be extremely difficult. To think that the hon. member for Eagle River (Mr. Strachan) on the one hand can get up and espouse all those principles that we have even put, written almost in legislation on every front and then to watch this government increase the mineral revenue to the treasury by 445 per cent in four years, from \$2 million, two million measly dollars

Mr. Peckford: to over \$11 million in this past year, and more now coming in 1978-1979. So, Mr. Chairman, there is one indication.

Now, Mr. Chairman, talking about energy policy: Oil and gas is energy obviously. We have developed, as I have already said, a set of oil and gas regulations under an Act, the Petroleum And Natural Gas Act that was passed through this House. And we have written in legislation the policy, we have developed a white paper which reflects the policy. That is there in the regulation to make it easier for people to understand it. That is part of our energy policy, the oil and gas regulations, which are in place, absolutely in place. Then on the hydro side, I have indicated what our strategy is on the hydro side as far as Labrador power development goes, that it hinges around the whole question of the Upper Churchill, and that we are going to try to strike a hard bargain in dealing with the federal government, which we are right now, with Quebec, which we are right now, with industry, which we are right now. We are not putting all of our eggs in one basket, but are trying to develop a hydro development policy for Labrador which will truly reflect and get the latest information on all those three fronts; do not just go to Ottawa and talk to Ottawa and forget about Quebec, do not go to Quebec and forget about Ottawa, do not go to New York or Frankfurt or London and talk to industrialists and forget about Quebec City or Ottawa, but rather to leave all of the avenues open, and to listen, and to bargain with all three groups, on all fronts, remembering always and putting at the centre, as your centerpiece, the whole Upper Churchill question as it relates to Quebec especially, and Ottawa. And then if it is possible, if it is possible to attract at reasonable rates, and not just for the attraction of construction jobs, at reasonable rates industry in here that can take the surplus on Gull Island so you do not need to go West, perhaps so much the better. We have not forgotten that. That is our policy as it relates to the Labrador power development. That is our policy. And then we have the audacity and the gall, Mr. Chairman, last year to bring in new legislation, that was not brought in by the former administration for all their twenty-three years in power, as it relates to the Newfoundland

Mr. Peckford: and Labrador Hydro Corporation. We were not scared to bring in legislation to ensure that the Crown Corporation, which is a utility, go before the Public Utilities Board under scrutiny so that the people of Newfoundland would not only think that we were making the Corporation appear to be just, but they would have to prove before a quasi-judicial body that they are, and if not, prove why not. That is what this administration did. That is energy policy.

And there is only one other place in Canada that has done likewise, the Province of Nova Scotia, and they did it because they were totally and absolutely forced to after putting power rates up higher than anywhere else in Canada. The highest power rates in Canada are in the Province of Nova Scotia because they did not develop a proper Liberal Government up there!-because they did not develop a proper coal policy in the last six or seven years.

MR. F. ROWE: That might be the fault of the previous administration.

MR. PECKFORD: It was not. It was that administration there. They ignored it, and went into oil. And talking, Mr. Chairman, did you ever hear the like, the hon. member for LaPoile (Mr. Neary) talking about the Upper Churchill, and talking about it is only being a lease. Did you ever hear anything so foolish and strange and weird in all your life? It is only a lease! Mr. Chairman, the question is not whether it is a lease or not; obviously everybody understands that there is a lease between the Newfoundland Government and CFLCo.

Then there is the power contract, which is a separate agreement altogether between CFLCo and Hydro Quebec, which says, which the government of the day was totally familiar with, which says, we shall sell power to the Province of Quebec for 3.6 mills for forty-four years. No reopeners. Ah, but no, Mr. Chairman, no reopeners because that was way back in ancient history, that was back in the 1960s, nobody ever heard tell of inflation then in the 1960s'- even though in the

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Mr. Peckford: darkest hour of feudalism there was inflation, in
the brightest hour of Greek times, Imperial times there was inflation,
but no, Mr. Chairman, nobody heard of inflation in

MR. PECKFORD:

the 1960s, signed it for forty-four years at three and one half mils, no reopeners, no escalation, closed, sealed. And then, Mr. Chairman, to reopen it, now, but after forty-four years surely there is going to be some negotiation at least.

MR. CHAIRMAN: Order, please!

The hon. minister has one more minute.

MR. PECKFORD: Forty-four years, three and one half mils. Well now no matter how stunned they were at the time, surely after forty-four years then you reopen and now you start to talk about getting it up at least. No, Mr. Chairman, it closes automatically again for another twenty years. Yes, but the rate goes up, No, Mr. Chairman, the rate goes down! The rate goes down in the last twenty years of the contract and these non. gentleman across the way are talking about energy policy and mineral policy. This is the product of Liberal rule, these things were the product of Liberal rule for twenty-three years.

Mr. Chairman, they should all leave and go home.

MR. CHAIRMAN: Hon. member for St. John's West.

DR. KITCHEN: Mr. Chairman, when discussing energy policy methinks the minister doth protest too much. His is probably hiding the fact that there is very little energy policy here. "Doth the wild ass bray when he hath grass/ or the ox loweth o'er his fodder"

I suggest that there is no energy policy in this government. Let me raise some points here.

I have before me a document which I am sure the minister has not read. It is called the Report to the Board of Commissioners of Public Utilities. There is a little table displayed here whereby a company called ERCO is tabulated as costing almost \$13 million to receive electricity from this Province, \$12,880,000. Now the point that I want to make is this, that this contract which costs 18 mils is now being subsidized

DR. KITCHEN: at three and one half mils. It does not matter who made it the point is - I might also say that we have another company here called Bowaters. Bowaters is receiving power from Newfoundland and Labrador Hydro, power that is worth according to this figure \$2.5 million, three quarters of which is subsidized by this Province. Not just ERCO, Bowaters and also Price. Price is receiving \$3,386,671, according to these figures, worth of power which costs the Newfoundland and Labrador Hydro about fifteen mils to generate and deliver and this is subsidized. This is subsidized to the tune of about \$2.6 million. So we have three companies there, ERCO, Bowaters and Price, all of whom are being subsidized by the people of this Province, one to the tune of about \$10 million. I suppose we remember the other day in the Telegram where they were saying how they were making \$10 million worth of wages available to the people of Newfoundland and here we are making the subsidies to ERCO approximately the same amount.

Now the reason I am raising these figures on this side of the House is this, because I took it upon myself to write to the owners of ERCO, Albright and Wilson Limited, and ask them if they would kindly send me a copy of their annual report. Because if this is a poor company trying to struggle along in Newfoundland that is one thing. And it has been a poor company. In 1967, for example, its net profit was

MR. KITCHEN: Five Million Pounds (Sterling) and it has been going up. But do you know, Mr. Chairman, what the profit was last year from Albright and Wilson? 31.6 Million Pounds (Sterling). Now if they only have it invested capital, their capital is 181 Million Pounds (Sterling). So these people are making sixty and seventy per cent profit. 31 Million Pounds (Sterling). Now, and I might also say this that they refer in their annual report, which is a very interesting document, very well tabulated - they have a number of plants, they make products for soap and things like that and they tabulate it and they discuss it - and in one place they say that the ERCO plant at Long Harbour underpins an important part of the Company's productivity. Now, it is the ERCO plant that to a large extent is responsible for this profitable company's operating. Now I believe, Mr. Chairman, that it is now time - the time has passed really, the time has passed now because this company is becoming a quite prosperous company - it is now time, if the time has not already passed, for the Minister of Mines and Energy to earn his salary by re-negotiating that contract. Re-negotiate that contract. The time has passed. It is a very profitable company, a company which can darn well afford to pay the cost of electricity. I believe we should do this publicly and get them to reduce so that we do not have to subsidize them anymore. The time for subsidies is long past. This is a good company. It has been operating in Newfoundland now and provides a number of jobs. We are glad they are here. The time has now come for us to re-negotiate that contract with ERCO. Because they are such a highly profitable company, based in large measure by their own admission, and I hold up their annual report, on what is happening in Long Harbour, I believe we should re-negotiate with them and press them pretty hard so that we do not have to subsidize them anymore. I do not really see why we have to subsidize them anymore.

The same thing is true about Bowaters. There is really no need now for us to be subsidizing Bowaters for about \$2,000,000, or whatever it is, per year. on hydro merely because we wanted to sell a bit of Bay D'Espoir power a little cheap a few years ago because we wanted someone to take it up. They have reaped from that,

MR. KITCHEN: and now it is time to re-negotiate with this very powerful international company. We are talking about multi-nationals now. Albright and Wilson is a multi-national. Bowaters is a multi-national. It is now time for the Minister of Mines and Energy to come out of his pipe dream and get down to the nitty gritty of negotiating with a company, Price, Bowaters, for a couple of million bucks which they can pay, they are a profitable company.

Now with Price - Price is another one. As I mentioned, they are making money as well. They are not a poor company. They are now owned - Abitibi, I believe, bought them out a few years ago, one of the greatest paper giants in the whole of North America, in the whole of the world. They bought out this very profitable company called Price, formerly the A.N.D. Company.

AN HON. MEMBER: They are now the largest in the world.

MR. KITCHEN: The largest in the world. It is time for us now to re-negotiate and say to Abitibi: "Now look here, fellows, there is really no reason for us to be subsidizing your power to the tune of 2.6 million dollars a year, there is no need of it. We are very glad that you took the power a few years ago at a low rate, a 20-megawatt block, and that you took it from us and you have made your money on this now. It is now time to play fair with the people of Newfoundland and Labrador and re-negotiate this contract if you want to be friends with us. We want you here but you have to play the game."

It is time now for these three companies, ERCO, a very profitable company, Abitibi, a very powerful and profitable company, and Bowaters to start playing the game, and I would like to ask the Minister of Mines and Energy what steps he is taking or has already taken to re-negotiate this contract. As far as I am concerned I cannot vote for his salary unless he has taken some steps towards re-negotiating these three contracts.

Thank you, Mr. Chairman.

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MR. CHAIRMAN:

The hon. member for St. John's East.

MR. MARSHALL:

Mr. Chairman, I rise to my feet to speak on this matter not at the invitation, I might say, of the member for LaPoile (Mr. Neary) whom I know is probably not far away from my voice because, unlike the members of the opposite side of the House, the member for LaPoile is not my leader and I gainsay he never will be.

Mr. Chairman, the hon. member for LaPoile brought in the matter of the Upper Churchill. The hon. member for St. John's West (Dr. Kitchen) brought in another matter then that I will allude to in a few moments time. But first of all, let me get to the member for LaPoile. He makes a big deal over the fact that the Upper Churchill power was not in fact given away. He confuses the

MR. MARSHALL: lease with the power contract. As a matter of fact he confuses a lot of things, but the fact of the matter is, and I do not think that it should ever be forgotten, that right now today between \$500 million and \$600 million a year is being collected by Hydro-Quebec which money could and should belong to the people of this province. And the reason that it did not was that the power was given away. It was given away by the administration which he supported, and which he still supports, through a very shortsighted policy at that particular time. I mean, no group at any time, whether it is 1970's, 1960's or 1950's or for that matter in the 1800's, could possibly conceive as being reasonable giving away power for the length of time which it did without even having a renegotiation clause. As a matter of fact the fact of the matter is as time goes on they get more money and we get less. We actually get - I think we get a pittance, about \$5 million of what it is. It was a steal. It was a lack of foresight and it is not something that I, as a member of the Legislature, can sit back and hear the hon. member on the other side make these particular statements without drawing them to the attention of people again and again. The fact of the matter is regardless of what one's views may be on the expenditure of money, the wisdom in the budget and what have you of certain items, but the fact of the matter is if we had this money today we would be a have province rather than a have-not province. There would be, Mr. Chairman, no acrimony in this province today about hospital construction, because hospitals would be able to be built. There would be no problem with respect to education that we are experiencing, because Memorial would be able to get that to which it is entitled and we would be able to pay for our educational needs and what have you. Furthermore we would have adequate money, Mr. Chairman, for the provision of jobs, for resource development and what have you that we do not have.

So it is a canard. It is trying to cover up the situation, and the situation is this: that this money should be flowing today into the treasury of this province, not a \$500 million mistake

MR. MARSHALL: but a \$500 million mistake for every year of our existence from now until the end of the power contract or until such time, through an inadvertent loophole, because that is all that it was, that this government through its own foresight is able through the enforcements in the court to recover that particular power. Because no people who had any view of the future would have ever entered into a contract of that nature with at least allowing and providing for the government of the day to be able to approve those contracts, that power contract. I am quite sure that government of the day saw that power contract and did approve it as a matter of fact which makes the mistake all that much greater. But the fact of the matter is there should have been no legislation, there should have been no proposal by the government, there should have been no grant given without the government being able to make periodic reviews of the situation as it went on in the future.

Now that is a fact and I am sick and tired of sitting down and hearing these barbs passed across about the financial position and what have you and trying to gloss over that mistake. That was a huge, it was a gigantic mistake that we are paying for now and that we will pay for for a long, long period of time. And I gainsay, Mr. Chairman, that really the policies - they talk about the policies of the Minister of Energy. Now let me say this when they get up and they make pretty serious statements when they say there is no policy and we will not vote the Minister of Education his salary and what have you, They are pretty strong statements. No, we have no policies have we, Mr. Chairman. Well what about the oil and gas regulations that came out that were promulgated under the leadership of this particular minister? And let us not forget the fact that the pressures that were on this minister at the time. He was berated by people in the Opposition. He was railed at by people of the Opposition. They did everything they possibly could to discredit him. They said there would be no more oil drilling off Newfoundland because of his dogged determination, because

MR. MARSHALL:

he was too stubborn, because of his demands that he was driving the oil companies away. And what happened? Well what happened certainly? One company that had a particular interest was trying to give this view in order to increase its bargaining position, which is understandable, but within a very short time two major companies picked up and have gone ahead with the most positive oil drilling regulations anywhere in Canada, if not in the Western World. Now, Mr. Chairman, how is that for performance? They were moaning and groaning about it and what exactly did the minister do? What policy did he have? What was he wanting to do? What he wanted, Mr. Chairman, was to merely assure that there would be jobs for Newfoundlanders. Anyone who reads the regulations will see that. He was not interested, as is and was the wont of the members on the other side, merely in the construction jobs. He was not just merely interested, as valuable as they are, in the labour jobs. But he was also interested in seeing that the people who were taking our resources also put an immeasurable amount back in, not only in money by way of royalties but also by training of Newfoundlanders so that we would not have the situation such as we had in the project of the oil refinery, which was a pet project of the gentlemen on the other side when they were over here, and when we saw that there were only 500 jobs and of that 500 jobs a substantial number of those then fell into the hands of people who were not native Newfoundlanders and we were left with just merely the construction jobs and what have you.

So when the hon. gentlemen there opposite talk about there being no energy policy and what have you, and they are going to vote down the minister's salary unless the minister, you know, takes certain steps, I think that it is really despicable because the fact of the matter is, Mr. Chairman, that this minister, I think, above perhaps any other of his colleagues and certainly the government as a whole is to be applauded particularly for their foresight in that area.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL: You know, they talk about policy. Now what are the hon. gentlemen's views on it? The member for LaPoile (Mr. Neary) indicated, you know, he made reference to a statement that I had made after the Premier's Conference and the First Minister's Conference and that statement was quite plain. He tried to belittle it but that statement was quite plain. It said that there would be a Federal-Provincial Development Corporation created which would establish a basis for hydro development in Labrador with concentration upon the Gull Island project. It also stated that both governments would participate and have an interest in the corporation, but this Province would maintain control. And the other item of major public information then, that we would have the first right of refusal to the power. Now it was patently evident from that statement to anyone who read it - and it was Mr. Gillespie's statement, I understand - that the federal government was to have obtained an interest which is in effect an equity position in the corporation as you read that particular statement. Now it subsequently developed, as the Premier has indicated, that equity meant preferent shares and I will come to that in a moment. But that is the way the statement greeted anyone who looked at the statement. It is the way it would be interpreted, that the federal government was to have gotten some ownership of the thing. As a matter of fact it was interpreted - now I

MR. MARSHALL:

do not know who read statements here when they write in the paper, but the Toronto Globe and Mail had it in that the federal government by this statement, by their interpretation was to have a substantial interest in the development corporation, a substantial interest in the project per se, and other communications from the Mainland, the other energy material or magazines also had it in.

So what happened? We all know that the Opposition are very wont from time to time, very little positive said about measures that the government stated. But I was surprised myself to see the Leader of the Opposition welcomed it, it was great news. And afterwards, you know, as I think it over, the only thing that we would have gained from that if that were so, well we would have gained, well at least we would have had one-half, I suppose, the interest and the royalties, But what would have happened if that had gone through, why he welcomed it obviously was the construction jobs. There would be, I do not know, 15,000 construction jobs, and afterwards there would only be 80 permanent jobs. And I thought to myself, you know, even though the approval was restrained, I suppose, we could forgive the Opposition because having joyously given away all of the Upper Churchill one could reasonably expect that they would at least give, at least half-hearted endorsement, which they did, to the giveaway of one-half of the Lower Churchill.

Now when the member for LaPoile (Mr. Neary) said that Mr. Gillespie did not want this, did not want an equity interest, that is not so. There was no such statement of that. In actual fact it was the intention of the federal government to attempt to get an equity interest in the Lower Churchill, and as to the entitlement of the federal government to that I will come to that in a moment. That was Ottawa's thinking, but I subsequently determined it was not and is not the Province's thinking. The Premier has indicated that the equity involved will be preference shares. He made this statement as a matter of government policy here when he was speaking on the Throne Speech. It was also made at the time when the Budget

Mr. Marshall: Speech was bought in. And let us be clear what these preference shares mean. When you give "equity", because it is not really equity by preference shares, it just merely means it is a device for the borrowing of money. They are preference shares, money will be given in effect by way of loan, it will be paid back by way of interest, and this is the only thing the government will accept, and there will be no strings attached to it that if the federal government does give preference shares that they would have any rights to conversion of these shares to common stock, because after all it is the common stock that gives the equity.

Now that is the policy of this government, and I think it is one that we can whole-heartedly endorse. We have been told by this government that in the case of the Lower Churchill there will be no giveaway of any part of the asset of the Lower Churchill; not entirely, as was done in the case of the Upper Churchill where it was all given away, not half, not a quarter, not a percentage point will go to the federal government, to the Province of Quebec or to any third party but it will all be for the benefit of the people of Newfoundland. So instead of, when it is developed in a few years time, \$200 million or \$300 million a year flowing out to Hydro Quebec, as would be the way that the hon. gentlemen opposite would develop it if they followed their previous programmes, it will come to this Province.

Now as to the federal government in connection with this, there is no reason whatsoever, and I would like to point this out, why this Province where you have a viable project, and if the Lower Churchill is viable that is the only way it is going to be developed, that is the only way that there can be financing, there is no reason in this world why we as Canadian citizens cannot expect the federal government to lend its accommodation to us for the purpose of securing the necessary financing to make this project a reality.

That statement, Mr. Chairman, I do not think, you know, can be subject to any debate. As Canadian citizens we should be entitled, if not for a direct loan from the federal government, for substantial portions

Mr. Marshall: of the cost of the development of the Lower Churchill, Certainly at least as Canadian citizens we are entitled to the accommodation, the guarantees, if you like, that we need from the federal government, not for the sake of general revenue of the province, but to finance a viable project which will in itself be self-liquidating, and will repay the loan plus interest over the years.

Also we hear about, you know, the Federal Liberal Party now - we will hear a lot, I suppose, about both parties - and

MR. MARSHALL:

they talk about the Federal Liberal Party and their great coup in convincing the Federal Liberal Party to be interested in Labrador and in Newfoundland. While they are talking to the Federal Liberal Party perhaps as well the hon. gentlemen opposite might be able to convince them in view of the fact that we are Canadian citizens and in view of the fact that in years gone by the Federal Liberal Government refused to create a corridor through Quebec to allow the lines to run through so we would then be getting our \$500 million or \$600 million a year, instead of that, as we were entitled to under the British North America Act because it is commerce going from one Province to another, as is being done in the case of oil and gas, and since we have been deprived of that purely and simply because then as now we have seven seats in Ottawa whereas Quebec has about sixty, seventy or eighty seats which support the Federal Liberal Government, perhaps we should be entitled to compensation for the failure of the federal governments both past and present to recognize our rights as Canadian citizens. I think that this is a matter that ought to be brought up by the government at a First Minister's Conference because I think a very real case should be put up for it. But in the meantime when we are waiting for that and we hear the great hullabaloo about the great co-operation and the great coup of the members opposite in getting their party to recognize the predominance in Labrador, that they might bear that in mind as well.

Now, Mr. Chairman, it is also like a bad dream, I might say, when you get up and you hear berated with respect to the power contracts and to what have you, And it is almost like a bad dream also to hear the member for St. John's West (Dr. Kitchen) talk about renegotiation of the ERCO contract, renegotiation of Bowaters, renegotiation of Price- but particularly the ERCO. You know, it is almost like trying to bat people over the heads with their own bats, with their own weapons.

MR. MARSHALL:

We all know who gave away the ERCO. I know that if there is anything that can be done with the contract - and it is a contract between this government and ERCO which was given away and entered into by the administration that the hon. gentlemen on the other side supported - that something will be done. And I say I have infinitely more confidence, Mr. Chairman, that the present Minister of Mines and Energy is much more competent and capable of doing that than any other person in this legislature whom I know.

In closing I would say that the reference has been made to no policy by the government and there is no policy for them that cannot see it. But I do not feel that this debate should be allowed, the debate on the minister's salary, should be allowed to go particularly without reference to his forward leadership in the department itself and particularly his gumption in sticking to his guns with respect to the oil and gas regulations which, if oil is in fact found, will result in infinitely greater benefits both by way of royalties and jobs for Newfoundlanders than would have pertained had he gone along with the Eastcan desires, and had he gone along with the Eastcan desires as they were pushed on him by members of the Opposition which they were berating him just three or four weeks ago or three or four months ago.

