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PRELIMINARY
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TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD
3:00 p.m. - 6:00 p.m.
THURSDAY, DECEMBER 4, 1980

ORDERS OF THE DAY

Motion 1, Bill No. 67.

Motion, the hon. the Minister of Justice (Mr. Ottenheimer) to introduce a bill, "An Act Respecting Juries And Compensation Of Jurors In The Supreme Court Of The Province And Compensation For Certain Witnesses In The Courts Of The Province", carried. (Bill No. 67)

On motion, Bill No. 67 read a first time ordered read a second time on tomorrow.

Motion 30, Bill No. 83.

Motion, second reading of a bill, "An Act To Authorize The Lieutenant-Governor In Council To Enter Into An Agreement With Erco Industries Limited," (Bill No. 83).

MR. SPEAKER (Simms):
Mines and Energy.

The hon. the Minister of

SOME HON. MEMBERS:

Hear, hear!

MR. L. BARRY:

Mr. Speaker, I wish that every time I rose in this House to introduce legislation it could be a matter of as much benefit to the Province as this, as much direct and immediate benefit to the Province. I guess as it came up in the course of a media interview when I was asked just exactly what the significance of this legislation might be, I said that I thought the \$146,400,000 spoke for itself and that is what we are talking about here today.

We are talking about an agreement which this government found when it came into power, an agreement which would, over a period of twenty-five years and right now today having a further thirteen years left to go, would have seen an ever increasing serious deficit to this Province,

MR. BARRY: a deficit so great that in fact the costs of having the industry in the Province would outweigh the benefits. And I do not mean just the direct benefits in terms of revenue, that was apparent. But when you did a cost benefit analysis, when you worked out using your multiplier factors, the impact upon the economy of having so many men and women employed at ERCO Industries, when you worked out what it would mean to the Province in sales tax, in income tax, in corporate tax and so forth, that there was still a deficit, that this Province, in other words, would have been better off if the industry had not come to the Province.

Now, Mr Speaker, we decided that there had to be something done to change that state of affairs, and there is a long history to the happy event that we are participating in here today. And I will not bore the House by going into the discussions that were held over a long period of time other than to point out that early in 1980 it was arranged for the Planning and Priorities Committee, with the Premier, to meet with the top officials, not just of ERCO but of the parent companies, Albright, Wilson, and with representatives from the shareholders involved in Albright, Wilson. And, Mr. Speaker, the Premier put it in the strongest possible terms so that there could be absolutely no doubt that this arrangement between ERCO and the Province was intolerable.. It had reached the stage where something had to be done. It had been a political issue for some eight years at least, if not longer and I guess longer than that; eight years since this government came into power it had been a political issue and that we were no longer prepared to have this issue there to aggravate the people of this Province, that the people of this Province had reached the stage where they wanted to see action.

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER (Simms): Order, please!

STATEMENTS BY MINISTERS:

MR. SPEAKER: The hon. Minister of Culture, Recreation and Youth, or the Minister of the Environment?

MR. DAWE: The former, Mr. Speaker.

Mr. Speaker and hon. members, it is my pleasure to announce to you today the undertaking of a new initiative by the Division of Recreation and Sport Services of the Department of Culture, Recreation and Youth.

Through the appointment of a ministerial committee, a major subjective analysis of the community recreation delivery system in Newfoundland and Labrador will be completed in the next six months. The analysis and ensuing report will be entitled the Green Paper on Recreation .

The past decade has seen a tremendous growth in the number and magnitude of recreation-oriented programmes in this Province. Services have escalated from simple, low cost operations to complex programmes involving extensive budgets. The provision of community recreation services to consumers involves a large number of government offices and related non-government provincial agencies, as well as a wide variety of local organizations.

Through a wide variety of assistance programmes both in terms of professional and financial support, there has been a very rapid growth in community recreation programmes and facilities.

My department, through its work with recreation practitioners, local recreation authorities and the Newfoundland and Labrador Parks and Recreation Association sees the need at this time to prepare a complete analysis of community recreation.

MR. DAWE: It is important to understand the broad range of activity which is referred to under the term "recreation." In fact, we are referring to activities in the areas of amateur sport, outdoor pursuits, visual and performing arts, exercise and fitness, as well as a wide variety of social activities. Well planned recreation services are mandatory if our citizens are to make wise use of their ever increasing leisure opportunities.

The underlying aim for the Green Paper on Recreation is to seek a critical, but constructive evaluation of community recreation services. The Green Paper will provide an overview of past and existing roles and responsibilities, it will