SOME HON. MEMBERS: Hear, hear!

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

MR. RIDEOUT: Thank you, Mr. Chairman. Mr. Chairman, before we move off the very general Head of the minister's salary there are a few remarks that I want to make. I am not going to spend any time replying to any of the enunciations that just came from the hon. member who sat down. Most of it is not worth considering and secondly, I was sent here to represent the problems of the people of Baie Verte - White Bay today and not to waste my time and the time of the House wrangling about who gave away this and who gave away that. There are more important things -

MR. MORGAN: Your party gave it away.

MR. RIDEOUT: There are more important things, Mr. Chairman - I do not care who gave it away - there are more important things that I was sent here to do and if other members want to wrangle about it well then, that is their choice, they can go ahead and do it.

Now, Mr. Chairman, I think the whole energy policy or lack thereof, and oil and gas and hydro and so on, have been aired considerably this afternoon so I want to break a little bit of new ground and talk about a couple of other very general issues before we get off the minister's salary and get into the particular Heads.

I want to spend a few minutes talking about mining exploration and so on in the Province, and the involvement of the minister and his department in activities related to mining, especially as it goes to implementing mining regulations, occupational health and safety regulations and so on.

Before I get into these I want to mention the Rambler situation at Baie Verte. It came as quite a shock, I suppose, to many people in that

MR. RIDEOUT: area two or three months ago when word leaked out-- not from the management people, they did not announce it; the government did not announce it. but word leaked out from somewhere that the ore reserves at Rambler were such that that operation would be closing down in anywhere from eighteen months to two years.

Now, Mr. Chairman, I believe that the importance of Rambler to the economy of the Baie Verte Peninsula is probably dwarfed by the presence of the other mining operation, the larger mining operation on the Baie Verte Peninsula, that of Advocate Mines in Baie Verte. But, Sir, let me say that the importance to the economy of Rambler Mines should never be underestimated by people in government or any other people, for that matter. There are 250 workers or so employed at that operation who will lose their jobs a couple of years down the road, or eighteen months down the road unless some steps are taken to carry out further exploration, unless new ore bodies can be found so that the company can continue to operate.

Most of those people, Mr. Chairman, come from communities along the LaScie Highway from Ming's Bight down to LaScie. They do not come from Baie Verte, they do not come from Seal Cove or Wild Cove or Fleur de Lys and those places, the majority of those people work at Advocate Mines. So the town of Baie Verte, in a pure working sense - I am not talking about the economic return to the town of Baie Verte - the town of Baie Verte in a pure job sense, or job creation sense will not be affected that much by the closedown of Rambler Mines but, Sir, the community of Pacquet will be very substantially affected where 80 or 85 per cent of the males in that community find their employment, or find their livelihood at Rambler

MR. RIDEOUT: Mines. So will the community of Woodstock and the community of Ming's Bight and the community of Brent's Cove and even on the way down to LaScie. I am convinced, Sir, that the economic realities facing Rambler have sort of been glossed over by the presence on the Baie Verte Peninsula of the other mining giant, that of Advocate Mines, and I think that the people of those communities who are so dependent on the Rambler operation are going to suffer as a result of that.

Now, Mr. Chairman, I do not know what steps the government have taken to encourage Rambler to - and I know Rambler has an obligation itself - but to encourage Rambler to carry out great exploration programmes. Rambler Mines was due to close down - this is, I believe, the third time since it began operating ten or twelve years ago - and always at the last moment, it seems, they were able to find new ore bodies and continue operating.

The present ore body expects to be fully exploited in about eighteen months to two years down the road, and the question is this, Mr. Chairman, what are we doing about it? Is it the policy of this government to wait until the bottom goes out of a mining community before we start to do anything about it? We have Buchans on the one hand, we have Rambler on the other. You do not hear too much about it because there is another mining operation on the Peninsula. It will not be the end, it will not be the death blow of the Baie Verte Peninsula, but it will be a serious economic setback to the communities that I have mentioned and to the people living in those communities. And also, Mr. Chairman, to the economy of the town of Baie Verte which, of course, is the service centre and the economic hub, I suppose, as it were,

MR. RIDEOUT: of the Baie Verte Peninsula.

So what is being done to encourage Rambler to carry out exploration programmes? Are there any negotiations ongoing with Advocate Mines, for example, who may have, and I am sure who do have mineral concessions in that area, to allow Rambler to go in and explore for copper and zinc and gold and the other minerals that they are mining at the present time? Are we into that type of negotiations between

MR. RIDEOUT:

those companies? What has the Government been doing with this economic giant up in New Brunswick, K.C. Irving Limited, who have Rambler by the scruff of the neck and who almost caused the closedown of that operation two years ago simply because they could not play the marketplace, Mr. Chairman, simple because for four or five years they had made exorbitant profits and because the price of copper had dropped not where they were losing money but where they were making a marginal profit. That did not satisfy the Irving interests up in New Brunswick. They would rather close it down. What are we doing about that situation? The Minister of Mines and Energy was the same minister then as now. He used his influence and, thank heavens, it did not close down at the time. What are we doing about that? They tried to blame it all at the time, Mr. Chairman, on mercury content in the ore at Rambler. That was true to a certain extent but nobody ever said that it could not be overcome and it has been overcome. That is not the problem today. The answer then was, because the price of copper was down, to close it down and play the marketplace and exploit it. The lawyers out there are telling me that is what is going on now. Rambler will run out of ore in two years time but the ore at Rambler will not be all mined because this outfit is highgrading, and highgrading to such a degree that it is almost criminal.

Now, do we have anybody in the Department of Mines and Energy investigating that type of situation? Do we have anybody in the Department of Mines and Energy who goes out there - we are talking about oil and gas regulations, we are going to control this and we are going to control that and we are not going to let them take our resources and our heritage and run off and make a big bundle of money and leave us with nothing. What are we doing in the mineral field? Is that what we are letting them do? I think, Mr. Chairman, it is a very important question. I think it is time that the Minister spend some time addressing himself to it as we move along in this Committee.

MR. RIDEOUT: Now the other item that I want to mention before time runs out is the involvement or lack of involvement of the Minister's Department in Occupational Health and Safety.

Mr. Chairman, I would submit to this Committee that with the real high profile this Minister has and the hard worker that he may appear to be and so on, and I would give him marks in some areas but I would severely knock him on the fingers in other area. This Minister set relations between mining companies and unions in this Province back at least ten years on September 13, 1977 when, in Quebec City, this Minister said, "Safety should not cost jobs". Now, Mr. Chairman, the Minister just got up in a big hullabaloo situation and said mining profits had increased or return to the Province had increased 445 per cent since 1973. Good stuff! We hope it continues to increase. But is that the cost of it because we have not been concerned about the safety, or as concerned as we ought to be, about the safety and health of our workers?

AN HON. MEMBER: Hear, hear!

MR. RIDEOUT: It is easy to increase the return, Mr. Chairman, if you increase taxes and how valuable the product continues to go up. That is very easy. "But safety should not cost jobs", the Minister says. I am all for jobs. I do not want to see, and I will say this now and I have said it in this House before, I do not want to see Advocate Mines close down. Nobody does, Mr. Chairman, nobody in his right senses. But when it comes to the point where we have to make a judgment, I do not want to see people dying off because of our lack of ability to deal with a situation at Baie Verte or at Advocate Mines.

SOME HON. MEMBERS: Hear, hear!

MR. RIDEOUT: We have the technical capabilities to do it, Mr. Chairman. What it boils down to is that when statements like this, 'Safety should not cost jobs' - because of statements like this we have not had Government action that we deserve in this particular area. You have unions in Baie Verte out on strike because of occupational health and safety reasons. You have a union up in Labrador City out on strike for those very same reasons.

MR. RIDEOUT:

Maybe safety should not cost jobs but have we not got the ability, have we not got the technology to be able to make it as safe as technically possible? That is all anybody is asking.

SOME HON. MEMBERS: Hear, hear!

MR. RIDEOUT: Safety should not cost jobs. Well, Mr. Chairman, maybe jobs should not cost deaths either, and that is exactly what is happening. We have got to grapple with this situation. I have been beating my gums about this situation for the three sessions that I have sat in. I have yet to see put on the Order Paper of this House occupational health and safety legislation. And we have known about occupational health and safety - blame it on the former administration if you like-but we have know about occupational health and safety for years and years and years. And maybe even, to take a quote from the Minister of Mines and Energy, "Maybe the Greeks knew about it " and we have still procrastinated, we have still done nothing about it. Oh yes, we have had a conference on occupational health and safety, Mr. Chairman, about two and one half years ago and there is no legislation produced yet. We set up an Advisory Committee to advise the Minister of Labour and Manpower who it will come under. How long do we study it? Do we need some corpses on the table before we bring in some legislation?

I would submit to this House, and I am not anti-union or anti-company or anti-anybody, I would submit to this Committee, Mr. Chairman, that if we had taken the action we should have taken four or five or six years ago when we knew the implications of the Baie Verte situation, when the men knew it, when everybody else knew it, if we had put in place then strict regulations for the operation of that company would the men in 1978 have to be out demanding a mine dry, a place where they can change their clothes when they come in and come of work? Would they have to be out demanding an occupational health and safety package? How much foresight did it take to see that, Mr. Chairman?

MR. RIDEOUT: We may not all be Einsteins but certainly we are not all dunces either. And now because of the lack of action on the part of the government you have got an eight week old strike. Not all part of government. Mr. Chairman, you would not hear a word from this hon. member if that was a monetary issue, not a word would you hear. But, Sir, we have been negligent, all of us, the psst administrations and this administration have been no different. There has yet to be something substantial put on the Order Paper to improve occupational health and safety at the Baie Verte operation or any other in this Province. And now, consequently, you have people going on strike for it. I would say, Mr. Chairman, it is a very sad state of affairs. We get all kinds of statements; We are studying it, we are drawing up legislation, we do not want to do it until the unions have a look at it and all that. How long is it going to take?

AN HON. MEMBER: I did not say that.

MR. RIDEOUT: I did not mention any names. I am not accusing, I am talking about the whole policy of government when it comes to this and the Department of Mines and Energy has a role to play in it. Mr. Chairman, there is something else. After the minister made that blatant statement that he made that safety should not cost jobs he went on to say that the Mines Inspection branch for example would not be absorbed in any consolidated agency. Now anybody who has read the Ham Report in Ontario and so on, they talk about occupational health and safety authority, they are talking about putting it all together under one umbrella. The inspection, the implementation, the enforcing officers, the whole bit. But we have here in this Province, Mr. Chairman, apparently a minister who does not want to give up a little piece of his empire, his domain. Is that a hangup? A lot of people knowledgeable in Labour Relations around this Province seem to think it is, that the biggest hangup in putting forth substantial occupational health

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MR. RIDEOUT: and safety legislation in this Province is the war between the various departments. Labour and Manpower want a piece of the pie, Mines and Energy want a piece of the pie, the Minister of Health wants a piece of the pie, the Minister of the Environment wants a piece of the pie. Well, Mr. Chairman, the time has come when we cannot play around any longer with this. We have got to have some action, We have got to have something put down in laws. I mean if those laws and regulations were enforced five or six years ago, like I said earlier, saying that you had to have this, and you had to have this tolerance level, and you had to have environmental health and safety standards in place then people would not be out on strike for these

MR. RIDEOUT: issues today and that is the whole key, and that is where this government, Mr. Chairman, is the culprit, and that is where the Minister of Mines and Energy has set labour relations in this Province back at least ten years, and I am being conservative when I say that, when he issues such a blatant statement, Safety should not cost jobs. If the minister cannot be more positive than that about one of the greatest issues, one of the greatest public issues facing people in this Province today then I would say, Mr. Chairman, that he may be a great leader and a great enunciator of policy as far as oil and gas goes, or anything else goes, but let him remember that his department is made up of more than just oil and gas and he has responsibility in other areas as well.

So, Mr. Chairman, let me, if I have not run out of time, let me talk for a minute or so about the Selikoff report. There are umpteen areas in this report, Mr. Chairman, that recommends action by government. Now I know it was not presented in final form until the latter part of 1977 or January, was it? I know a committee was set up to look into this, or supposedly set up. The Department of Mines and Energy do they have representation on that Committee?

MR. PECKFORD: I think so.

MR. RIDEOUT: The minister thinks so. Does the Department of the Environment have representation on the committee? The Minister of Health, I would assume his department are in on it, are they?

AN HON. MEMBER: I would think so.

MR. RIDEOUT: The only bright spot on that side of the House, Mr. Chairman, when it come to occupational health and safety is the member for Meninek (Mr. Rousseau), the present Minister of Labour and Manpower. But if he could get his colleagues around him and do something about it then

MR. RIDEOUT: we could bring this to a head and get some legislation on the books. I would submit that that is the biggest problem he has over there. I want to go into a few details of this, Mr. Chairman, I might get back to it later on.

It says, "Detailed study warranted to determine when unnecessary precautions are taken to avoid current and future asbestos exposure. Environmental hygiene practices in the mines and the mills should be considered. In this results of dust measurements in the past should be made available to establish baselines for the future even though we do not have a TLV legislated in this Province. What is the point of it? "Work practices are to keystone such things as enclosed conveyors, rapid recognition and repair of leaks and break-downs, total enclosure of dusty processes, proper exhaust including the machine shop, warehouse housekeeping, wet processing where feasible, mechanization of bagging, transport, clothes change facilities", and so on. Now, Mr. Chairman, who is going to force this in place? Who is going to insure that this is done at Advocate Mines in Baie Verte? Right now people are on strike over it trying to enforce that which should be enforced by some act or some regulation of this Province. That is where we have fallen down on the job. It says, "Particular attention should be paid to the tailings disposal runs." Along the Fleur de Lys Road when you get the prevailing westerly winds you will get higher dust counts in Coachman's Cove, Mr. Chairman, then you will get in Baie Verte, which is only a mile or so from the mine site. Coachman's Cove is ten miles! You will get higher dust counts down there brought along by the wind.

What was the company's reaction when they were negotiating? They had no plans to control the tailings. Now what are we going to do? Are we going to sit back and take that

MR. RIDEOUT: for an answer. There has to be technology available to control those tailings. They are using the wetting or water process, whatever you call it, right now. And they have admitted that it is going to go higher. Are we all going to be there - Mr. Chairman, thank God the present operation at that mine down the road is another twenty or twenty-five years and we want it, we have got to have it but we have got to control it. And that is the whole point of the situation and that is why those people are out I would submit, Mr. Chairman, for things that ought to be implemented by legislation in this House. And I understand my time is up so I will probably have a few words to say about it later on.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: The hon. member for Naskaupi.

MR. GOUDIE: Mr. Chairman, I just want to address a couple of questions, I think basically, more than anything else this afternoon. I do not feel qualified to get into wrangles about faults of the past, or inefficiencies of the present and that sort of thing. In my mind that is not a great pressing issue at this point in time.

I did mention to the press on a couple of occasions, and in other areas of discussion on a couple of occasions that I guess I am sort of torn between two particular actions which may take place in relation to the development of hydro potential in Labrador.

One is that the Happy Valley - Goose Bay area, Mud Lake and Northwest River, the larger portion of my district is in such an economically depressed state at this point in time that I would like nothing better than to hear the Minister of Mines and Energy or the hon. the Premier stand up in this House in two minutes and announce publicly that Gull Island is going to begin tomorrow. That

MR. GOUDIE: would partially solve our problem. But on the other hand, during the campaign of 1975, and I still feel exactly the same way now, I do not believe that this government or any future government should become involved in a process whereby anything as hastily managed or developed or carried out for this province, hopefully for the benefit of this province, without proper sound planning and I think - I was going to say that the agreement that resulted in the development of Churchill Falls itself was that sort of a thing but I do not think was. I do not think Mr. Smallwood or anyone else deliberately set out to try and set this province back X number of millions of dollars or X number of years in their deliberations. But anyway it seems to me - I am concerned right now about that district and the lack of employment and it seems to me that one thing can happen fairly quickly which will solve that problem and get us on the road to developing the power at Gull Island and the thing that needs to happen in my mind is a wood clearing project which, hopefully, will be funded Federally and Provincially. Some hon. members in this House might argue that the Federal Government should not become involved in the funding of that project. I claim it should become involved. The Federal Government has as much responsibility in terms of development be it through funding, legislation or whatever, but as much responsibility towards Labrador and the people of Labrador as this Provincial Government does from where I stand. We need more money put into this whole thing and a little broader view than just looking down a straight narrow alley. If I spend \$10 million now, either from the Federal or Provincial Government's point of view, if I spend \$10 million now is that going to get me 10,000 votes in a year's time? That should not be an issue from any government level, I do not think.

But there is a Goose Bay Development Corporation which was funded through - Was that a DREE subagreement or a DREE interim agreement that we signed last year?

MR. HICKMAN: A Labrador interim agreement initiated by this administration.

MR. GOUDIE: Okay. Anyway that clarifies the title, but a group was funded which has been working for the last year or so trying to find markets overseas, I think the Middle East and a few other areas, for wood from the Lake Melville area of Labrador. It has been stated in this House on a number of occasions that the black spruce of that area is as good and will compare with any wood in North America in terms of density in fibre, quality and so on.

So is it not possible? And perhaps the Minister of Mines and Energy might like to address himself to this if he has the opportunity before this discussion is over, address himself to the possibility of a joint effort between that development corporation or any other interested groups in the Lake Melville area of Labrador and the Provincial Government, his department or some other, to develop not only the hydro potential of Gull Island but also the woods industry as a second phase of that whole development thereby creating not just short-term employment in terms of seven or eight years or whatever it is going to take to develop Gull Island and then end up with a situation like we have in Churchill Falls now, a couple of thousand people caretaking that operation. I think - No, I will not say that. But what I am trying to find out is, is there any room for co-operation between the Development Corporation of Goose Bay and their aspirations, and the Minister of Industrial Development is going to be brought into this very shortly, into that whole development scheme I mean not this particular debate, but is there room or can there be room made for co-operation between the two so that we would not only have the hydro potential developed with the long-term benefits accruing from the sale of that hydro power, but we would also have a long-term woods industry based on processing or semi-processing or whatever of the wood from the Lake Melville area?

I would first of all like to share the concerns of the hon. member for Eagle River when he talks about the potential development. I do not want to sound like an alarmist and I do not think he wanted to sound like an alarmist when he talked about potential

MR. GOUDIE: blowouts from wells that are drilled off the Coast of Labrador particularly in the proximity of the Hamilton Banks and the cod fishery. But I do not think that this government, the former government, governments to come or the Minister of Mines and Energy is going to put himself or the people of this province in a position where there is such lackadaisical concern for our renewable resources that they will allow that to happen. If I thought that the Minister of Mines and Energy had that attitude I would resign right way. Now! Quick! Get out!

MR. GOUDIE:

But the other question I had, Gull Island, I think, produces 5,225 megawatts of power - I am sorry, the Upper Churchill. The Gull Island development could, if it comes on stream, produce 1,600 megawatts. That is fairly accurate. And Muskrat Falls which is probably phase three would produce what? 600?

AN HON. MEMBER: 650.

MR. GOUDIE: 650. What is going to happen to all that power? The hon. member for Eagle River (Mr. Strachan) suggests that even if court cases were settled and everything else happened to fall into place we do not have the structure in the Province at this point in time to accommodate that type of power anyway. My question is, is it necessary to develop Muskrat Falls at all? With a total of 6825 megawatts of power from Gull Island and from Churchill Falls itself, it seems to be to be a tremendous amount of power capable of handling any industry which we could develop in this Province and supply Quebec and a few other of the states in the United States and probably other provinces of Canada. I do not know, but it seems to me that this Province does not have the requirements to, or does not have the need to fulfill the total output from these two developments. I do not think that Muskrat Falls should be developed.

We talk about the tremendous resources of Labrador in terms of hydro potential, mineral resources, uranium, iron ore and the rest of it. Almost untold wealth is the way a number of people describe it. If we have that much, why not be generous to us, to ourselves, to this Province and keep something like the Muskrat Falls flowing over the rocks the way it does right now, for posterity if nothing else? Can we not be generous enough to ourselves to do that?

I have been into Churchill Falls, obviously, a number of times over the last fifteen years. I was there when the former Premier, Mr. Smallwood, was talking about CFLCo building a road from Churchill Falls to Goose Bay and I have seen

MR. GOUDIE:

that area. The falls no longer exist. There is a trickle of water coming down over that 365 foot chasm or whatever the elevation is.

It is in the vicinity of -

THE HON. MEMBER: Enough to get a shower.

MR. GOUDIE: Yes, just possibly enough to get a shower. But do we have to develop the Churchill River in the three phases to the degree that there is nothing left for anyone other than power flowing out and money coming in? That is not my idea of proper development for this Province of our resources. And I would like to hear the minister make a few remarks on that if he decides to do so.

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

MR. LUSH: Mr. Chairman, I was just prompted to rise to say a few words here by the hon. member for Naskaupi (Mr. Goudie), one of the few members, I suppose, in this House who spent a great amount of time in Churchill while the Upper Churchill was being developed, five years on that site. I think sometimes that many of us fail to understand the magnitude of that job. It sickens me when I hear people criticize that job, a job that took such technology, such skill to put together. Sometimes I wonder what would have happened if this administration had to be the ones to spearhead that job, realizing the kind of difficulty that was involved.

Mr. Chairman, I had the privilege of taking hundreds of people through the power house and one of the qualifications for going through that power house, one of the prerequisites was that you be trained in using adjectives in the superlative so that you could talk about the biggest and the greatest. That was almost an absolute prerequisite and there was no question about it when you went through it the kind of technology that had to be developed. As a matter of fact, just months before they started the drilling for the power house and the power house - most people thought they would put the power house

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MR. L'USE:

beneath the Falls but they came up with the idea of going further down so they could get greater height. And at that time they did not even have the machinery that could do the drilling,

Mr. Lush: the kind of drilling that was needed to drill into the granite, and the kind of drilling that was needed to go down to turbines, and that piece of machinery was developed in Sweden just months before the job started. I do not recall the name of the piece of machinery, but it was a piece of machinery that was used for drilling. As a matter of fact, the job would have taken much much longer without the invention of this special piece of machinery. And as I said it was just developed months before the job started. The kind of wires that carried the electricity were just invented months before the job. The kind of towers that were used for the kind of terrain that is in Churchill, a special kind of tower. And all of these things show the magnitude of this job, the kinds of technologies that had to be developed before the job was done. It is a fantastic job. And I think here in this House we should be praising the people who got it started in view of the great difficulty there was. And it has been explained in this House several times, but it seems as though nobody listens, the inflationary factors that could not be even considered at that time, and I find it rather offensive that people do not consider these factors more fully, the kind of technology that had to be developed, the unforeseen inflationary factors when doing up this contract.

Certainly there are certain things about it that could have been improved. The long-term deal - we have mentioned here that we do have the legislation whereby we can solve the situation. Hopefully we will. But, Mr. Chairman, let us not forget, as I have said before, the magnitude of this tremendous job, the tremendous development of Labrador, of this great hydro-electric facility, a tremendous achievement, the skill and the expertise, and the kind of persuasion that it took to get the kind of financing that we needed for that job, huge financing. Just to bring the great financiers of the world together to collect the finances necessary for that job, again, was a great feat.

Mr. Chairman, it is very easy for us to get here and condemn that agreement now in retrospect or in hindsight. It is very, very easy to do it. I think the two approaches that I see coming

Mr. Lush: through here by the Minister of Mines and Energy are one of the past, going back to the past and digging up all the things that we can about it, all the mistakes that we made, and then going into the future. A very futuristic man, The government is marked with a philosophy of the past and the future, but nothing of the present. And I just want to say, talking about the present, the dangers that the hon. member from Baie Verte (Mr. Rideout) just mentioned, the lack of safety and health measures to protect people working in mines in this Province, things about here and now, that we should be taking active action immediately to protect the health of the people working in mines.

And, Mr. Chairman, I am not suggesting that I find anything wrong with the plans that the Minister of Mines and Energy have or has initiated with respect to gas and oil, certainly. And there is nobody on this side of the House objecting to plans that are going to bring benefits to this Province. Nobody at all. We have seen in them certain inherent dangers, and we would like to bring these out. But the plans for the future of gas and oil, certainly we agree to them. We agree to anything that is going to bring economic benefits to this Province. But a point that I would like to make, and I would like to see the minister concerned about matters here and now, and to see to it that certainly these - that legislation is passed in this House to make the working in mines more suitable and healthier and with more safety measures for the people that have to engage in that kind of activity.

I am ever mindful, Mr. Chairman, as I said before of the magnitude of that job of developing the hydro in Churchill Falls. A tremendous job. A job that just on the eve of its beginning lacked really the scientific technology to do it. And just months before that we came up with certain breakthroughs,

MR. LUSH:

as I have said before, with the machinery to do the job, with the wires to carry the electricity, with the towers to carry the wires, all of these things, new developments. And it is sad that there are more people not knowledgeable about this and not aware of it. I think if we were more knowledgeable about it, we would gain a greater respect for that great achievement, that fantastic achievement here in Newfoundland. Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. PECKFORD: Mr. Chairman, I guess I should respond before any other people get up, on some of the questions that have been asked and some of the comments that have been made by the hon. member for St. John's West (Dr. Kitchen), the hon. member for St. John's East (Mr. Marshall), the hon. member for Baie Verte-White Bay (Mr. Pidaout), the hon. member for Naskaupí (Mr. Goudie) and the speaker who just sat down, the hon. member for Terra Nova (Mr. Lush), all of whom had some points and some contributions to make to the debate.

In reference to some of the comments made by the hon. member for St. John's West (Dr. Kitchen) I think it would be wise to indicate to him and also to the hon. House that over the last year or so, instigated by the hon. the Premier, the Department of Industrial Development, the Department of Mines and Energy and, of course, our Crown Corporation Hydro have been involved in discussions with the parent company in the ERCO operation on an ongoing basis. Just recently a permanent committee was established whose mandate is to sit down with the company and extract from the large parent company, because it is no good talking about the parent company and the amount of money it makes worldwide, it is much more relevant and pertinent to talk about the operation at Long Harbour itself and to sit down with them, which we are doing now, and try to ascertain just what the costs are out there, what the revenues are and so on with the aim of renegotiating some better power contract

MR. PICKFORD:

than is presently in place. That committee has been established and is now in the process of meeting on a regular basis the principals on site at Long Harbour, the people at Long Harbour. So that has already been started by the government in its ongoing efforts to get better deals as it relates to power contracts that were signed years ago by the party that the hon. gentleman now adheres to. So we are doing something on that.

On the Bowater-Price situation, which I think the hon. member also mentioned, it is a far different situation. There is not the same kind of rates being charged or blatant low rates. But not only that, you also have a question and that is what you have to determine - I mean it is not just a question of saying that it is high or low or whatever. The two paper companies over the years have from time to time had some pretty real problems. Recently, for example, I think on both the Bowaters side and the Price side there has been real concern expressed by the government in Ottawa as it relates to environmental regulations that have just been brought in by the federal government which could have the power to almost shut down those two operations. And being aware of some of the bureaucrats who dominate the corridors of power on the environmental scene in Ottawa and throughout Atlantic Canada, it is not beyond some of these gentlemen to try to do that, I am afraid. But in any case we have to consider the Bowater-Price situation in light of the economics of each one of those operations, in light of the employment that these industries provide. But our overall aim is, as expressed in the new act that was passed last year which put the Newfoundland and Labrador Hydro Corporation under the Public Utilities Board if you read the number of aims and objectives there, is to try

MR. PECKFORD: to get the present industrial power rates in the Province to a more reasonable level in light of the economics of the industry itself. I think it is in that context that we must talk about it and not just isolate it from the reality of the industry per se where it is not - just talk about it in terms of the company which could be making millions and hundreds of millions of dollars worldwide in relation to the particular industry in our Province which creates jobs and which we would like to keep. Of course, in that regard, also, to note the ongoing efforts by the company at Long Harbour to improve its environmental standards and so on, and they have made pretty big strides in that regard in the last couple of years and, of course, hopefully, will continue to do that. It is an ongoing process. It just does not stop as most people recognize, like in the Baie Verte, Labrador City or Wabush or any mining activity, it could be like at Long Harbour. The process never stops. You can put in new machinery costing a half million or a million or two or three million dollars, and no sooner has that been put in and put in place and might be working and making the whole situation or environment better than along comes another new machine, or fan, or whatever, that can do the job much, much better. Hence, that process must continue and companies must recognize, and I think they do now to a large degree, that as part of their ongoing operating budgets each year there must be a fair amount of money put there for health and safety or environmental concerns.

On the health and safety issue, I am not sure I heard the hon. member for Baie Verte - White Bay (Mr. Rideout) correctly - I do not know if he mentioned - I think he was referring to statements that I had made a year or so ago in September in Quebec City when I was quoted out of context and the Union -

AN HON. MEMBER: (inaudible)

MR. PECKFORD: - the Union in Labrador City/Wabush were decent enough to apologize to me in writing for quoting me incorrectly after I had indicated to them what I did say, word for word, after I got the tapes of my speech and -

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MR. RIDEOUT:

Table it.

MR. PECKFORD:

Yes, I will, tomorrow. I will get it tonight perhaps before eight o'clock. But they did apologize in writing to me. Now, I have not made a big fuss of that apology that the Union made to me but they did it in writing and they also did it in person. As a matter of fact, I have just an absolutely gorgeous relationship with the unions in this Province as it relates to the mining industry.

PREMIER MOORES:

You would expect all this of the Opposition.

MR. PECKFORD:

I went to Labrador City/Wabush a couple of months ago and had meetings with both unions and we had just a wonderful time, came out of it patting one another on the back. It was just fantastic stuff. We undertook to do a number of things. They undertook to do a number of things. They have done their things. We have done our things. It is just a gorgeous relationship. Two weeks ago I met all the unions here in this building dealing with mining activity from all the mining operations, down in the Health Board room. It was hardly big enough. The people were jammed in there. The unions were dying to see me. They left their jobs to come in to see. Loves me. We sat down and we went through a whole array of new amendments to our regulations that come under the jurisdiction of the Department of Mines and Energy which we have been working on together, the companies, the unions and the Department of Mines and Energy. We asked them to come in. Several months ago we sent the amendments that we proposed to bring in to them, gave them a time limit in which to reply to get their input into it. They wrote back and said, 'We are sort of busy now but we will give you our preliminary comments but we want time for more detailed comments'. I went back to them and I said, "Well that is wonderful, I am glad to see you do not want to rush into anything, and that you really want to give us some real - and bring your people down from Toronto, get your experts in health and safety from across Canada involved in this very useful and democratic exercise". So then we met them and their men from Toronto and from upalong, their big experts in the field of health and safety. We had a wonderful meeting, just a beautiful

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MR. PECKFORD: meeting with them. We went through all the concerns. Then we also sent these amendments off to the companies, told them to respond and they gave some preliminary responses about two or three months ago. We then gave them until the end of March, this last month, to get their responses in to make some meaningful changes where it applies

MR. PECKFORD: under my department. But not only that, Mr. Chairman, on the health and safety side I would have to bow to the Minister of Labour and Manpower who has done a yecman job in this field, who, in consultation with the unions and the companies is developing and going to have a whole new agency dealing with health matters and safety matters, created a whole new big agency which the government of this Province is committed to, a new Act to formally set up this great agency which is going to do what it can on health and safety and bring it under one department rather than have it scattered between the Minister of Health, the Minister of Labour and Manpower, the Minister of Consumer Affairs and Environment and the Minister of Mines and Energy, to name only a few. And the Workmen's Compensation Board, to name another. And in the interim period, and the unions are very high on this and the companies, and the hon. Minister of Labour and Manpower recognizes there is just one little catch to all of this, the agency is going to be established, as I understand it, under a new act coming to the House that the Minister of Labour and Manpower is going to bring. But as the member for Baie Verte - White Bay might understand, there is a problem right across Canada and around the world as it concerns certain aspects of safety that deal with technology, especially machines, in the various mining operations. And there has been this great debate going on since time immemorial as it relates to whether in a given government certain responsibilities as they relate to safety on machines and tangible things should remain under the Ministry of Mines and everything else go into one agency.

There is this great debate still going on in Canada now. Saskatchewan are into it, Ontario are having a wonderful time with it and so on. So in the interim period it has been agreed that everything

MR. PECKFORD: goes under this new agency. So this legislation is coming to the House, forward looking legislation like we have done in so many fields that I mentioned today and here is another great reform coming up.

In the interim we will see how it works. But everything in that agency except certain very engineeringly orientated parts of safety, leave it with the Department of Mines for the first year to see what happens. Then, if it is seen that it can be accommodated without reducing the safety aspects of it under the new agency, then it will be transferred.

MR. CHAIRMAN: Order, please!

It now being six o'clock
I now leave the Chair until eight o'clock.

VOL. 3

NO. 17

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
8:00 p.m. - 11:00 p.m.
TUESDAY, APRIL 4, 1978

The Committee resumed at 8:00 p.m.

Mr. Chairman: Order, please!

The hon. member for Kilbride.

MR. WELLS: Mr. Chairman, just a few remarks on the subject of Mines and Energy. Firstly I think it is well to point out to the Committee that I think a word of congratulation is due here to the minister and to the government on this question of oil and gas regulations.

SOME HON. MEMBERS: Hear, hear!

MR. WELLS: Now, obviously we are a small Province in a relatively small country, small by international standards, and when we are dealing with oil companies there is no question we are dealing with industrial giants.

This Province took the position, and the details are not necessary to go into, but this Province took the position that if oil and gas are going to be drilled for off our coasts that it would be done under a set of regulations and particularly that those who were going to drill would have to put some money back into training. Now, that is the point that I feel particularly good about as a Newfoundlander and as a member of this House, that that position was taken.

Now, it is easy enough to take a position, Mr. Chairman, but to take a position and make it stick, that is even more significant and more important. Now, I know for my part I wondered what was going to happen vis-a-vis the oil companies and the government's oil and gas regulations when they wanted to drill and did not want to go along with what the government was insisting on for the benefit of this Province.

I think, Mr. Chairman, the stand was vindicated and even if not one drilled I think the stand would be right, but the stand was vindicated when

MR. WELLS: they began to come around.

Unfortunately, up to now Eastcan has not come round but I would say this to the minister, Mr. Chairman, stick to his guns and hold firm on it and they will come round.

SOME HON. MEMBERS: Hear, hear!

MR. WELLS: Eastcan, as I believe, Mr. Chairman, is largely Total, is it not?

MR. PECKFORD: Yes, 47 per cent.

MR. WELLS: Forty-seven per cent and Total is a French company. Now I do not want to sound like someone who is always knocking the French, far from it, but I will say this, insofar as I can read and see France at work and her companies at work in the world, they are very, very tough people to deal with.

By way of a small illustration; members may remember there a couple of years ago there was hijacking somewhere in the Midwest and the plane in question came and landed at Gander for awhile - do you remember that? - and it took off again and it went somewhere else and it ended up in France, and I think it says something about the French character when they said to the hijackers something like this, 'You can either go back to the United States and be tried or you can stay in France and be executed'. Now, this is how the French approach things. They are a very, very tough people and when you are dealing with them you have to be tough and you have to lay down the law where you can and you have to hold tight and you have to make it stick. I say to the minister tonight and to the government, stand fast on these oil and gas regulations. What we have there, I believe, is in commercial quantities. It is going to cost a lot to get it out. The technology is not settled yet, perhaps, on how to get it out but somewhere in the future, be it ten, fifteen or twenty years, that is going to come out and it is going to come out, I hope and pray, to the benefit of our children and grandchildren.

MR. WELLS: So stand firm, make the regulations stick, take the position which you have taken and stay with it. I hope not only that this government but whatever government comes after it, long after most of us are gone and out of politics, I hope they too will stand fast so that what is in the ground there comes out to the benefit of this Province. Because, as I said the other day in the speech I made in this House, be it small industry or big industry, we need everything we can get and we need what development takes place to take place to the benefit of Newfoundlanders.

And when you come to a fund for teaching our people how to work in this industry it is worth-while taking a glance at what the Scandinavians have done, particularly in Norway where, and I think it is in Stavanger, there is that large college there to do nothing else but teach people how to work in the oil and gas industry and we have to take a leaf out of their book and we are taking it. And in dealing with Total and Eastcan and anybody else we have to stand firm and we have to make it stick. Now, that is enough on that subject.

I would like to speak for a moment again about this question of our dealings with Quebec and the development of the Lower Churchill and other hydro resources in Labrador. What I am going to say now I will be brief about because I said it the other day when I was talking about the same subject, and that is that I feel that we cannot give concessions to the Province of Quebec without putting first and foremost our desire, our intention, our wish to get back more from the Upper Churchill at the low price than the 300 megawatts which is in the contract.

MR. R. WELLS: Now, a lot has been said about this business of taxing them, taxing CFLCo, as was done in Manitoba. In fact, the lawyer - this has been talked about for some years off and on - the man who brought it to the fore -

SOME HON. MEMBERS: Saskatchewan.

MR. R. WELLS: Saskatchewan, I am sorry. The man who brought it to the fore, I think it was a year or so ago, in Labrador was Ed. Hearn, who was a lawyer practicing in Labrador. He brought it forth and as a matter of fact he talked to me about it and he showed me one or two cases on it and showed me what he planned. I did not know, and I do not suppose anybody knew at the time, whether this made great sense or not. But there is one thing, and the minister has alluded to it here this afternoon but I think it has to be said because it has to be made clear, we are in somewhat a different position from Saskatchewan. But even Saskatchewan, which was in the best possible position to do this sort of thing that is talked about, failed. Saskatchewan failed in the Supreme Court of Canada. Now the minister is being urged, despite Saskatchewan's failure, to do the same thing. But in our case that would be inestimably more difficult for one reason, that in the very contracts themselves, in the very contracts is the wording that precludes the imposition of this kind of tax. Now you may say, Mr. Chairman, go ahead and do it anyway, we will see what happens, let the Supreme Court decide. But you know a government has to be responsible and a House has to be responsible. You see, you cannot very well - for instance, it would be pretty stupid of me to say this year, "Well, I will not license my car. I will let the government prove that it has a right to collect the license off me." And that is the kind of thing I think that might happen if we tried that route, with due respect to the member who, I am sure, has put it forward in good faith. But I think if we did that, firstly the financial community would look askance at us. A lot has been said about the financial community; it has been suggested as calling the shots in Newfoundland. Not so. The financial community of the world, that is the bond market, calls a lot of shots everywhere and it was

MR. R. WELLS: the financial community that put up the billion plus to build the Upper Churchill. There is no good our saying that that does not exist and that they do not exist and that their power does not exist; of course they exist. And we have to be careful that we do not fly in the face of the agreements altogether. It is one thing where there is a disputed point, it is one thing where it is not clear; but the government, as I understand it, had available to it and have used and called upon the best legal advice that it could find both inside and outside this Province. And the gist of that legal advice, as I understand it, was that you cannot do this and hope to make it stick. And then if it was not necessary to have that opinion reinforced, the Supreme Court of Canada reinforced it. So if we did try to tax CFLCo and if they did pay, we would simply have to set up a trust account and put that money in it. We would not be able, as I see it, to put it in the general revenue and spend it because we would simply have to borrow, or tax more in future, probably, to pay it back it again. And I must say I would caution the minister against that route. I think what we have to do is pursue the court case, and thank God there is a clause in that agreement -

AN HON. MEMBER: Who put it there?

MR. R. WELLS: I do not care who put it there. The whole agreement has to stand as a whole. there is one clause that seems to me and from what I can gather does give a fairly sound approach to the province in the legal battle which is going to take place as to whether or not the 800 meggawatts can be recovered, or whatever we need can be recovered, at the price that Hydro Quebec is paying for it, and I think that is the important thing and that has to proceed.

Now the member for Eagle River (Mr. Strachan) this afternoon made a very good point when he said even if we won the case tonight, shall we say, we cannot use the 800 meggawatts or whatever other amount we get. That is true. And this comes to my point which I think is fundamental to this whole debate on hydro

MR. R. WELLS: electric development in Labrador; that we have to get going, independently of the Upper Churchill and the recapture of 800 or whatever number of megawatts, we have to get the Lower Churchill going and it seems to me that we have to get it going on the basis that the transmission line and tunnel is built. You see, if we get it going to sell the power west into Quebec we are still no further ahead if we recapture the 800 megawatts. If we win the court case, if we won it tonight, we are still no further ahead because we cannot use it. So you might say we could recapture it and then we would have to sell it to Hydro Quebec all over again. But the key to all of this surely is to get that transmission line and tunnel because once we have that, and that seems to me should be the

MR. R. WELLS: basis of the development of the Lower Churchill, once we have that then we can bring the 800 megawatts, or the 300 even that there is no dispute about, we can bring that back to the Island part of the Province and this I think is what is fundamental. Now you might say, "What can we do with that kind of power on the Island." We certainly cannot at the moment use it in the Labrador part of the Province, although I hope to live to see the day when there is major industrial development there. So we cannot use it there at the moment. We are not the ones who are going to decide whether there is major industrial development in Labrador, private money is going to have to decide that, but if we get the power back to the Island part of the Province then certain other options open up to us, not the least of which is the transmission of it through what has been called in the past the Anglo-Saxon route. The minister referred this afternoon to tremendous advances which there have been in the past three or four years in underwater transmission by submarine cable of electricity and it may add somewhere, as he says, between five to ten miles to the cost of that power, I am sure it would, and then we would hope obviously that it would be closer to five than it would be to ten. But the point is our options would not be closed off on us; we would have the right, if we could find the technology, to sell it to Nova Scotia or to sell it down through into the Maritimes, possibly even into New England or wherever they want. But it seems to me that we have to take the fundamental decision first that the Lower Churchill goes and it goes on the basis of the transmission line and tunnel and only then, it seems to me, will our options open up both to win the court case hopefully and bring back 800 megawatts or even if we failed there at least to recapture the 300 megawatts about which there is no dispute and that seems to me, and I would commend it to the minister, as the fundamental way we ought to proceed.

MR. R. WELLS: One other item I would like to talk about and that is, and here I think again tremendous work has been done, and that is on the revenues that have been derived from mineral taxation. The minister made the point this afternoon that in the past - what is it? - four or five years, I think, that our revenue for mineral taxation has quadrupled. He has the figures here: 1977/78 \$11 million; 1976/77 \$10,044,000; 1975/76 \$6,500,000; 1974/75 \$2,700,000 and 1973/74 \$2,017,000. Now this is a fantastic change but there is more to it than that because the significant thing here is that the total percentage increase of 445 per cent has not occurred in a period when mineral production has increased - quite the contrary. Because of lowering production at Buchans, because some mines on the Baie Verte Peninsula have gone out of production, because Labrador has had its problems it is a period when mineral production has actually declined, I believe it has declined significantly in gross tonnages. And yet nonetheless, because of the policies instituted by the government the revenue has gone four fold in four or five years. Now I think myself that that is an absolutely fantastic achievement and one that the government can well be proud of.

I would say this too, and I would like the minister to respond even though we will get into a detailed debate on it later on and that is in this Impost Tax, it will be interesting to know the government's philosophy about that and I would ask the minister to comment. There is this though that I would wonder about and that is the business of how you go about encouraging production when you have land either in concession or perhaps in fee simple in the hands of mining companies. Now I do not worry too much about the big mining companies, although they have had their worries too, but let us take copper, for example. In the minister's own district in Green Bay they have had terrible setbacks because of the price of copper and this is something that we have no control over. I think it is interesting, you know, we talk about copper and we talk about mining and we talk about it very glibly sometimes.

MR. R. WELLS: I was talking to someone on one of the world metal exchanges a couple of years ago and at that time there were two million tons of copper actually in the system half of it approximately in warehouses in New York and London and the other half in the trades themselves, two million tons which had to be used up before they could really take any more new copper. Four or five years ago the price of copper was something like a \$1.52 a pound. ^{Right} now the price of copper is something like 75 cents or 77 cents a pound.

MR. WELLS: A year and a half -

AN HON. MEMBER: Sixty - three cents today.

MR. WELLS: Sixty-three today? A year and a half ago it was about fifty or fifty-one. When copper gets down to these sort of prices every copper mine in Canada is in danger of closing its doors and it is only revenue from other aspects of their operation that keeps these mines open.

Now, when I come to this business of land under concession, what I would like to point out or ask a question about is this; that when the price of copper, for example, is depressed as it is at this moment at around seventy cents, the small concession holder, or the small mining company cannot possibly develop a mine. This is what I would ask the minister to comment about: If they have land-and there are some people, as I say, in the minister's own district which is a noted copper producing area- but at sixty-something cents it is not viable to open a mine, you can barely keep open the mine you have there if you are in business, so a company may have a concession or an individual may have a concession, large or small, it seems to me the government would have to have a built in discretion that they would not levy the impost either in terms of tax or force the property away from them while the price of a particular base metal was so low that there was really no chance of opening a mine. I would like the minister when he is speaking to comment about that.

If the price of copper, for example, were up at \$1.50 and a person had a property and was not opening a mine, then I would say, Well, take it away from him and take it away instantly if he is not prepared to explore or to develop. But when the price is down around fifty cents obviously it is unreasonable to expect any operator to go into a new mining venture and

MR. WELLS: there is a limit even to the exploration that can go on when base metal prices are down low, because it is from production that the money comes for exploration. So I would like the minister to bear these things in mind and perhaps to comment on them when he is talking to us later in the debate.

Mr. Chairman, I think on the overall the Government of Newfoundland and Labrador have taken a very good and a very wise stance - stances, I should say - because it covers many aspects on this question of mines and energy. I think that in this debate when the minister's salary is under discussion and one can talk about every aspect of it, I think this is the time to say so, the time to say that despite whatever errors we make in this House, and whatever errors government may make, and we are all very fallible and very human, yet nonetheless, in the difficult, tricky area of mines and energy this government have made some very wise moves, some very strong moves.

I think the development of Hinds Lake, for instance, even in an era when money is hard to come by, I think to go out and get the money and develop Hinds Lake is an excellent and worth-while move.

DR. FARRELL: Hear, hear!

MR. WELLS: The putting in of the extra generators in Baie d'Espoir is excellent and first-class; the oil and gas regulations, excellent. One thing I would say, and I did not intend, necessarily, to talk about it but now it comes to my mind, and that is we may hear from time to time in this House or in the press or elsewhere, we may hear talk of going the nuclear route. It may be that the cost of developing hydro and certainly the cost of thermal power in future may exceed nuclear power but I would ask the minister, and I would ask the government to be very very careful before ever going the nuclear route.

MR. WELLS: As far as I can gather now from what I read, the United States and Great Britain, but particularly the United States is in serious trouble over what to do with the nuclear plants when they come to the end of their useful life which is about twenty or twenty-five years. I understand that the poisonous forces or radio-active forces are so destructive and so dangerous in these plants and their cores when they come to the end of their lives, that in California now they are trying to deal with some of them that have come to that end and so dangerous is it that they have to dig tremendous pits or holes, lakes, fill them with water and put the stuff down in there in lead coffins and all sorts of things, so dangerous is it that they cannot cut it up by hand or even by letting people near it, great automated cranes have to cut these plants into little pieces and then when it is all over and done and the radio-active material is buried, the great cranes themselves have to be cut into pieces by remote control because they also are too dangerous to deal with and I am told that the cost -

MR. CHAIRMAN: Order, please! I am sorry, the hon. member's time is up.

MR. WELLS: Oh! Could I have one more sentence? I am told that the cost -

MR. CHAIRMAN: By leave? Agreed.

MR. WELLS: I am told that the cost of dismantling a nuclear plant, when it comes to the end of its useful life and putting it out of business, is just as great as the cost of building one. I would hope that in this Province we would never go that route no matter what else we do. But on the general aspect in matters of the government's handling of mines and energy, certainly, Mr. Chairman, I would like to extend my congratulations.

SOME HON. MEMBERS:

Hear, hear!

MR. CHAIRMAN:

The hon. member for Eagle River.

MR. I. STRACHAN:

I admire the member's very reasonable approach about Churchill Falls and I think that it is a reasoned argument, but I still think that he has failed to get some of the points or the impressions I was trying to leave this afternoon. First of all, I do not think we are dealing with a very reasonable partner or a very reasonable customer in dealing with Quebec. So I think that the reasoned approaches with a situation like we are faced now will not help us or get us into any position of strength, and what we require is not to be unreasonable but what we require is a fairly bold approach and that is surely what we were suggesting.

Let me correct a few things about Saskatchewan.

When Saskatchewan imposed their taxation - I said it this afternoon and let me explain again when Saskatchewan imposed their taxation policy, that legislation in 1973 they knew two years later that there was something wrong with it, that there was a chance of failing. They then designed retroactive legislation in light of the first legislation they had applied so that should the Supreme Court overrule them they had retroactive legislation to put in force. But the point is surely this; did Saskatchewan fail? From a legal point of view or legal argument Saskatchewan failed because at the Supreme Court of Canada level they were overturned. Then meanwhile for three years they had collected \$550 million which the oil companies then sat down and decided that Saskatchewan did not need to return to them. They also decided that they have to work in a spirit of co-operation and therefore they better start dealing with Saskatchewan on a co-operative basis. And the taxation, which was illegal in the first place still stands and the arguments now are getting weaker and weaker by the companies. So did Saskatchewan fail when they first of all picked up \$550 million in three years, now still have the taxation flowing in as revenue just because the Supreme Court of

MR. I. STRACHAN: Canada has ruled that legally they are not correct in their form of taxation? I do not see that they failed at all and in fact they are, as I say, laughing away to the bank. They still have the money coming in, they still have have the taxation in force and are continuing and in fact designing other legislation. The argument proposed again by the member here is that the financial community would look askance at us for taking such a bold and such, maybe, illegal position - let us call it illegal if we want to. The funny thing about it was that when Premier Blakeney was questioned by I believe my colleague for Burgeo - Bay d'Espoir (Mr. Simmons), when questioned about it - and we looked at the transcripts - what we found was that he was dealing with some of the toughest oil and potash companies in Canada. And when he imposed this kind of taxation, instead of the companies and the financial community looking askance at them and regarding them as Banana Republics and regarding them as people who could not be trusted, they in fact went up in the estimation of oil companies as far as tough bargainers were concerned and on the bond market they increased, they raised. So what we are saying here, what I am trying to state here is that surely we should not be arguing the illegality of the tax. Surely we should be designing a tax which is as foolproof as possible. And what that form will be I cannot say since I am not a lawyer. But the imposition of that tax should be done not by lawyers or by legal departments but should be done by politicians, should be done by the House or done by the administration, because surely what the argument is is not a dry legal argument but it is how you handle this in the day-to-day battle which then ensues. That is why I say that by imposing this we then are in the driving seat and Quebec therefore then has to take us to court, whatever court that is. If they cannot agree on the courts of this Province, and they cannot agree on the courts of Quebec, then where can they go? What we are saying surely is that we have the trump card because essentially Quebec cannot go and plead to the Supreme Court of Canada on a question such as this because they do not even recognize Canada under the present regime.

MR. STRACHAN:

So what I am presenting here, surely, is that what we should be doing is doing a bold approach, designing something in a bold approach, presenting this in as tough a manner as possible. I realize full well that there is going to be 'or else' behind it, and I realize full well therefore that we have to make sure that the 'or else' we will carry out. Now that sounds very crude and very tough, but surely in any negotiations, and especially in negotiations with a group such as Quebec and such as Levesque leads, we must be prepared in the ultimate end, as Lougheed was with oil for Sarnia, Ontario and as Blakeney was in the case of the potash companies, we must be prepared to do the 'or else'. Hopefully, it will never come to that and, exactly the same as Lougheed did, it is used as a bluff to a certain extent but with a bit of strength behind it.

So what we are arguing here then is to stop going along negotiating. I understand full well that once you get into that round of negotiations it becomes extremely tricky, extremely delicate, especially in dealing with people like that. But what we are stating, surely, is to take the bold approach, design the best form of taxation, whatever that may be, apply it, be prepared for the 'or else' and allow Quebec then to argue the illegality of it, the immorality of it, but not us.

The member was also discussing the thing about power, moving it to the Island and getting in place something to take care of that power when that power is available. Just one small comment there: We hear often enough that the power should be moved to the Island part of the Province and not within Labrador and I think there should be a balance of this. There should not be a constant thinking that the market is only on the Island, and the people can only be attracted to the Island as a market, but we should be thinking of the whole

MR. STRACHAN: Labrador situation and we will get into that later on in other debates.

Getting back to the minister's statements this afternoon, I would like to point out a few things inasmuch as whenever my colleagues bring up what we call important points, points that we have discussed very thoroughly - especially the member for Baie Verte (Mr. Rideout) on health and so on - the minister always has the answer that we have a committee, Yes, we have been looking into that for the last two years, or we have a committee in force for that and we have looked into this and we have studies going on that and we very seldom hear anything else.

The minister also indicates that he has presented Ottawa with this and always blames Ottawa; Ottawa is not listening to us, how we presented this proposal to Ottawa. I sometimes feel that the minister in answer to any of our proposals from this side, and we are trying to be fairly positive in some of our suggestions, always comes out with an answer, conjures up an answer, pulls it out of the hat and the answer is that he has committees looking into this, and committees looking into that.

The minister also states quite clearly, or has stated that on this business of Port Labrador electric railway, for instance, and I believe the minister, maybe not deliberately, but I still think that he is misleading the House on this and I ask the minister to defend himself here by tabling in the House as soon as possible all pertinent documents, the documents in which they presented to Ottawa their feelings on the Port Labrador situation and on the railroad through Labrador, because the minister stated in our last discussion that in 1976 the presentation was made to DREE and) again a later approach was made last year.

MR. STRACHAN:

We have checked this out as much as possible because I wanted to see what kind of approach there was and someone must be wrong somewhere because the Minister of DREE in Ottawa says they have nothing, have seen nothing in writing nor has anything been asked verbally of them, so we thought it must be some other department. But the Minister of Public Works in Ottawa, as recently as this morning, said that he has seen nothing in writing, they cannot find anything in writing nor have they been approached orally. The Minister of Transport has also said the same, that he has seen nothing in writing and he said possibly something may have gone on at a lower civil service level. But we would like to see exactly what has gone on, whether there has been a discussion between the minister here and the ministers in Ottawa or whether this has just gone on at

MR. STRACHAN: some lower civil service level of committee reports or submissions and so on at committee levels. Our argument basically then is that had there been meetings at the highest political level - because surely this demands meetings at the highest political level and not just some civil servants getting together to chat about something - had there been meetings at the highest level, as the minister has indicated or seems to have indicated, then if so, what specifically were the proposals submitted by this government and by the ministers to the ministers in Ottawa and where did they reject them? And I feel very strongly on this, and I remember I was charged with calling it all wind, but our basic argument was still that unless we see these documents, unless we know these are going on, then we can understand full well that something has been done, something is going on. And our argument is that surely we should be looking with some kind of vision to the future. Surely we should be looking to try and put some things in place down the road. Surely we have questions of hydro, energy, excess hydro energy there latent in Labrador which has to be developed in Labrador and hopefully used in Labrador to develop products there. But at the same time we are stating quite clearly that unless the minister and the government, the administration, can indicate to us that in the present reality of 1978 there is also some faith and some commitment, then to talk about visions of the land of promise or Utopia down the road or Port Labrador or things like this, they will have electric railroads using excess power from Labrador rivers, does not wash at all with Labrador people. It does not wash when some of the basic needs are not met in Labrador, such as I referred to earlier this afternoon in which a patient who is a stretcher case has to pay \$1,400 to be transferred to St. John's and back to Labrador again because they live in Labrador - punished, a penalty because they live in Labrador!

MR. STRACHAN: So what we are stating is surely you cannot ask people in Labrador to accept any proposals of Port Labrador or railroads if they cannot see that the administration is also willing to live up to day-to-day commitments. And surely this is our argument often enough. Why talk about railroads as a Utopia down the road when we cannot see any money whatsoever to be put into the Freedom Road in Labrador to allow the people from Churchill Falls to come down and be able to use the ferry which hopefully will be in place this summer.

AN HON. MEMBER: Some hopes!

MR. STRACHAN: I say hopefully. We have problems, but at least it is 'hopefully' and we realize now that there is more hope for that than there ever is for money to be spent on the Freedom Road to make it so you can travel over it.

So our basic argument then is, Could the minister not indicate to us whether there has been anything proposed for Labrador on that? Can he table it in the House so we can examine it?

Also, on an earlier issue, I still do not think - maybe I was out at the time - but I still do not know if the minister replied to the earlier question I had with Hamilton Banks, whether the minister who has the power to apply a moratorium on Hamilton Banks is going to use that power and look very carefully at it and decide that what we are doing is really jeopardizing the future of this Province and the future of the fisheries of this Province by allowing drilling to go on on that Bank expressly at times of year when the weather is very bad, or is he going to allow what they call a weather window to shorten the times of year when you can drill on these Banks?

So I hope the minister on rising before we get into the subheads of his department perhaps

MR. STRACHAN: can answer some of these points and indicate to us whether - and I hope sensibly, I hope without strutting, without the peacock approach - I hope he can indicate to us very clearly and possibly quietly if he can whether there is in fact a basis for his arguments and that he is not only conjuring up committees and reports and submissions which are not really there in the first place.

MR. CHAIRMAN: (DR. COLLINS) The hon. the Minister of Mines and Energy.

MR. PECKFORD: Before we left for supper, Mr. Chairman, we were responding to some of the questions that hon. gentleman had asked, he had been asking for answers and I would just like to go through those rather quickly so that some other hon. gentlemen can be heard from on some of the important matters that have been raised. I will take the last point first for the hon. member for Eagle River (Mr. Strachan). I did try to address myself to the whole question of environmental problems offshore-I sort of detected in the hon. gentleman's comments just then that there was some imminent possibility or probability that oil companies would be drilling physically on the Hamilton Banks. I thought I detected that in some of the phraseology. That was what I understood from what the hon. gentleman said in the same way, I guess, as he understood certain things from me which I did not say. In any case, you know, the hon. gentleman, I trust, knows better than that. It will be a long way down the road before we will be on the actual Banks, if ever. I doubt whether it will ever be possible in any case. I guess he is referring to off the Continental Shelf margin area, a couple of hundred feet of water and any blowout there, if you had any amount of oil, could seriously affect the Hamilton Banks then sort of indirectly rather than it being on the banks itself. The point here now, Mr. Chairman, is simply that we are trying very hard to get as much information as we can as quickly as we can to ascertain whether in fact a moratorium on certain acreages should occur. We have not at the present moment assembled enough information to be able to say, yes, we should have a moratorium. And given the fact that the drilling that has been going on has been very well supervised and is expertly done and we are not into a large pool of oil or whatever, then we would contemplate continuing a well or two off Labrador. Unless Eastcan in the next month can negotiate with us, say, a satisfactory permit under the regulations, unless that is done in the next month it is totally impossible for any drilling to occur off Labrador in any case. Even if in the next month negotiations were successfully concluded, there would only be one

MR. PECKFORD: well at the most drilled off Labrador this year because it is too late now to have a massive three or four well programme physically, number one; and number two, even if we did, even if Eastcan came in I do not think that they would be in a position, given all the money, given all the physical things at their disposal, to go with that kind of a programme. That would be perhaps the second or third year of their exploration effort.

So we have to assemble additional information. Hopefully by the new federal report that is being done now, the new environmental studies that are being done we will get additional information and it is quite possible that certain acreage which is extremely high risk will have to be re-examined and perhaps a moratorium put on that until additional work is done. But at this point in time it is too early to take any firm positions on that very critical issue and, given the fact that there is some time available to us because of the slowdown in exploration work off Labrador, well, we have that additional time to assess and make a fairly sensible decision about it. But it is a major, major issue why we were so intent on getting the environmental reports that we just completed, the preliminary ones out and into the hands of Newfoundlanders. So we will continue to monitor that and I guess as another couple of months go by - I do not think it is even a couple of months - the first part of the federal government's reports will be in and that will either sort of substantiate the kind of preliminary conclusions that we have drawn and change them or whatever. In consultation with them then we will be able to make some intelligent decisions about certain areas offshore which are very high risk. So we are cognizant of that and we will monitor it very closely over the next few months.

MR. PECKFORD: Mr. Chairman, the hon. the member for Naskaupi (Mr. Goudie) when he was speaking, I think, made two points which I would like to comment on. One had to do with the present unemployment, the depressed state of the economy in the Happy Valley - Goose Bay area, the whole business of that area being up and down quite a bit economically - the base, the Americans in, the different departments of government, especially federally and jobs here and then jobs going, the Labrador Linerboard situation, the Gull Island/ Lower Churchill development, the possibilities in recent months of the Gull Island clearing project going ahead and so on. And you know, I think it is fair to say, Mr. Chairman, that it should be possible for some kind of permanent woods activity to occur down there and I am sure that the development corporation now formed down there as well as people in the Department of Rural Development and the Labrador Services people now on staff in Happy Valley - Goose Bay should be able to put together something that is attractive to private enterprise coming in there. I know it is difficult. I know a lot of people who have done work in Happy Valley - Goose Bay area in the forest industry from my constituency who are very familiar with the problems associated with harvesting wood there. It is extremely unfortunate that to this point in time we have been unable to negotiate a satisfactory agreement with Ottawa as it relates to clearing the reservoir area. That is an extremely tragic situation and one that I thought would be resolved by this point in time. It is a very, very sad situation and, you know, comments from some hon. members on the other side, not all, but a couple of the members on the other side notwithstanding, we have made a valiant, honest attempt to put forward a sensible, rational proposal to Ottawa. And I would stand anywhere in this country and make that kind of statement and I am prepared to back it up

MR. PECKFORD: with documentation and the whole bit. I mean, the whole idea is so sensible. It almost becomes foolish it is so sensible. And the initial reaction that the Premier and myself and other people from the government got in Ottawa to that idea when it was presented last June led us to be enthusiastic and to come back and to put down in writing a full-scale proposal on it. And essentially it was, 'Okay, Ottawa, you have \$50 million or \$60 million' - let us just take \$60 million, I do not know how much it is, I do not mind throwing around millions of dollars; let us say \$60 million - 'in Canada Works money coming into the Province each year for the next three years'. I do not know if it is \$60 million - let us assume it is \$60 million. Okay, you have \$60 million coming in. 'We understand the whole question of your members are going to need so much for their little projects in their own constituencies. Recognizing that, reduce it just by \$10 million.. Let the other \$50 million go in the regular Canada Works programme way. Let us not touch all the little projects that communities are interested in, the fire halls and the town halls that are very important, some water systems in the Summertime, all of that. So just take \$10 million of the \$60 million each year for the next three years and put it into a special Canada Works project, a special job creation project - a special one, not the ordinary one, the programme that exists now, the Forestry Improvement programme that the Opposition talks about that is available where we have to spend \$7 million before we can get \$2 million, where we have to spend \$14 million before we can get \$4 million, not that programme; we know about that programme. Ottawa, we know about that programme, but we want a special programme. It is no more money out of your coffers, it is just spending the money a tiny bit different to create 300 to 400 jobs - 200 to 300 jobs - however many, it was reasonably anticipated around 300 for sure if not 400 a year for the next three years

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MR. PECKFORD: which would take up the slack,
if you will, Mr. Chairman, from the closedown, phasedown -

AN HON. MEMBER: Closedown.

MR. PECKFORD: - closedown, then, of Labrador
Linerboard and put some of the loggers who were involved
in that operation on the Island or in Labrador

MR. PECKFORD: back to work. Beautiful, beautiful idea; everybody agrees with it. Our first obstacle, environmental problems. So let us just take that area that all the environmentalists agree in the federal environment, provincial environment, take the area that is least sensitive to environmental disruption, let us get everybody to agree on an area of 20,000 cords, 15,000 cords of wood, whatever, and put them to work there. And while they are working there we will work on another area that is environmentally more sensitive. And by the time they got the 20,000 cords cut there is another 5,000 cords over here that has got no problem with environment and shift them there or whatever, whatever way you could, whatever way you could do it like that. And if it was not 10 million because you never had enough cords to make that much, and there was only fifty men, well, let us employ fifty men on 2,000 cords or whatever to make it work. And so that was overcome. And then it got the hot potato routine - not me, I do not want to do it; somebody else should do it; Mr. Cullen should do it, Mr. Gillespie should do it, and it got thrown around all over the place until it ended up with DREE.

AN HON. MEMBER: Mr. Lessard.

MR. PECKFORD: And Mr. Lessard, yes. And then it got moved all of a sudden, and negotiations started, I think the -

AN HON. MEMBER: What do you think of Lessard?

MR. PECKFORD: Excellent man. Mr. Lessard is a top-notch Cabinet Minister in Ottawa, one of nature's gentlemen, and a friend of Newfoundland. No question. I found Mr. Lessard to be absolutely fantastic, no question. And it was in DREE, as I understand it, the former minister of Intergovernmental Affairs, the present minister of Intergovernmental Affairs can confirm -

AN HON. MEMBER: Provincially.

MR. PECKFORD: - provincially, that we sat down here in St. John's, if I am not mistaken, people representing the Provincial Government, people representing the Federal Government through DREE, had the Department of Forestry and Agriculture going around in circles, going down and identifying - there is a special experiment going on in forestry anyway about cable logging and so on, hauling these

MR. PECKFORD: guys together, getting proposals done, putting ten or fifteen guys in Hydro to work on nothing else only the Gull Island clearing. And every morning, Mr. Chairman, I will go as far as this. every morning I had a permanent note down by my phone, Call Gull Island clearing, every morning from June last year until Christmas.

MR. ROUSSEAU: Right.

MR. PECKFORD: Yes, and the hon. Minister of Labour and Manpower (Mr. Rousseau) who brought the issue up at a number of federal and provincial conferences with his counterpart in Ottawa, I mean this is unbelievable what happened on that Gull Island clearing, absolutely unbelievable. And now as I understand the latest situation where then it somehow got wiggled around in DREE, talks were begun, then sort of out of the blue to me, I do not know the exact chronological sequence here now, Mr. Cullen comes down or whatever and offers this proposals which boils down to 7 and 2 and 14 and 4 or whatever which is existing, which we knew about last year. I remember talking about it last year -

MR. DOODY: Mr. Cullen made an announcement in the House of Commons that he had passed it over to DREE to look after it and then Mr. Lessard came down and signed the subsidiary Labrador agreement and the tourism agreement.

MR. PECKFORD: That is right.

MR. DOODY: He passed us a letter saying, this is what I have been asked to ask you and it was, Is the government willing to go along with it?

MR. PECKFORD: Yes.

MR. DOODY: And poor Mr. Lessard was left with the hot potato.

MR. PECKFORD: Right.

MR. DOODY: Without any negotiations being settled.

MR. PECKFORD: And you know the strange part about it, for the Leader of the Opposition especially, was that when we spoke in Ottawa, and my colleagues who were there at the time can confirm this,

MR. PECKFORD: we talked about the tourism agreement -
Right? - because this was a good push forward on tourism that we
all wanted, everybody was talking, Oh we could get more people here in
the Province; and Mr. Lassard indicated favourably get it going and
we will really move this thing; a couple of other agreements that
were on the go, some extra money under the DREE roads one at the time
that he expedited just like that, and where he had a mandate - you
have to give the man credit, Mr. Chairman - where that minister had
a mandate so he could go ahead on his own and do it, that minister
of DREE, I am telling you, he did it. No question,

MR. PECKFORD: and as it relates to the ongoing negotiations now, I guess, on the Rural Development agreement and so on, subsidiary agreement, there is great progress. The man is just tremendous! I wish we had another two or three more like him in Ottawa.

SOME HON. MEMBERS: Hear, hear!

MR. PECKFORD: He works. And that is the ongoing saga, the ongoing tragedy about the Gull Island clearing project which could mean so much economically for the hon. member's district, for the economy of the whole Eastern Labrador area and for the Province - unbelievable! Now the most recent development is that we have responded - I think the minister responsible for Intergovernmental Affairs has on behalf of the government responded, gone back to Ottawa and said, 'Please, will you?' This great idea that we had, let us not wiggle it down to trying to give us an offer like that. Let us get it back on the rails to where it was and make it a special project and take out of the pot however many million is there in Canada Works enough to get this project started and create a few jobs.' And that is where it is. And, hon. member, hopefully something can be worked out on that score before Spring breaks. But it is such a sensible, reasonable thing that it is really one of the more disturbing aspects - and I am sure every hon. member on the other side, forgetting the whole question of me or Mines and Energy, the House or parties or whatever, just from a raw Newfoundland point of view, you know, it is one of those unfortunate bureaucratic stories to which I guess other provinces could relate as well on other issues giving the Government of Canada regardless of who is there in the Government of Canada. It would not make any difference if it were a Tory Government in Ottawa tomorrow, I am sure the same kind of story could be told.

AN HON. MEMBER: It is up to you to break through that.

MR. PECKFORD: And that is what we are trying to do.

AN HON. MEMBER: Yes, but you have not.

MR. PECKFORD: I know we have not, but we are trying to break through it.

SOME HON. MEMBERS: Oh, oh!

MR. PECKFORD: Mr. Chairman -

AN HON. MEMBER: The Liberals used to be able to (inaudible)

MR. PECKFORD: Yes.

The other point that the hon. the member for Naskaupi (Mr. Goudie) talked about was the question of Muskrat Falls, the 600 megawatt development on the Lower Churchill, the third phase really of the whole Churchill River development, whether in fact that kind of development is really necessary now. Perhaps we should stop after the Lower Churchill with that whole Churchill River development and leave Muskrat the way it is. And there is in any case a problem with the Muskrat Falls thing from a technological point of view because of the sand and so on on the banks of the river and there has not been up until this past Fall and Winter very much information on the Muskrat Falls in any case. And one of the examinations that is ongoing, an analysis that is ongoing, has to do with Muskrat Falls under the agreement we have with Ottawa for additional hydro studies. And perhaps it will show in any case that it is really not worthwhile from a technological point of view. But I would be missing the point if I stop there on the whole Muskrat Falls thing as it relates to the comments made by the hon. member, because what he was really getting at was, Can we not develop other sources of water which would give us the same thing? Can we leave some of the environment the way it is so that we can on the one hand have enough power to heat our homes or light our homes and yet have something to look at which is aesthetically

MR. PECKFORD: worthwhile and pleasing and to be able to enjoy it. I think that is the idea the hon. member was getting at. You know, I think we all have a lot of sympathy with that. It will come down again, I suppose, to striking that old balance, and, for me, getting into the cliches of where do you stop developing because you need it and leave it for posterity or for us all to sit back and look at as the sun goes down over the hill.

AN HON. MEMBER: Right.

MR. PECKFORD: But it is a question that will have to be addressed down the road somewhat, several years, if in fact it is proven to be technologically feasible. So I cannot come down hard one way or the other. On the one hand, it is appealing to think that one could let the water flow and enjoy it and at the same time it is also appealing to me in the sense that if we desperately need it at that point in time - so depending on what set of circumstances prevail, but in any case, I do appreciate the point he makes on it. That is about all I could say on it.

Somebody just mentioned, talking about environment, which is interesting to bring up for the edification of the hon. the

MR. PECKFORD:

member for Windsor - Buchans (Mr. Flight). Talking about cheap power, I said today that there is no more cheap power, the last real cheap power was the Upper Churchill, three and a half mills, and so on, if we get it recalled it should make a big difference industrially and on rates even perhaps in the Province. But there is one other little place that has very cheap power which is larger than Hinds Lake, which is Lloyds Lake, which is around 110 megawatts and which if built today would be seven to nine mills verses Hinds Lake thirty mills. So the Upper Churchill is already built in any case, so the answer is, yes, there is cheap power left, one place, Lloyds Lake. And of course, if hon. gentlemen will remember, back a number of years ago when the member for Placentia West I guess the district was then, was it, was the Minister of Mines and Energy, and there was some talk by this administration of taking a look at Lloyds Lake. There were all kinds of response to that idea from people, environmentalists and people in the whole Buchans area that it was going to destroy additional land and wildlife and so on, and the environmental studies were not even finished as a matter of fact and a proper look at Lloyds Lake has not been undertaken to this day -

MR. CHAIRMAN: Order, please!

MR. PECKFORD: - because of that. But that is the only other one. There are many other points I never got to, Mr. Chairman, which no doubt I will get back to later in the programme.

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

MR. W.N. ROWE: Thank you, Sir. I will be very brief. I had not intended to speak at all, Sir, during the estimates because of the brilliant way in which the member for Eagle River (Mr. Strachan) has conducted himself, raising questions, offering policy alternatives, ideas with regard to the whole portfolio of Mines and Energy. But I thought I would rise for a few minutes to make sure that our position and policy on one or two important issues is well known, Sir, and expressed for the record.

MR. W.N. ROWE: We are speaking on the minister's office right now. The minister, as one of my colleagues said earlier, has a high profile in the Province. He is a man who has gotten a lot of publicity, a lot of media coverage and so on. And I do hope, Sir, that as a result of this he does not have a tendency to become arrogant or puffed up at all in what he is trying to do on behalf of the government or himself or the Province. The nature of this portfolio, Sir, Mines and Energy is one that no matter who goes into it is bound to have a high profile, is bound to gain a fair amount of prestige. It has got very little to do with the person who is in that portfolio.

We remember Leo Barry was the member here in this House, got defeated, was the Minister of Mines and Energy for a while. He was carrying on in much the same way as the present minister, high profile, a certain amount of popularity, a certain amount of prestige, then he was defeated by the people in his district. John Crosbie then came along, the same sort of thing. Now this minister has come along and gives the impression that it is he perhaps who is the saviour of mankind, that he is the man who is going to save it all for us.

MR. CALLAN: Did he have a high profile in Municipal Affairs?

MR. W.N. ROWE: Gives the impression of being a little tiny bit arrogant about what he is doing there. The same thing happened in Ottawa, as a matter of fact. I remember Donald MacDonald, now out of the Federal Cabinet, resigned some time ago; he had a reputation I always liked the man - but he had a reputation for being one of the most, for some reason or other, abrasive and obnoxious members in the House. He came into Mines and Energy, into that portfolio, Mines and Energy when it was an obscure portfolio, he was supposed to have been shoved into the background and then the energy crisis broke and suddenly he was the most prominent minister in Ottawa for a period of time. In other words, what I am saying, Sir, is that the portfolio makes the man.

MR. CALLAN: It is the nature of the animal.

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MR. W.N. ROWE: It is the nature of that portfolio.
And it is an important portfolio and it is one that we are
all very much dependent on as Newfoundlanders and Labradorians.
And we cannot afford to have slip ups. We cannot afford to
be praising up a man and making him appear that he is doing the
right thing all the time when in fact there may be some grave
doubts about what he is doing. Just because he can take
a strong stand against Shell Oil,

MR. W.N. ROWE: or Texaco, or Eastcan and give the impression that he is the hero in this Province, and hear no rebuttal at all from the oil companies themselves because after all they are dealing with the government and they would not want to risk a good relationship with the government by coming out and saying that the minister either misled or did not tell the whole story or this, that or the other thing. We should not, the point I am making, Sir, that we should not be misled into thinking that all is well in this portfolio. And we should not run the danger of allowing decisions to be made perhaps behind closed doors, thinking that "Oh, this man is a wonderful person to run this department; therefore, leave it to him, let him do it. Let us not scrutinize, let us not question, let us not stick the few pins in to try to get rid of any arrogance that might be developing" and so on.

The minister is probably a good minister. There are a number of good ministers in the administration. There always is a number, half a dozen good ministers in any administration that I have been aware of in Newfoundland. A little bit political perhaps, a tendency to become politically partisan and to gloss over important policy decisions and matters of principle, gloss them over with partisan politics, which is a danger when you are dealing with something as important to our future as Mines and Energy.

There are only two things, Sir, aside from the forestry, which needs some tidying up and some straightening out, but which is on the way, I hope, to being fully developed over the next few years; Fisheries and mines and energy are the matters which are going to be the salvation or destruction of this Province. So let us make sure that in this particular portfolio we know what we are doing and we know the directions that we are heading in. And let us not be too eager to say, "Oh, the minister is doing a wonderful job, stop criticizing, let him do it," because the minister does have a tendency to gloss over things in a political way and also to cover up the ineptitude

MR. W.N. ROBE: in some respects of the present administration by lashing out and kicking out at Ottawa. There is never any inclination on the part of that minister, or any other minister to say, "Well, perhaps we blundered here. We should take another direction, because we are all fallible men, groping in the dark towards the same end when we perhaps made a little blunder here." No, Sir, that never happens. Arrogance there. Ottawa is wrong. Ottawa is keeping us back. Lash out at Ottawa. And in that way cover up important issues which need to be discussed.

Mineral development for example, my hon. colleague, the member for Baie Verte - White Bay (Mr. Rideout) indicated that perhaps the minister is a little bit too consumed and take up and puffed up with his own importance when it comes to offshore oil development, where he can lash out at companies and never get a rebuttal, nobody knows what is going on. Nobody knows the exact stand which is often being taken behind closed doors vis-à-vis companies.

I hear, for example, from some of my political colleagues throughout the breadth of Canada, and some civil servants and some people in the industry, that this minister has a tendency to turn off people who want to come into this Province. I am not talking about the regulations because we on this side are fully in accord with the regulations which have been drafted by the government. As a matter of fact, my hon. friend and colleague, the member for Eagle River (Mr. Strachan) has made that clear on a hundred occasions as have I. As a matter of fact, he has made some very valuable input into debates in this House and statements outside the House on that. We are all in favour of that.

But we also had to look at the psychological and the personal approach and what a minister or government is doing. I do not know where the revenue for offshore oil development is contained, I saw it when I was going through the estimates earlier, I

MR. H.N. ROBE: cannot find it now. It may be in the resume or the summary for revenue for the government. But there is a sizeable drop off if my memory serves me right. And this is not only due, as far as I understand, to regulations. There are regulations into effect down in the United States and in Alaska, and other places, Sir, where billions of dollars of revenue have poured into states. Alaska, when they made some commercial oil finds, had regulations, and in came untold hundreds of millions of dollars, people eager to get in there and drill and find oil and gas offshore. The same thing is

MR. W. N. ROWE: happening in other parts of North America, yet what did we have this year coming in to drill off our coast? One oil company -

MR. PECKFORD: One seismic work project.

MR. W. N. ROWE: doing some seismic work. Now, I question it because our destinies depend on it. I question what this minister is doing. Is he giving the impression when he sits down around tables in Alberta somewhere that people are not welcome to come in here drilling, that they are liable to get a hosing, that 'We are not going to take anything from you guys,' arrogant and perhaps a little overbearing with regard to companies who wish to come in and drill offshore? I do not know, but I hear this. I have heard this on a number of occasions from politicians and civil servants who have been involved around the same table with the hon. minister. So I say, let us be on our guard, let us make sure we are doing the right thing with regard to offshore oil development. And as I was going to say earlier, the minister has a tendency to get wrapped up in this high profile prestigious operation of offshore oil and gas and forget about perhaps the more mundane, but perhaps closer to the earth, obviously, and closer to people's welfare and well-being, the mineral development in the Province. And we hear very little about efforts being made with regard to Buchans.

My hon. friend from Windsor - Buchans

(Mr. Flight) has risen in this House a dozen times to protect the neglect of a whole town by this administration and asked the government for some action when action should be taken, namely, in advance of a known close-down, a known shut-down, yet nothing is going on at all because I believe the minister cannot get himself galvanized into being interested in that aspect of it. He is more interested in the offshore oil, prestige, high profile, manoeuvring around with big oil companies and so on.

MR. W. N. ROWE: But the people of Buchans are important; the people who work at Rambler Mines are important; the people, certainly, who worked in the St. Lawrence mines, now closed down by the complete contempt and arrogance of Capitalism run rampant in the form of a giant corporation.

So let us look at some of these things and let the minister be on guard against neglecting some of these other important things.

Now, Sir, let me state succinctly and briefly what our position is on the Upper Churchill Falls. It is easy to say, 'Pull the switch!' It is easy to say, 'Let us go up and turn off that switch!' That is simplistic, that sort of talk. I suppose the way to summarize a position which we have taken in this party, a number of us, for the last eighteen months or so or two years since it was first articulated by my friend, the Chairman of the Public Accounts Committee, and my friend, the member for Eagle River (Mr. Strachan), after thought and consideration and legal advice and talks with people who have some knowledge, and that is that we have a position of strength when it comes to the Upper Churchill River. It is not a strength which is necessarily built on strict legalistic rights. This law case in which we are trying to reclaim and recover for the use of the Province several hundred megawatts could go on for fifty years. If Quebec is as devious and as persistent and persevering in this as they have been in everything else, they will find ways - and my learned colleagues at the Bar know what I am talking about - they will find ways to obstruct, to appeal up through the courts on every issue of procedure, and substantive to the law as well, when the occasion arises, and they can if they so desire - and I have no doubt they so desire - they can obstruct until the thing is perhaps a little more than academic. When James Bay comes on stream, for example, it weakens our case - not completely, but to a certain extent. It weakens our case as far as a political position of strength is concerned, not legally.

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Tape 578 (Night)

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MR. W. N. ROWE: But they can obstruct and delay and keep us stymied until James Bay by all kinds of legalistic tricks and obstructionism and procedural devices. They will do it! Everybody knows they will do it! We are not dealing with the Government of Alberta or the Government of Saskatchewan who want the issue solved, for example; we are dealing with a government which has the stated purpose of leaving Canada.

MR. W. N. ROWE: disrupting this country, who themselves are willing to break one of the most solemn contracts and agreements and constitutional relationships and a long-lived one as well, for well over 100 years, and willing to break that with impunity, and at the same time talk in terms of Newfoundland. Is Newfoundland going to live with the contract they made ten or twelve years ago? The hypocrisy of it! I ask one simple question: What would the Province of Quebec do in our position if the roles were reversed? What would they do, Mr. Chairman? And I have no doubt what they would do. They would use their position of strength to gain for the Province of Quebec at least a fair share of the revenues of the Upper Churchill power and perhaps if they could, they would gain all of the revenue from the Upper Churchill power if they were in our position. They would use every political device and every position of strength and power that they possessed to do that. Is there any doubt about that? Are we all naive? I do not think we are. I think we know what would be done if the shoe were on the other foot, if the positions were exchanged. Now I am not saying that we should necessarily do what Quebec would do in our position. I am saying that we entered into a contract in good faith—long before any member of this House was in any government, by the way. The Minister of Justice — we often josh back and forth across the House — he was not in the government when the contract was entered into. He came into it subsequently, I came into the government subsequently. There is no one in this House who was in any government when that contract was entered into. So we should realize if blame be laid — and I do not think blame need be laid in the case — there is no blame on anybody in this House. But the blame does not have to be laid in any event, Mr. Chairman, because we are talking about a contract which was entered into back what? in 1965, 1966, somewhere around there or earlier on, at a time when the people possessing the greatest foresight in the energy field had no notion whatsoever that there was going to be the energy crisis which we have

MR. W. N. ROWE: and certainly had no idea whatsoever the energy crisis was going to have the catastrophic results which it had throughout the whole wide world.

What we have is a contract entered into in good faith by both parties. If I had my time back, if every member of this House had his time back, I am sure Brinco, for example, would not have been involved at all. It would have been developed by a Crown corporation owned by the people of the Province perhaps in partnership with the Government of Canada, perhaps even a tripartite partnership with the Government of Quebec, the Government of Canada and the Government of Newfoundland and Labrador. That is probably what would have happened, each one recognizing the valid geographical and political position possessed by each party and, of course, some investment as well by the various governments.

In any event, a contract was entered into in good faith and during the succeeding decade the circumstances, Sir, the situation and the circumstances surrounding that contract had utterly altered, had altered drastically, had changed beyond anybody's foresight and beyond description, and have changed not in quantity, but in quality altogether. The bottom dropped out of the circumstances surrounding that contract.

What we have now is a situation, as the Minister of Mines and Energy has very articulately mentioned, where the company which we have a majority shareholding in gets 3.5 mills per kilowatt hour; we get a few million dollars a year as a result, probably wiped out usually by penalty provisions and so on because we are not able to produce for reasons beyond our control, but that does not bother Quebec.

MR. PECKFORD: We have not gotten into that point yet because we are still disputing (inaudible) where the penalties do come in (inaudible) question of those units now in the last year and a half.

MR. W. N. ROWE: That is right.

MR. PECKFORD: They have to be applied different, because they are all - as you will understand better than I even, the legal beagles have them all, you know.

MR. W. N. ROWE: Yes, that is right.

Now, Quebec gets, as the Minister of Justice belatedly said in his Finance Budget when he brought it down - we have been talking about it now for a year and a half or so - the Government of Quebec - the Province of Quebec, I should say, not the Government of Quebec - the Province of Quebec gets somewhere, depending on the figures you use, but we can have ballpark figures, somewhere between \$800 million and \$1 billion a year in value as a province from the Upper Churchill power in various ways, various things - \$150 million or \$200 million a year, I would assume, just remembering the figures from memory on the power sold to Con-Ed by Quebec Hydro;

MR. W. ROWE: the low rates, perhaps among the lowest rates in Canada, the Province of Quebec has for consumer electricity, the rates charged to the consumer; they have one of the highest credit ratings, they have one of the highest credit ratings in Canada, not as a -

AN HON. MEMBER: In North America.

MR. W. ROWE: In North America! - not because the Province is in such good shape but because it is a - the tail is wagging the dog, Hydro Quebec is one of the highest credit rated companies in North America, and drags the Province of Quebec behind it as the result of our power, our power, Mr. Chairman, developed in the Upper Churchill.

And while all of that is going on, Newfoundland has one of the lowest credit ratings in all of Canada, the highest unemployment rate, one of the lowest standards of living. And the Province of Quebec, a province with one of the greatest potentials of any province in Canada for development and so on, is getting another \$1 billion.

Now, Sir, I do not have the time obviously to finish off what I was going to say. I have exhausted my twenty minutes. I need about another five or ten minutes to speak on this but I do not necessarily -

SOME HON. MEMBERS: By leave!

MR. CHAIRMAN: By leave? Agreed!

MR. W. ROWE: Okay, then. Thank you, Mr. Chairman. I just want to finish off these remarks on the Upper Churchill power to make sure that our position is unmistakably known.

When you compare all of these things, and I ask the question rhetorically as I asked before, namely, what would Quebec do in our position? And you look at the comparison between the two provinces, and the unequal, unfair advantages which one province has as against another, You have no doubt at all what Quebec would do. And I have no doubt whatsoever, Mr. Chairman, that if the picture is painted properly to the international money markets, Wall Street,

Mr. W. Rowe: What is going on, the ripoff which this Province is undergoing as a result of the Upper Churchill deal.

AN HON. MEMBER: By accident.

MR. W. ROWE: By accident, not because of Quebec, not because the Province of Quebec showed any great foresight; Rene Lesvesque or any political figure in Quebec cannot claim any credit whatsoever for the tremendous windfall profits and values which they are now receiving as a result of the Upper Churchill power, nobody saw what was going to happen, Even the man who heads up Hydro-Quebec, if you asked him today, in private, would say a windfall fell into his lap. And no notion, Mr. Chairman, that this was going to happen.

MR. HICKMAN: The present Minister of Finance negotiated that agreement.

MR. W. ROWE: Yes, well he would certainly utter a few self-serving statements. But, what I am saying I think is the objective truth.

MR. F. ROWE: Hindsight is great stuff.

MR. W. ROWE: Oh yes, these laddioes.

MR. HICKMAN: Mr. Morin and Mr. Lesvesque were the negotiators.

MR. W. ROWE: Yes, Well, Mr. Lesvesque admits, or has admitted, in conversation that nobody foresaw what was going to happen. His position is, well, if it is a contract you cannot scream, you know, you should live with your contract.

MR. F. ROWE: He even admitted everybody thought it was good at the time.

MR. W. ROWE: Everybody thought it was brilliant for Newfoundland at the time; all the financial papers, if you look back at the clippings, brilliant coup for the Province of Newfoundland. Quebec, for example, there was even some statements made at the time that Quebec perhaps has got itself in a bad position because they guaranteed, members will remember, guaranteed completion of the project, and if there had been overruns in that project it was the Province of Quebec through Quebec-Hydro, I believe, which would have to stand the losses. As it happened,

MR. W. ROWE: again an unbelievable piece of luck for the Province of Quebec, it was a project which actually came in under cost estimates. Unheard of!

MR. F. ROWE: And on time, too.

MR. W. ROWE: And ahead of time. Unheard of! So Quebec really had a tremendous amount of luck when it came to the Upper Churchill power, and we had bad luck.

Now what I am saying, Sir, very briefly is this -

MR. PECKFORD: I doubt that we (inaudible)

MR. W. ROWE: - we, Sir, -

MR. SIMMONS: You would take it if it comes your way.

MR. W. ROWE: We should approach Quebec - and we can make sure that the bondholders of CFLCo are protected, I am sure that if the genial Minister of Transportation -

MR. F. ROWE: That is the only way they will get re-elected is on -

MR. W. ROWE: - and the genial, learned, brilliant minister - not that the other minister does not have these attributes as well, but they occurred to me when I saw -

MR. SIMMONS: More obvious, not brilliant.

MR. W. ROWE: He is not learned, no. If they were to, for example, approach some oil wealthy countries a little further to the East and put a proposition to them, And the proposition is this, that we are going to negotiate by using our political clout and our political strength, we are going to renegotiate or take the ultimate move with regard to getting back \$400 million or \$500 million worth of value from Hydro-Quebec for Newfoundland, and will you put your money up--what is it? about \$600 million left still to pay to the bondholders -

AN HON. MEMBER: It is less than that now.

MR. W. ROWE: It is less than that now, between \$500 million and \$600 million. If you were to put up that money, risk capital for a good return, we are not talking about a gift from Saudi Arabia, or Iran or Iraq or some place like that; we are talking about risk capital put up in order to protect the interest of the bondholders so that Wall Street cannot scream and shout, and say that we are a Banana Republic. Has that avenue been investigated? I doubt it, Mr. Chairman, but it should be to see what capital can be found to protect the interest of the bondholders because I would submit that if we cannot find the capital to protect the interest of the bondholders then perhaps what I am saying here is largely academic because we cannot, as the member for Kilbride (Mr. Wells) has said, we cannot risk getting the reputation of being a Banana Republic and so on and so forth. But this avenue has to be approached. And I believe it is a very feasible avenue of getting the money as risk capital for a fairly decent rate of return to protect the bondholders of CFLCo.

MR. STRACHAN: From Alberta possibly.

MR. W. ROWE: Pardon?

MR. STRACHAN: From Alberta possibly.

MR. W. ROWE: Yes, or from Alberta. Maybe they will do it; I do not know.

MR. DOODY: It is now \$600 million. What is the next step?

MR. W. ROWE: Now the next step.

AN HON. MEMBER: Hire me as a (inaudible)

MR. F. ROWE: No, there is a step before that. Check the market.

MR. W. ROWE: The next step, Sir, is to approach Quebec in a hard-nosed way. Now it can be done in two ways; you can deal with the Upper Churchill power alone or you can say, "Upper Churchill becomes part of an overall development of the energy in Labrador including the five rivers flowing from Labrador into the Province of Quebec, including Gull Island, and remaining developments on the Lower Churchill. We can renegotiate a whole package deal recognizing - I do not want to play dog-in-the-manger with Quebec on this, we have to recognize political reality. I think the member for Eagle River (Mr. Strachan), who is as hard-nosed as anybody, would be the first to admit we have to recognize political reality here, geographical reality. Quebec is on our border. We have to get through Quebec, unless we can somehow follow the Anglo-Saxon route first devised by a former Premier in this House, Mr. Smallwood.

MR. DOODY: Why is it Anglo-Saxon? How come it was not Celts?

MR. W. ROWE: That is a good question. The Angle-Celtic route.

MR. DOODY: There is discrimination.

MR. W. ROWE: There certainly is.

MR. F. ROWE: The Straits of Belle Isle - Cabot Strait route.

MR. W. ROWE: But, Sir, what I am saying is that this Province, as is evidenced by the Budget which was brought down, this Province is in what approaches desperate financial straits. I am not saying we are going to go bankrupt or plunge into the gulf of bankruptcy tomorrow. What I am saying is that we have reached the point where this government, without laying any blame for various reasons, this government can no longer provide the level of public services which are demanded by a province in a country such as Canada.

MR. W.N. ROWE: Everybody realizes the financial and economic position we are in. I say, Sir, that when a province like Quebec which depends on the Upper Churchill power to the extent of some one-quarter to one-third - I believe the Minister of Finance said 40 per cent, but I am not sure about that figure. It may be 40 per cent. I am willing to go along with 40 per cent, but the people I have talked to and gotten advice from on this say it is about one-third. But even if it is one-third or 40 per cent, the point is, Sir, that if a province depends to the tune of 40 per cent, or between one-third and 40 per cent for its power and energy from the Upper Churchill Falls the consequences of turning off that switch and stopping the flow of electricity are disastrous. They are disastrous to that province. And it is because, I would suspect, that Levesque is a wily old bird and hard-nosed himself and recognizes that we in our softness would never take that drastic step, that he takes the hard line and says, Oh no, live with your contract you made. We are busily breaking a contract with the rest of Canada, but you live with your contract.

MR. HICKMAN: They have the right to
(Inaudible)

MR. W.N. ROWE: They have the right to move into Churchill. That would be nice now, would it not? What would the Government of Canada do in that particular case? What would the people of Newfoundland do if we were overrun by hoards of Quebecois?

MR. HICKMAN: What I am saying is that under the legislation the Government of Newfoundland guarantees that they will not do anything which would constitute an act of default under the bonds. And if they should do something that would constitute an act of default, that gives the trustee, the bond holders, the

MR. HICKMAN: right to go in and take over the asset and run it. And it is obvious that if Newfoundland Hydro are not running it the only other hydro company in the area is Quebec Hydro.

MR. W.N. ROWE: Yes, well what I am talking about is this House of Assembly, by the way. I am not talking about unilateral action by government, I am talking about what I would hope to be unanimous action by the representatives of the people of this Province. Changing legislation, that is what I am talking about, this House of Assembly. No government would obviously take it upon itself by executive order to do what I am talking about here. There probably would have to be, I would submit, a referendum in the Province to see if the people consented to such a drastic move, if necessary.

I would say, Mr. Chairman, and I will sit down because I am encroaching on the indulgence of the House, I say that if we had the backing of the people of this Province, not by a general election or anything like that-because I do not think I would be as partisan politically, or the Premier would be so partisan politically to take that kind of a thing to the people in a general election, it is too important, too fundamental to the welfare to be used as partisan politics - but certainly a referendum of some sort by the people of this Province to find out, and after campaigning the pros and cons let the people decide what they think and then let members of this House of Assembly, guided by the wish of the people take the drastic action which is necessary, namely, to make it known to Quebec that we are willing and we are able to - if we do not get a fair share of the value of our resource, not all of it, say divide it down the middle, 400 million

MR. W.N. ROWE: for Quebec, \$400 million for us, recognizing the fact that there is a contract in existence, recognizing their geographic position, recognizing the fact that they took risks at the beginning and so on; recognizing the common sense and the rational aspects of the matter, let us get back our fair share of the Upper Churchill power, and \$400 or \$500 million of revenue by way of a tax, for example, Mr. Chairman, imposed on the export of the electricity, the power and energy to Quebec. And as the member for Eagle River (Mr. Strachan) said, let them take it to court, let them take it to the Supreme Court to see if it constitutional or unconstitutional. Then the shoe, as he said, is on the other foot. Instead of us taking the largely academic and ineffectual route of going to court which is going to take us fifty years hence, I would say, let them start fooling around with the court procedures and the actions and so on and let us in the meantime collect revenue and let us do it by the brave and courageous and undaunted and knowledgeable way, that is through this House of Assembly.

Let us have the courage, the bravery to pass the necessary legislation, just as I submit, Sir, the Province of Quebec under this present government or any government in Quebec, be it Liberal, Separatist, NDP, right-wing, left-wing, any government in Quebec would do what I am saying here today. Because they would realize they were being ripped off and the economy and financial position of their province depended on a fair share of the value of their resource. I am saying that we in this Province should take exactly the same stand, make it know publicly, do everything possible to secure the

MR. W.N. ROWE: creditors and so on and do it in a rational, sensible way, making sure that everybody is educated as to why we are doing it and the position which we are taking.

MR. HICKMAN: (Inaudible) what the hon. gentleman has been saying, supposing that this Province could find someone or some group of persons with \$500 million to secure the bondholders as risk capital, and having found that tomorrow morning the government goes to Mr. Levesque and says, Now, we want to negotiate, and Mr. Levesque says no?

MR. W.N. ROWE: Then we have to have a government backed by a legislature which has the courage, the intestinal fortitude to take the last drastic step which would have to be the pulling of that switch. Why should we, Mr. Chairman, put up with the rip-off which we are undergoing at the present time?

MR. HICKMAN: All right; having pulled the switch and having gotten the Arab money in our pockets, where do we sell the power?

MR. W.N. ROWE: Mr. Chairman, I would submit, Sir - I want to finish because I think I have made my point - I would submit, Sir, and the hon. minister knows this full well as well, I believe, that when it comes to the crunch, and I am not saying there is no risk involved, when it comes to the crunch and when all the things are said, in between the jigs and the reels and pressure from Ottawa and pressure from within Quebec, and people around Canada knowing what is going on, how we are being ripped off - because nobody knows now, there has not been a PR job done at all in Canada on how we in Newfoundland are being completely and utterly ripped off on this Upper Churchill deal at the present time - when it came to the crunch, Sir, I have no doubt at all that some kind of a reasonable deal would be

MR. W.N. ROWE: negotiated. But what I am saying is that in order to negotiate the deal we are not going to do it by wishy-washy attitudes, we are not going to do it by the soft approach, we are not going to do it by caving in every time Rene Levesque comes into the Province or gets on National TV, we are only going to be able to do it by making it clear to the Province of Quebec backed by legislation, that we in this Province do mean business and that if necessary, not necessarily pull the switch, but pull the switch if necessary. Thank you, Mr. Chairman.

SOME HON. MEMBERS: Hear, hear!

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

MR. F.B. ROWE: Mr. Chairman, usually I wait to say a few words before I hear some yappings from the Minister of Mines and Energy. Mr. Chairman, I was not going to speak on the minister's salary but a few things have been said on both sides of the House and I would like to make two points.

First of all, Sir, this afternoon the member for St. John's West (Dr. Kitchen) brought up what I thought to be an excellent point and members opposite thought they were going to get back at who signed the deal in the first place. This was with reference to the ERCO subsidy.

Now I thought the member for St. John's West made an excellent point and that is that the owners of ERCO, Albright and Wilson I believe it is, have this subsidy now, but at the time they were granted that subsidy on electricity they were for all intents and purposes a poorer company than they are at the present time. Since that time their profits have increased quite considerably, and the hon. member was quoting from the annual report of the company in question. What he

MR. F.B. ROWE: was suggesting was this, that since the ERCO plant in Long Harbour is now - underpinning is the expression he used - so important to the profits of that particular company, it is time that this government give some consideration to renegotiating the subsidy for the electricity provided to that company in order that we can probably back off on the increases to the customers of this Province.

Now I am not quite sure, and I was in the House most of the afternoon, but I cannot remember hearing anything substantive from the Minister other than a study, or they were considering the situation.

MR. PECKFORD: There is a committee established.

MR. F.B. ROWE: How long has the committee been established?

MR. PECKFORD: Oh, for several months now.

MR. F.B. ROWE: Several months?

MR. PECKFORD: Yes.

MR. F.B. ROWE: And when does the minister expect a report from that committee?

MR. PECKFORD: Well, we get reports all the time from that committee.

MR. F.B. ROWE: Yes, but when can we expect some action on it?

MR. PECKFORD: Presently, by leave.

MR. F.B. ROWE: Presently, by leave.

MR. PECKFORD: I cannot give you a date.

MR. F.B. ROWE: Well, the minister must be able to indicate to the Committee, Mr. Chairman, some idea of when we can expect action on this because it means millions of dollars a year. It is as simple as that. And a few million dollars from ERCO, and

MR. F. ROWE: possibly Bowaters and the owners of Abitibi or the owners of Price, if they are making huge profits and our people are suffering from high cost of electricity in this Province, I think it is incumbent upon this administration to act immediately -

MR. NEARY: Hear, hear!

MR. F. ROWE: - and get the report of the committee and take action to recover some monies in order to lower the cost of electricity to our people.

Now I would like the minister when he speaks again this evening to try to give us more specific information on that particular suggestion made by my friend and colleague from St. John's West (Dr. Kitchen) - which, I might add, Mr. Chairman, I must commend members on this side because one after one when they have got up there has been the odd little skirmish back and forth, but generally speaking there has been some good debate and excellent suggestions made on this side of the House, and, I might add, by some hon. members on the other side. Now that is what I want the minister to do.

I would like, Mr. Chairman, to indicate to the committee what I would like for some hon. members opposite not to do, because it is a pure exercise in political futility, and I am going to be just as negative as I wish to be in order to make a point that can be taken positively. Now it is this, because it is hon. members opposite who are the ones who are negative. Now the Minister of Mines and Energy gets up and talks about his White Papers and his Green Papers and all of the policy -

AN HON. MEMBER: Pink Papers.

MR. F. ROWE: - pink papers - pink panthers for that matter - but the minister gets up and talks about the great policy that he has articulated. Now there is nothing wrong with policy and I commend the minister for

MR. F. ROWE: some policy, but I also have to remind the minister that the people of this Province are desperately looking for action on the part of this administration, action which will provide jobs.

AN HON. MEMBER: Not action groups.

MR. F. ROWE: Not action groups, right. Not action groups and priorities committees and planning committees and action committees - the most expensive telephone line in the country.

AN HON. MEMBER: Right.

MR. F. ROWE: But the point I am trying to make is this - I am being dragged off track just a little bit, Mr. Chairman - the point is this, that hon. gentlemen, particularly the member for St. John's East (Mr. Marshall) for whom I have the most profound respect and who every now and then shows a glimmer of genius and common sense, but then he suddenly returns to normal because he becomes so partisan, but generally speaking, if the ex-minister and present member for St. John's East could hold back from being so partisan he does make a great deal of common sense. But he did turn partisan as did some hon. members this afternoon with going back and harping on ancient history and referring to the great giveaway by the previous administration. Now how long do the citizens of this Province, Mr. Chairman, have to stand up or sit down by their radio and T.V. sets or reading the newspapers and listen to this administration camouflaging their own inaction by blaming everything either on Ottawa or the so-called or the alleged giveaway on the Upper Churchill when they have been constantly reminded on the other side that it was legislative action, not an Order in Council in the Cabinet room that got this Upper Churchill thing going, and nobody but nobody in France, England, the Mainland, on this side of the House or that side of the House, in the business community, nobody but nobody could foresee the

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Tape 584 (Night)

EC - 3

MR. F. ROWE: energy crisis and the windfall
that Quebec is presently receiving - pure, pure accident.
It is a pure accident. And I might add, Mr. Chairman,

MR. F. ROWE: this, if that was such a politically monstrous blunder on the part of the previous administration I would submit that governments are only as good as Oppositions and where was the Opposition of the day when they could not find fault with that agreement or the lease or the contract or anything else? Where was the Opposition of the day? It was unanimous consent. Now to add insult to injury, Sir, I might add this, that I had the honour and pleasure of attending the official opening of the Upper Churchill Falls. I was an ordinary MHA like many colleagues here, some of us were not elected.

AN HON. MEMBER: The inauguration -

MR. F. ROWE: Yes, you are right, the inauguration.

AN HON. MEMBER: (Inaudible).

MR. F. ROWE: I am sorry. I will make it as quickly as I possibly can.

I, like many ordinary MHAs sat in the grandstands that were built around that big boulder, freezing to death -

AN HON. MEMBER: Terrible.

MR. F. ROWE: - terrible - but, Sir, I was suddenly warmed as must the Minister of Transportation have been when hand in hand with the Right Honourable Prime Minister Trudeau -

AN HON. MEMBER: P.C.

MR. F. ROWE: P.C. - Privy Councillor, right, not P.C. in the large but ugly sense - when the Prime Minister of Canada, Sir, hand in hand with whom? - with the present Premier of this Province - the present Premier of our Province took great honour in aiding the Prime Minister of Canada in slipping the cylinder into that granite rock - the member from Menihek (Mr. Rousseau) can well remember - and at the same time paid tribute to J.R. Smallwood and the previous administration for the great achievement of the development of the Upper Churchill power. Even at that time,

MR. F. ROWE: Sir, when the present Premier was then still Premier he obviously did not recognize the oncoming energy crisis or he was being a perfect hypocrite, I would suggest.

AN HON. MEMBER: A perfect gentleman.

MR. F. ROWE: Being a perfect gentleman! He had to be one of two things; ignorant of the energy crisis or a hypocrite in heaping praise upon the previous administration and the Premier of the time for the great achievement of the Upper Churchill.

Now one more point, Mr. Chairman. The member for St. John's East (Mr. Marshall) gets up and talks about, 'Why could not the previous administration negotiate a corridor through Quebec just like the oil companies can have their pipelines running over provinces?' Need I remind the member for St. John's East that at the very time these negotiations were going on we had a crisis in Quebec? Cabinet ministers were being kidnapped, people were being murdered, there were riots in the streets and there were definite threats from the parti-Quebecois - not parti-Quebecois, what did they call themselves then?

MR. DOODY: The FLQ.

MR. F. ROWE: The FLQ.

MR. DOODY: Front line cable television.

MR. F. ROWE: The hon. the Minister of Transportation, Sir, if the quality of government could be measured in wit this would be the top provincial government in Canada. And the hon. minister would not even be one-eighth of a wit so what is the difference?

Now, Mr. Chairman, if I could seek the protection of the Chair from the hon. Yahoos opposite, I might remind the member for St. John's East that at no time, Sir, could any government, provincial or federal, even consider putting a transmission corridor through Quebec

MR. F. ROWE: because the Separatist party
at the time threatened publicly and openly to dynamite
it right off the face of the earth and everybody -

AN HON. MEMBER: (Inaudible) 'Fred' -

MR. F. ROWE: - 'Fred' - who is 'Fred'?

Mr. Chairman, hon. members are supposed to be referred to
by the districts they represent.

SOME HON. MEMBERS: Oh, oh!

MR. F. ROWE: Now, Mr. Chairman, the two points
that I have made or attempted to make under some duress,
I might add, are these.

MR. CHAIRMAN: (Dr. Collins) Order, please! The hon. member
is having difficulty with his remarks.

MR. F. ROWE: Thank you, Mr. Chairman. The two points to this, Mr. Chairman, very briefly, I would like to hear from the minister exactly what is going on with respect to the suggestions made by my hon. colleague for St. John's West (Dr. Kitchen) because I think it is not of great magnitude but of great importance to the electrical consumers of this Province and, secondly, may I appeal to hon. members opposite to give up this political exercise in futility in going back time and time again, putting the electorate and hon. members of this committee to sleep by talking about the great giveaway by the previous administration. It did not work in Twillingate, Mr. Chairman, it will not work again, so they might just as well give up and get on with the business of the Province in a more positive manner and stop camouflaging their own inaction by hacking away at the previous administration.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: The hon. Minister of Justice.

MR. T. A. HICKMAN: Mr. Chairman, if I may have a couple of words on some items that are relevant under the minister's salary. Firstly, the hon. the Leader of the Opposition was evolving a set of hypothetical circumstances which if they came to pass he believed would place Newfoundland in a position where we could pull the switch on the Upper Churchill. Now I am not going to get into the debate as to whether that contract or that legislation should have been passed in the early 1960s, but what I do point out to this committee is that any responsible government negotiating, be it the Erco or trying to re-negotiate the Erco contract or re-negotiating the Upper Churchill contract has to move cautiously and sometimes finds itself in a position where one cannot disclose every step of the negotiations. And most assuredly it would not be in the best interest of the people of this Province if we gave away all of our cards at the one time to Quebec. We have to be cognizant of two or three facts in our negotiations; number one is that under the provisions of the Quebec Hydro contract and more particularly on the trust deed there is an undertaking that there will be no

MR. T.A. HICKMAN: act of default, because if an act of default is committed then what flows therefrom might very well be unsatisfactory to the well-being of this Province because the trustee for the bondholders has to be given some very far-reaching rights that are not peculiar to that bond issue but you would find it in almost any bond issue of any magnitude in North America.

The thing that we seem to be losing sight of, Mr. Chairman, is the role that can be played by the national government. Now please do not interpret what I am saying as pointing the finger at Ottawa and saying Ottawa is to blame. I am not talking about what Ottawa should or should not have done in 1961 or 1962. I do not agree with the hon. the Leader of the Opposition when he says that Canadians are not aware of the wind-fall that Quebec is presently receiving from this contract. My very limited experience in Canada indicates that they are very much aware of this and that the sympathy of the Canadian voter outside of Quebec, and I suggest if the editorial comment at least in the Montreal Gazette means anything that we have some sympathy within that Province.

AN HON. MEMBER: What good is that?

MR. T.A. HICKMAN: And what I say is, Mr. Chairman, that because of the sympathy of the Canadians, plus the very desperate need for energy as we move in toward the eighties, with an announcement that emanated from Ottawa - forget Quebec City - an announcement that emanated from Ottawa within the last week that Canada has planned or are making plans to put on the shelf in anticipation that in five years time there may have to be rationing of energy in this nation.

Now there is no question at all that the Government of Canada is perfectly within its constitutional rights under the British North America Act to declare this as a public work nationally, and if they do it I do not believe that the

MR. T.A. HICKMAN: people of Quebec could sustain any all-out effort to preclude the transmission of power through their Province. They would be a beneficiary as well because obviously after James Bay comes on the line they too will want to buy some of this additional power. And I believe that the Government of Canada also has a trump card right up their sleeve. The people in Montreal and area in particular are

MR. HICKMAN: desperately in need for gas from the Alberta gas fields. They have persuaded the Government of Canada that it is in the national interest to extend that pipeline from, I think it is -

AN HON. MEMBER: Sarnia.

MR. HICKMAN: - Sarnia to Montreal in order to meet the energy needs of Quebec. No arguments coming from Quebec on that score, that that gas pipeline should not pass interprovincially and should not be under federal jurisdiction. But I wonder what Mr. Levesque would say if he was told by the national Minister of Mines and Energy that if you are not prepared to co-operate with us when we declare the transmission of power through your province as being a federal work and therefore we have the right to build it, if you are not prepared to co-operate there and allow for the transmission of surplus power from the Province of Newfoundland and Labrador into Ontario, then we would have great difficulty in convincing the Canadian taxpayer that we should indeed build that pipeline into Montreal to bring you your natural gas.

I am convinced, Mr. Chairman, that the pressure is growing on Ottawa to take some very definitive action in the national interest and as the energy crisis approaches and as they prepare for it, obviously, the most reasonable and logical route to go is to provide access for other Canadians to our surplus power in Labrador. And that is why I say, Mr. Chairman, that there are two or three routes we can go; the route that we have taken, one route through the courts is certainly a desirable one in the Province's interest. I cannot agree with the hon. the Leader of the Opposition when he concurs with the recommendation of the hon. the member for Eagle River (Mr. Strachan) that we should impose and export tax knowing that the Supreme Court of Canada

MR. HICKMAN: has already clearly elucidated and set forth what the law is. It is quite different if we are trying to make new law, if there is any doubt as to what the law is and that may not be the best court and I say 'may' because I realize that, and I said this here last year in this House when the then Leader of the Opposition was articulating certain very reasonable rules too, that I think that if one could almost put a blanket without prejudice over the debate on this in this House it would be a wise thing to do because who know what other avenues we have to explore. But I do not think that anyone should, number one, suggest that the avenues that we are exploring now are not in the best interest -

MR. NEARY: Mr. Chairman, I move that the Committee rise and report no progress. We have no confidence in the government and the estimates.

MR. HICKMAN: Is the hon. gentleman rising on a point of order? Because I did not yield.

MR. NEARY: (Inaudible)

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN (Young): Order, please!

MR. HICKMAN: That is not right, Mr. Chairman.

MR. CHAIRMAN (Young): Order, please!

MR. HICKMAN: Mr. Chairman, I have not yielded.

MR. NEARY: I does not make any difference (Inaudible) over everything else.

MR. HICKMAN: Unless and until an hon. gentleman is recognized by the Chair.

MR. CHAIRMAN (Young): Order, please! Order, please!
I did not recognize anyone on a point of order.

MR. HICKMAN: There was no point of order.
But, Mr. Chairman, if I may continue, I think that we have an obligation to negotiate.

MR. HICKMAN: I think our greatest strength in negotiating is the fact that we know that Quebec is going to need more power from Labrador. There is no doubt in my mind that the sympathy of the Canadian taxpayers is on our side. It is equally clear that it is in the national interest that this power be made available, this surplus power at a reasonable rate, at the going rate to Canadians and I think that it is inevitable that the Government of Canada will have to move and move quickly to assert its responsibility in the national interest.

Now, Mr. Chairman, there is another matter under Mines that I want to refer to very briefly and that is the situation which has developed, since this House last met, in St. Lawrence. We have heard all kinds of argument from some hon. gentlemen in this House that we cannot and we should not ever publicly be critical of Ottawa. That approach has been tried on many occasions and I say without fear of contradiction that I am one minister who has tried that approach. But let me tell you, Mr. Chairman, it does not work. You do not catch more flies with molasses than vinegar in most of the negotiations with Ottawa. My experience has been that, one, there is an inclination, sometimes at the ministerial level and most definitely at the senior public servant level, to take advantage of the situation

MR. T.A. HICKMAN: when one tries to negotiate quietly with the senior government. We were told, Mr. Chairman, in July of 1977 that Alcan intended to shut down the mines. It was an unpleasant experience. hon. the Premier, the hon. the Minister of Mines and Energy and myself made, over a period of a week, two trips into Ottawa, We asked the Government of Canada quietly and the appropriate ministers if they would use their best efforts and influence to try to persuade Alcan not to take this drastic step. And the indication was how can we convince a private company, a national corporation, to change a corporate decision? Well there is a great deal of precedent for that, Mr. Chairman, as it related particularly to that company. Alcan had announced just a few weeks or months before that that they intended to move their laboratories, which employed I think about a hundred men and women, from Arvida to Ontario. And then for some strange reason the Government of Canada did not think this was a good thing to do, so communications took place. There was public protest by I think it was Mr. Chretien or one of the Quebec Ministers and, lo and behold, Alcan said well for some reasons we do have to go in Ontario but we are going to keep the other plant open and keep the same number of people employed anyway. And on top of that, a few months later they were prepared to spend in Quebec an extra \$400 million in development.

Now one of the proposals that we put to the Government of Canada in July when this -

MR. DOODY: (Inaudible) said there was no loss, it was all spent Canada.

MR. T.A. HICKMAN: -I know - when this horrendous decision was indicated to us, on July 21st. the Minister of Industry, Trade and Commerce, who was Mr. Chretien, now the Minister of Finance in Ottawa was - well, I wrote him a letter and I made it public and I will read it for the record "that the Government of Newfoundland has been" - and this was it Mr. Chretien - "informed by the Aluminum Company of Canada that the company proposes to close its

MR. T.A. HICKMAN: fluorspar mining operations at St. Lawrence early in 1978. These mines represent the entire economic base of this community and they are also the only domestic source of fluorspar in Canada. The company purposes to replace the St. Lawrence production of fluorspar purchased on the world market, which fluorspar is currently available at a price below the cost of domestic production. With this closure Canada will be entirely dependent on off-shore supplies for this vital component of producing aluminum and the local economy will suffer extreme hardship. In these circumstances the Government of Newfoundland believes that it is essential for the Government of Canada to impose an import tariff on this commodity or to restrict the amount which may be imported into Canada. If this is done, domestic production can continue thereby ensuring a measure of supply security, and at the same time the economic base of this community in a Province which is already experiencing the most severe unemployment conditions in Canada will be protected. Your favourable consideration of this request is earnestly solicited." That was the follow up of the verbal presentation that had been before in Ottawa.

Now remember, Mr. Chairman, the decision was not to go attacking Ottawa but to keep this proposal as a matter of representation between governments. But the urgency was made very clear to Ottawa that the whole economic base of a community was being destroyed and it could be saved in our opinion by an import tariff. This is in July, Months go by, no acknowledgement except the usual one you get, and finally there was a change of ministers and on October 11th. I again wrote the hon. Jack Horner, who had succeeded in that portfolio repeated the problem, referred to the and eventually - now remember, and still no reply. And when the St. Lawrence committee were in meeting with us on one occasion they raised this question as to why we had not made representation to the Government of Canada for the imposition of an adequate import tariff or restriction and we said

MR. HICKMAN: we have done it two or three months ago and we have been quietly pursuing it without any success. And the chairman of the committee said to those of us from government who were meeting with them, 'You owe that to the people of St. Lawrence to let them know.' And I said, 'Okay, we will do it if that is the way you feel.' We debated it and there was Mr. Victor Edwards, the Mayor of St. Lawrence now, Father Molloy and Dr. Hollywood, and the consensus was that I should call a press conference and make this information public, which I did. Strange things happened then. Then everything started to occur and on November 15th- and remember, this is four months after verbal submissions by the Premier of this Province and Cabinet ministers by well documented presentation -

MR. PECKFORD: And meetings in Ottawa.

MR. HICKMAN: - and meetings in Ottawa, we finally get a reply from the Minister of Finance of Canada saying that he is not convinced that the imposition of a tariff on fluorspar would be effective in insuring that the mine remains open.

AN HON. MEMBER: Look what happened to textiles.

MR. NOLAN: We know all this. Sit down and give others a chance.

MR. HICKMAN: No, no! I will not sit down, Mr. Chairman, until I finish.

MR. SIMMONS: Talk about it in the Budget Debate if you want to.

MR. HICKMAN: Mr. Chairman, we are under the heading 'Mines and Energy' and the people of St. Lawrence are entitled to know, and this House, I would expect and would hope, would like to know what has been happening since that date. And I promise that I will not keep the committee longer than five minutes, although any time spent on this matter is time that should be appreciated by every hon.

MR. HICKMAN: member of this committee.
SOME HON. MEMBERS: Hear, hear!
AN HON. MEMBER: (Inaudible) filibuster (inaudible).

MR. HICKMAN: Filibuster! Filibuster,
Mr. Chairman! The way we worked in St. Lawrence was this:
I was there the day following the announcement. There was
a committee of citizens set up. Their approach was the most
admirable one that I have seen. They said, 'We are not going
to ask the Government of Newfoundland or the Government of
Canada to do things that are not feasible or practical or
will provide only temporary relief or that are pie in the sky
dreams. We realize that the only way that St. Lawrence can
survive is if we turn to the only other resource we have and
that is the fishery.' And this we have done, and I simply
want to report to this committee that the status of the
proposal with respect to St. Lawrence right now is that as
soon as the Department of Immigration allows certain people
from the other side to come in, then DREE hopefully will
accept the proposal that Fishery Products has put in with
our endorsement and with a guarantee from government that
we are prepared to make an investment; and if DREE then says,
'yes' then hopefully Mr. LeBlanc will give the necessary
licence and I do believe that we will find a stable
alternative to the industry that has shut down in St. Lawrence.
And at the same time, Mr. Chairman, my colleague, the
Minister of Mines and Energy has been negotiating with
some fairly reputable companies, but this is many, many
years down the road with respect to any reopening of any
portion of that mine.

I do not apologize for the ten
minutes I have taken reporting on the status of St. Lawrence
because it is positive and it is something where a community
is working in harmony, and they know what they are going
for and they are providing the kind of leadership for

MR. HICKMAN: which this government is very grateful indeed.

MR. STRACHAN: Mr. Chairman.

MR. CHAIRMAN: (Dr. Collins) The hon. the member for Eagle River.

MR. STRACHAN: Mr. Chairman, we prefer to get down to the estimates, to the headings and so on. I have twenty minutes available to me so if the minister intends to filibuster and continue on along with the Minister of Justice, I mean, I will take all the twenty minutes as well. But we would prefer to get to the headings now. And we have-what? three-quarters of an hour? We have about three-quarters of an hour left, I believe, Mr. Chairman, and we would prefer if the minister would concede to go down through the headings and possibly any remarks he may have could come up in individual headings and so on, otherwise I will continue on for twenty minutes.

MR. PECKFORD: Mr. Chairman, I have been asked a whole lot of questions by hon. members opposite and I would like ten minutes to respond to those questions. I do not think I will get a chance to answer them when we get down to the individual items because they do not -

MR. STRACHAN: I am still on my feet, Mr. Chairman, and therefore must be recognized, and I would indicate to the minister that the whole lot of questions he has been asked, most of them have

MR. STRACHAN:

been asked by his own members, by the members of government, a great deal of them sent over to him so he can reply to them. We were prepared to get on to the estimates and get down to the sub-headings and continue on in the proper way and finish the estimates as should be done.

MR. PECKFORD: To get back to the questions from the other side would only take ten minutes.

MR. STRACHAN: So I think if the minister could save his remarks and as we get on to the estimates he can then refer to them and have time to expand on the remarks on St. Lawrence under the appropriate heading in the estimates. I am sure this is a reasonable approach.

MR. PECKFORD: (Inaudible) to respond to what has been said by members opposite.

MR. STRACHAN: Mr. Chairman, I still have the floor and I could continue on a few points, explanatory notes, and possibly a few points to the Minister of Justice out of his speech and so on. I could reply and point out a few things. But I think that at the moment we have just forty minutes left and we would like to do a thorough job on the estimates and get them totally completed and I think it is a very reasonable approach.

SOME HON. MEMBERS: Hear, hear!

MR. STRACHAN: Surely what we have done has allowed a fair time for thorough debate of policy, major policy decisions, directions within the portfolio of Mines and Energy, and now that we have finished that kind of general discussion I think that anything we have can be held over for the Budget debate but certainly we would like to get on and discuss the estimates as such and down through the sub-headings. I think that is fair enough and if the minister wants to discuss St. Lawrence I think there is ample opportunity and time left to us to discuss it there.

MR. PECKFORD: I did not want to respond to questions but comments made by members on the opposite side.

MR. STRACHAN: I could carry on. I have another fifteen minutes left.

MR. PECKFORD: Go to it. I will only be ten minutes and then we can get on to the estimates like you want to, but if you want to delay

MR. PECKFORD: the committee by twenty minutes that is fine.
Go right ahead.

AN HON. MEMBER: Carry on.

MR. W. ROWE: Do not be harassed.

MR. STRACHAN: Mr. Chairman, one bugaboo that I would like to get at the Minister of Justice that was raised here and a point that we thought we explained last year and possibly got settled away was the minister was implying that what we were suggesting over here was a totally illegal tax, he called it an export tax, and I thought we got rid of that old horse a long time ago.

MR. HICKMAN: Your leader called it an export tax .

MR. STRACHAN: It was always referred to as a resource tax, but it certainly is an export tax. Let us be clear on this; under the British North America Act the provinces obviously cannot get into export taxes unless they find an export tax. An export tax is a tax on anything which is carried across a border. But let us look at the contracts, the initial contracts here because they are very important. Away back when Levesque was still discussing this in 1962 you will notice that Quebec at that time still did not recognize the border, and since they did not recognize the border they made sure that no contract dealings, and in all the written material on it there was never, ever any mention of border. Normally what would happen was that Churchill Falls would develop, the power be carried to the border, and Quebec Hydro would pick it up at the border and continue on. But because Quebec had eyes, territorial eyes and territorial demands on this Province, namely to take over Labrador, or at some point or other to take over Labrador, they did not want any mention of border whatsoever. So what happened was a point had to be established at which the transport of power occurred from then Brinco, now CFLCo, to Quebec Hydro and the famous point A was established. The point A I believe is now referred to as Seahorse. And if we look at the contract very carefully, point A is 126 miles from Churchill Falls; it is not at the border, it is totally within this Province. In fact, Quebec Hydro pick up the power—in fact the sale is like any other sale that occurs totally within this Province it is not on the border.

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MR. F. ROWE:

Like down to Bowring's.

MR. STRACHAN:

They would then pick up the power within this Province and Quebec Hydro would then take the power from Seahorse or point A to the Labrador border and then from the border down through to Montreal or various routes. But -

MR. STRACHAN: the point is very important because it was Quebec through their greed which caused this omission which may have meant that a sale is occurring of power within this Province to a power corporation from another province, totally within this Province, something which is not an export. The fact that Quebec Hydro then can continue on through this Province and export it is by the way. If they want to turn it around and go somewhere else, that is their business.

So what we are stating here then is that what we are talking about is no export tax, that we are applying a resource taxation almost like a sales tax, if you want to -

MR. W.N. ROWE: SSA tax is what we are talking about.

MR. STRACHAN: SSA tax. What is a resource taxation? It is not, in fact, a taxation in which the clauses all through Canada - there were many famous cases of pipelines across provinces. I think of milk marketing boards, marketing boards and so on on which there were export taxes applied on milk transferring from one Prairie Province to another which was ruled illegal because it was, in fact, an export tax.

What we are talking about here is the sale of power totally within this Province from one corporation to another corporation with a subsequent corporation, Quebec Hydro, taking delivery, carrying it to the border and continuing on. It was a mistake, as we see it in our present strategy, it was a mistake and therefore a strength to our argument of a resource taxation based totally within this Province. That is one of the planks of our argument that it cannot be argued as export tax.

MR. W.N. ROWE: The fact that they choose to take it out of Labrador is irrelevant.

MR. STRACHAN: Totally. Absolutely.

MR. STRACHAN: The point is it is a total sale the same as any other sale. The government, the administration in a budget can come in with an 11 per cent sales tax on any sale of any product mentioned in this Province with certain exclusions, necessities and so on, but any sale within this Province. They cannot tax something transferring from this Province to the next.

MR. HICKMAN: If you read the Churchill Falls legislation you will see that there can be no tax.

MR. STRACHAN: You are looking at the contract. We are talking about resource taxation outside the contract. That is a separate argument. Let us argue first of all the export tax point. I thought we had gotten the point that taxation is not necessarily dependent on a contract.

MR. W.N. ROWE: We are talking about this Legislature, the power within it.

MR. STRACHAN: Absolutely! It is a power within this House to change provided it is guaranteed; the bond market, all the securities, everything is guaranteed.

MR. HICKMAN: Last year the advice was that they are doing it in -

MR. STRACHAN: What I am stating here is that the Minister of Justice tries to pass this off as an export tax and we are stating quite clearly that because of Levesque initially - and LaSage's government, I think, away back.

MR. F.B. ROWE: Yes, and he was even worse.

MR. STRACHAN: Because they did not want the mention of a border in any contract, and unfortunately I think, any maybe fortunately in other ways, it was agreed that there would be no mention of a border. It was a point that they thought dearly about, that they did not want to

MR. STRACHAN: recognize a border because by recognizing a border then they recognized that Labrador existed as a separate part and an integral part of this Province separate from Quebec. So they argued therefore that there would be no border and therefore that is how point A or the Seahorse, as we call it, came about and was listed as a sale totally in this Province.

We feel sure that using this as one part of the plank--there are a number of other strategies, other parts of it all put together - But what we are doing here is obviously using the mistakes made also by Quebec in turning around in themselves because they are within this Province, purchasing within this Province. And the fact that they continue to export it or carry the power elsewhere is their business. We are not by any legal definition applying an export tax on power, which we have no power to under the British North America Act, on a product at the border transferred into another province. So, therefore, all the arguments that were placed against this by a number of experts we dealt with in discussing this, all the arguments that they put up on the marketing board arrangements, the overruling of marketing boards from one province to another, the overruling of certain commodities transferring from one province to another, all these arguments from which there are legal precedents will show that it cannot be done, they agreed when we pointed out some of these facts, these arguments do not hold in this case. And that is why I am saying that we are not

MR. STRACHAN:

comparing apples and apples, agreed we are not; every situation is different and we must tailor every situation. We must move with our strengths and leave our weaknesses. It astonishes me that we must parade our weaknesses and never our strengths.

AN HON. MEMBER:

That is right.

MR. STRACHAN:

Surely we should be arguing the strength of the negotiation, our strong points in negotiation. There are weak points to every negotiation, there are weak points to every stand, but what we are stating is that we should be arguing the strong points and allow Quebec, if they think they have a case, to argue the weak points.

MR. NEARY:

More advice from the Attorney General, the legal advisor of the government.

MR. STRACHAN:

Can Quebec turn around and argue here quite clearly that this is an export tax? Was Quebec going to say, 'This is an export tax'? And we get back to the other plank which is why it is particularly suitable right now with the present administration in Quebec, that because they do not recognize Canada in the Supreme Court of Canada, the only place they have to go to prove that this is an export tax and therefore unconstitutional is in the Supreme Court of Canada which they do not recognize.

So we have a number of points in the plank, surely arguments that can be put together.

SOME HON. MEMBERS:

Oh, oh!

MR. STRACHAN:

So I am pointing out here what the minister stated as he has often stated, that what we are doing is applying nothing more than merely an export tax. As far as we are concerned it is a red herring or a blind or maybe a misunderstanding, possibly because he has not researched it thoroughly, possibly. I do not know. However, I would suggest that that should be looked at very carefully. I feel that the case I have put forward is correct, but of

MR. STRACHAN: course, obviously there are other interpretations of it. But there a number of strong planks in that which I feel could be arranged.

MR. CHAIRMAN: (Dr. Collins) The hon. the Minister of Mines and Energy.

MR. PECKFORD: Thank you, Mr. Chairman, for an opportunity to make a response to some of the questions that have been asked by hon. members opposite in which they demanded some answers from me on these questions. Some of the questions were extremely specific, others were more general in nature, and I am happy to have this opportunity before the full time has expired on this department to respond to them.

I found it rather ironic and somewhat contradictory that the hon. the member for Trinity - Bay de Verde (Mr. F. Rowe) on the one hand, mentioned in the first part of his address the question of - you know, talked to us about committees and doing this and doing that and doing something else as it related, for example, to the ERCO situation in which now we have a government committee that is sitting down with the company ascertaining their profits and losses and so on and trying to identify the kind of levers we have for renegotiating a contract that is in place. And that that has been established, meetings have been held and we are moving ahead as quickly as we can on that. But we need action and we need jobs in these committees. And then only a few minutes after that he starts talking about such things as the ERCO situation and it has to be changed, about Bowaters and higher prices, which therefore would, if taken to their logical conclusion, risk losing some jobs rather than gaining some jobs. So on the one hand - of course he wants it both ways - on the one hand he is talking about more action for jobs and on the other hand risking some of the existing jobs that we already have.

MR. PECKFORD: So there is a tiny bit of conflict there in his statements, but the hon. member also - I mean, his other main point really was, you know, this administration spends all its time blaming Ottawa for this, blaming Ottawa for that. Mr. Chairman, we have tried to be in the last couple of years extremely careful in how we negotiate with Ottawa so that we would not be open to that kind of criticism and we have tried to selectively indicate the given issues on which there has been great co-operation with Ottawa and those in which there has been very little co-operation so that there is just not a blanket standard policy of this administration to out of hand use as a camouflage the whole question of our relationships vis-a-vis St. John's and Ottawa, that we have been very careful, that I have said already this evening about that great Canadian in Ottawa by the name of Mr. Lessard,

MR. PECKFORD: who has expedited on behalf of this Province DREE agreements, subsidiary agreements like no man's business. He has been extremely co-operative. And we are very grateful for that kind of co-operation and understanding that he has for Eastern Canada, for Labrador and for the Island. He has done a fantastic job. On the Gull Island clearing issue, Mr. Chairman, one cannot say that as it relates to our relationships with Ottawa. They have been completely putting obstacles up and delaying tactics and all the rest of it. And it is not a matter of just blaming Ottawa; we can substantiate the claims that we make on this point. We can substantiate those claims, which I think we have done over the last several months rather successfully, that the evidence is overwhelming. And it is not just a question of having a blind spot, trying just to blame Ottawa on things, but in actual fact we try to be selective and to substantiate the claims that we make, when Ottawa is co-operative and when not co-operative. And the whole question, Mr. Chairman, of the Upper Churchill which the hon. the member for Trinity - Bay de Verde (Mr. F. Rowe) says, 'Do not talk about it! That is history!' You know, you are always back in ancient history. Mr. Chairman, let it be recorded now and forever more that the Upper Churchill is not ancient history, it is very much here and now and the future, because the Upper Churchill must play the key role in any Labrador power development strategy, one; two, we are losing right now since this debate started, dollars, many, many dollars and so much each year. It is not an ancient history concept, it is not an ancient history problem, it is a problem now and for the future as we try to develop our development strategy and to indicate - I would challenge the hon. member or any hon. member on the other side to show me a contract, because I have always said, Mr. Chairman, nobody - at least I do not argue with the question of 3.6 mills ten years ago before the energy

MR. PECKFORD: crisis. I have never argued from that point of view. That was a fair price at the time. What I have argued is the length of time. And show me another contract between two jurisdictions or two groups, corporations or whatever in this world, on this planet, who have negotiated with a kind of resource like hydro power or any other kind of resource, a contract which is closed for forty-four years, totally closed, and then it is re-opened and the price actually goes down. That is the test as to whether this is an unusual, rare contract or whether in fact what the hon. member is saying has some validity. That is where the test is. Show me somewhere in this world - Afghanistan, the Congo - where? So that it cannot be, Mr. Chairman, you cannot show me. I have not seen anybody being able to say that there are contract A here, contract B there, contract C somewhere else which can substantiate the claim that this contract when it was signed was a decent, reasonable contract given the times.

PREMIER MOORES: I am just here to do what he wants done.

SOME HON. MEMBERS: Oh, oh!

MR. PECKFORD: I think, Mr. Chairman, we have another problem in Cabinet.

SOME HON. MEMBERS: Oh, oh!

MR. RIDEOUT: I have heard some rumours but this is ridiculous!

SOME HON. MEMBERS: Oh, oh!

MR. PECKFORD: The whole question, Mr. Chairman, of Health and Safety as mentioned by the member for Baie Verte - White Bay (Mr. Rideout), which is a very tender spot with him and rightfully so, is one that I indicated this afternoon we are trying to move quickly on and one which the Minister of Labour and Manpower can address himself to

MR. PECKFORD: some other time in the next few days. We are developing legislation now to be introduced into this House to establish an agency whose only mandate will be to monitor Health and Safety and to improve health and safety conditions in this Province as they relate to industrial and mining enterprises. That is what is being done on it, that I am in the process right now, in consultation with the companies and unions, of amending regulations to improve safety conditions in mining operations. This is going ahead here, now - action. That is what is

MR. PECKFORD:

being done, Mr. Chairman, So it is not right, it is not proper, it is wrong and horrendous to suggest that we are lying back and not interested in the health and welfare or health and safety of workers in the various industrial and mining enterprises in this Province; it is just not true. We have made great strides in that area in co-operation with all parties, which I think is extremely important. It is one thing to bring in legislation, Mr. Chairman; it is another thing to have it accepted by all the groups who are concerned and this is what we are trying to do. The process can either be delayed on the front end or delayed on the other end and I say it is better to delay it on the front end so that when you do then bring in something it has some meaning, it has some support and therefore can benefit everybody. And hence this is the way we are proceeding and I am sure that most ministers who are involved in this whole health and safety issue are fully supportive of the way that the Minister of Labour and Manpower has handled the issue and we shall see very shortly reforms in that regard.

So, Mr. Chairman, our policy is pretty clear as it relates to mineral development, energy and all the rest of it and now I am prepared, after taking my ten minutes to allow the normal procedures to go into effect as it relates to the estimates.

On motion 1101-01 through 1102-02-03, carried.

MR. CHAIRMAN: Shall 1102-02-04 carry?

MR. W.N. ROWE: What is that?

MR. CHAIRMAN: 1102-02-04.

MR. W.N. ROWE: Promotion and advertising, yes.

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

MR. STRACHAN: Mr. Chairman, I wonder if the minister can explain. I would have thought that the cost of that booklet The Heritage of the Sea would have figured in this promotion here under this sub-heading here and, as I understand it, it cost about - what? \$120,000, I do not

MR. STRACHAN: remember the figure but it is something around \$120,000, I recall, and it sticks in my mind. I wonder if the minister could explain where it comes if it is not under the heading of Promotion and advertising, etc., where else it comes in the estimates because I imagine it would have come in there or would have shown there in the last one. Maybe it is under the Action Committee, is it?

AN HON. MEMBER: No, it is under McConnell agencies.

MR. PECKFORD: Mr. Chairman, The Heritage of the Sea I think was part of the estimates in last year's operations and it cost \$120,000, -89 cent, 89 per copy. We have recovered it twice over because Shell Texaco is now contribution \$240,000 to the Province in E and T and R and D, so we have a net gain there of \$120,000, if you want to look at it that way. So I do not think it is too bad.

MR. W. ROWE: Where is the figure, though? Where is the figure for last year?

AN HON. MEMBER: Was it revised?

MR. PECKFORD: I will have to wait and go through the other estimates for last year to see where it figured in last year's estimates because it is not under 1102-02-04, the one on which we are now.

MR. STRACHAN: Would it normally be under the heading of 1102-04?

MR. PECKFORD: You can just leave it until I get the information, if you want.

MR. STRACHAN: It shows \$7,000 in the revised estimates. Surely it should be \$127,000.

MR. W. ROWE: What is the \$10,000 for?

MR. PECKFORD: Well, if that is the question I can answer that one with no problem, I was just looking for the \$120,000.

MR. W. ROWE: Just the embarrassing question is the one you are having difficulty with.

MR. STRACHAN: I was not wanting the nice answer to \$10,600, I was wanting the un-nice answer to the \$120,000; where it figured, I could not see where it figured.

MR. PECKFORD: It does not figure there, that is the answer, but on the \$10,500 if you want to know what that is being spent for that is notices in industry journals relating to offshore regulations; description advertisements in a wide range of media in relation to the first round of permits; presentation of the Province's position on energy matters; promotion and presentation of information to the Province's mineral industry; explanation of the Province's regulations and encouragement of mineral exploration activities, and energy conservation notices. That is how that \$10,000 is to be spent.

MR. STRACHAN: Does the minister then say that the \$120,000 it cost, which does not figure here in the revised estimates, does it show anywhere in his department's estimates or is it put off to some other department or some other umbrella where it is tucked away or is it in the estimates here of this department?

MR. PECKFORD: Mr. Chairman, I cannot answer that question right now, I will have to check to see whether in fact it came under perhaps the Public Works and Services vote of last year or this year because I do not see it there under 1102-02-04. I shall undertake to get the information for the hon. member, I will get the information for the hon. member and be able to tell him exactly where that \$120,000 was.

MR. PECKFORD: under what heading, what department or whatever, I will get it.

MR. STRACHAN: Mr. Chairman, I would like to thank the minister for his unusual co-operation.

MR. PECKFORD: You are welcome.

On motion, 1102-02-04 through 1102-02-08, carried.

MR. CHAIRMAN: (Mr. Young) Shall 1103-01 carry?

The hon. the member for Baie Verte - White Bay.

MR. RIDEOUT: In the few remarks that I had to make earlier this evening on 01, the minister responded to my comments regarding Occupational Health and Safety and so on, but I think I was in the precincts of the House almost all day but I did not hear him make any response whatsoever to the few remarks I had to make with regard to the Rambler situation.

MR. PECKFORD: I would have but I had to sit down because I said I would only be ten minutes and that is why I did not reply.

MR. RIDEOUT: Excuse me, Mr. Chairman, I think the minister responded to my comments from about, I believe, 5:30 P.M. to 5:50 P.M. and another hon. gentleman from this side spoke again after or something of that nature.

MR. PECKFORD: I used my time and then somebody else spoke after.

MR. RIDEOUT: So the minister had ample opportunity, it is not that at all.

MR. PECKFORD: Okay, I am sorry. I will apologize.

MR. RIDEOUT: Anyway, that is beside the point, Mr. Chairman. What I want to - if the minister will stop wasting my time, what I want to get around to is that there is mineral evaluation surveys mentioned in 1103. And in the

MR. RIDEOUT: comments I have to make this evening I was wondering what the government is doing to help out Consolidated Rambler Mines Limited in view of the fact that they said publicly that they only have about a year or eighteen months supply of ore left in their present reserves? Is the minister's department using any influence whatsoever, for example, with regard to mineral leases held in the area by other mining companies like Advocate Mines? And I think there are some private leases and so on out in that area. Is the government pushing at all at Rambler to carry out a great exploration programme? I know they did not make much money last year. It was on the news this evening they make \$50,000. Well, I would suspect that every cent was taken out before that figure was announced, but be that as it may, what is the government doing? Because there are 250 jobs at stake at the Rambler operation. And is the government doing anything at all to try to push Rambler into a very aggressive exploration programme this coming year in view of the fact that they only have a year or eighteen months left? Maybe the minister could enlighten us a little bit on that.

MR. PECKFORD: If the present policy is now in effect that was brought in by this administration applied in the Rambler situation we would have a lot more leverage than we presently have under the existing leases, I think, that the company, Consolidated Rambler, has. So we are sort of hand-strapped there with the kind of leases we have.

I have talked personally with the people at Rambler itself and with the company principals in New Brunswick. We are not altogether convinced, as apparently the hon. member is, that they are talking about a year for copper supply at Rambler.

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Tape 595 (Night)

EC - 3

MR. RIDEOUT: Well, this is what they have announced publicly.

MR. PECKFORD: Yes, I know that -

MR. RIDEOUT: That is all I have.

MR. PECKFORD: - but we are not convinced from our evaluation that that is accurate information -

MR. RIDEOUT: I said that -

MR. PECKFORD: - that our information indicates a lot longer time than that and that, number one, the volume is greater and the quality is still fairly high.

MR. RIDEOUT: Right.

MR. PECKFORD: And having conquered the problem with the mercury so that therefore they are able to go deeper and still make a few dollars, we are not convinced that way at all. But we do have some problems because of existing leases to try to push somebody, who is already on acreage nearby, off it, because they can just say, It is ours and we are going to hold on to it, and by the same token, very difficult to do it with Rambler as well. But Rambler is still carrying out some exploration activity. And it is a tidy little operation and if they can find anything there in the area, I mean, they have indicated this to us on numerous occasions, they are going to stay there, and I think they are willing to take some modest losses for a couple of years in the hope that the copper prices will improve.

But we are doing all we can there and we are pretty close to it. For my part, personally, I have had most of my discussions on it with people in New Brunswick, some of the accountants with the company and with the old gentleman - I forget his name now; I am trying to think of his name -

AN HON. MEMBER: Mr. Ritchie.

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Tape 595 (Night)

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MR. PECKFORD: - Mr. Ritchie, who, as most hon. gentlemen know, is getting up in years and is a tiny bit difficult to deal with, but nevertheless, we have been dealing with him to a large degree and trying to persuade him along the lines that the hon. member suggests, but it is not a really easy matter because of the kinds of leases that they have and we do not have that much leverage with them.

But I still come back to the other point, that from what I have been advised there is a lot more copper and good quality copper there than a year or a year and a half.

MR. RIDEOUT: Mr. Chairman.

MR. CHAIRMAN: The hon. member.

MR. RIDEOUT: I do not want to dilly-dally on this point too long, but the

Mr. Rideout: minister raised an interesting point that I referred to in my remarks earlier this evening, and that is that I am not totally convinced that Rambler is saying publicly exactly what the situation is. What I want to ask the minister without getting into any great detail is; does the minister have any means at his disposal to ensure that this operation is not high-grading at the Nth degree? I mean, I hear all kinds of stories from people who are working out there that, Look, Rambler is going to go downhill in a couple of years because the company is high-grading like it is going out of style.

Now the minister has a Mines Inspection Branch and all this kind of stuff, but do they have any authority? Can they go out to these people and say . look, you have got to mine at a reasonable level, you cannot just be hip-hopping all over those tunnels and taking out the good stuff and leaving the poorer quality there. They should be taking it out and mixing the good with the bad and coming up with a reasonable product that can be marketable. Does the minister of the department have any authority in that area, and can they use some persuasion and some influence there?

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

MR. PECKFORD: It is a real good question. An excellent question. There is general authority, something which says - I forget what the actual wording of it is now, I will get it for the hon. member some day to just go over it, the general wording about the whole question of processing and grading. One of the greatest levers we have is something which we did not create or nobody created is the fact that the milling process as such that they can only put a certain grade through the mill which limits the amount of high-grading they can do. But that notwithstanding There is nothing that he has done to improve the situation.

There is general authority and not specific. It is very general which says, in a very general way, which therefore gives us, supposedly, a fair amount of power, but by the same

Mr. Peckford: token the company can come back and say, yes, but you know. It does not say X or Y levels or whatever, so therefore you cannot force us. So we do have some problems that way. And I would not like to minimize them, they are important. But one of the biggest levers we have had to date is the fact that the milling process sort of takes care of it. But we monitor and try to keep on top of any blatant high-grading that might be taking place and can give the hon. member a good review of what our views are on that now for example. I can get that information for him.

But the point is very valid. And it is just how far you can take it, and how specific you can get on the regulations so that you do not cut them off completely. And the other problem is each shaft is different; not only is each mine different, each shaft is different, each drift is different, so that you have to be extremely careful how you handle it because how can you put a standard then on a drift, right? four drifts in one mine sort of thing, shafts? The question is a good one and needs more discussion and perhaps stricter enforcement and regulation.

SOME HON. MEMBERS: Hear, hear!

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

MR. F. ROWE: Mr. Chairman, a number of years ago it seems to me that the hon. minister-or the Minister of Mines and Energy at the time announced that there was going to be a great underground mining college established in the Province, and the only question was whether it was going to be in the member's district or in Buchans or in some other place? I wonder if the -

MR. NEARY: If it was going to be established it was going to be in the member's district.

MR. F. ROWE: I think it was pretty well established that it was going to be in the member's district. I wonder if the minister could bring us up to date on the progress being made with respect to the mining college?

AN HON. MEMBER: Yes, I would love to.

MR. F. ROWE: How many graduates to date?

MR. PECKFORD: Yes, there was some pretty serious discussion after Whalesback closed down and Green Bay Mining took over, and then it closed down, and you had a lot of facilities on site -

MR. NEARY: After they spent \$1 million of the taxpayers money.

MR. PECKFORD: - with a vocational school nearby and so on, it was thought that with the 250,000 tons of copper left that it was possible to perhaps mine that out and use the money that was made by mining it and selling it to Noranda to keep a college going there.

It was studied by a committee, a federal-provincial committee -

MR. F. ROWE: Was it after or before the election?

MR. PECKFORD: I do not know if it was after 1975 or not. But in any case the committee reported that it was not feasible. They had amassed information from most of the small mining schools around the world. For example, I remember there was some information from Australia, Ontario and British Columbia, and they concluded that it would not be a viable proposition at this point in time to

MR. PECKFORD: establish a mining school either in Green Bay or anywhere else in the Province, and hence the matter was closed and the people who were in the district of Green Bay, as elsewhere, who were eager to see that established, were informed by the hon. member for the district that the project was not viable and therefore would not be going ahead.

MR. F. ROWE: So it is dead now, is it? Is it dead forever?

MR. PECKFORD: Now, Mr. Chairman, I do not know whether things have changed at all or whether conditions -

MR. F. ROWE: By the next election would you resurrect it?

MR. PECKFORD: - have changed to allow it to be resurrected or not but at this point in time -

MR. STRACHAN: As soon as we see it we will know there is an election coming.

MR. PECKFORD: - it is dead and I do not foresee any change in that position in the near future.

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

MR. RIDEOUT: Would the minister tell us in which electoral district the Whalesback mine is now located?

MR. PECKFORD: Now located? It has always been located as far as I know in the great and historic district of Green Bay.

MR. RIDEOUT: You had better check: Windsor - Buchans.

MR. PECKFORD: What? Whalesback.

MR. RIDEOUT: Whalesback.

MR. PECKFORD: No, Gull Pond.

MR. RIDEOUT: Gull Pond, yes.

MR. PECKFORD: The Gull Pond property is in Windsor - Buchans, formerly in Grand Falls district, but now in the redistribution it is in Windsor - Buchans. However, it should go into the record that the Gull Bridge mines, when it operated, was operated ninety-five per cent by people from the district of Green Bay.

MR. RIDEOUT: I was wondering what happened to the mining college?

On motion 1103-01 through 1103-03-04, carried.

MR. CHAIRMAN: The hon. member for Eagle River.
1103-03-04.

MR. STRACHAN: Yes, 1103-03-04 and 05, I would like to -

MR. CHAIRMAN: 1103-03-04 has been called.

MR. STRACHAN: 04 then, it makes no difference.

MR. HICKMAN: Okay, we are good for an hour and a half.

MR. STRACHAN: Wait a minute now. I have not asked the
minister the question yet.

MR. PECKFORD: I thought it was, Where is all that money
being spent?

MR. STRACHAN: I am wondering not only where the money is
being spent but -

MR. PECKFORD: Why?

MR. STRACHAN: - a deeper question, if this money is being spent
in development of mineral surveys or areas containing minerals, mapping
for instance, in Labrador there was very poor mapping in many areas of
Labrador, and so on. These funds here, out of the Province, out of
the taxpayers money is being used to do this kind of surveying, I am
wondering whether the minister, or the administration is going to
follow the next course, that should they find through money spent by
this government here, should they find likely sources of minerals, that
companies who are then given the rights to these areas -

MR. CHAIRMAN: One minute.

MR. STRACHAN: One minute.

MR. PECKFORD: That is why I wanted him to get up sooner.

MR. STRACHAN: I know what the money is being spent for. What
I am saying is that if the areas are found in which minerals are there,
companies are then given the rights to those areas whether it is
because it is taxpayers money being spent to find those areas, whether
the minerals extracted from there will belong to the Province as such
and the companies will, in essence, be people who are in there,
hired for their expertise in removing these minerals, or how do we
recover the monies which we have spent legitimately to find the area?

MR. PECKFORD: You are pushing that principle too far because you are more or less, Mr. Chairman, in my view, you are pushing the principle too far. We do not find mines.

MR. STRACHAN: No.

MR. PECKFORD: The mapping process, this is under the subsidiary agreement, by the way, this great agreement that brought the - the new agreement went from \$4 million four years ago to \$12 million now, a five year subsidiary agreement under DREE and all we do is through the mapping process, as the hon. member knows, identify the geology and there is no zeroing in on mines. I mean thousands of square miles are identified but whether there are any mines there, or even any significant discoveries is something else and hence you could not develop a policy based on the kind of idea I do not think that the hon. member suggests, which in theory is good, and if you had a mine is real good.

On motion 1103-03-04 and 1103-03-05, carried.

MR. RIDEOUT: Mr. Chairman, are we out of time?

MR. CHAIRMAN: Yes.

On motion 1104-01 through 1105-05, carried.

On motion Head XI carried without amendment.

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: Mr. Chairman, I move that the Committee rise, report progress and ask leave to sit again.

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

MR. SPEAKER: The hon. Chairman.

MR. CHAIRMAN(Collins): Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report having passed estimates of expenditure under the following Heading: No. XI, Mines and Energy, all items without amendment and to have made further progress and ask leave to sit again.

On motion, report received and adopted Committee ordered to sit again on tomorrow.

MR. HICKMAN: Mr. Speaker, I move that the remainin orders of the Day do stand deferred and that this House on its rising do adjourn until tomorrow Wednesday, at 3:00 p.m.

On motion, the House at its rising adjourned until tomorrow Wednesday, April 5, 1978 at 3:00 p.m.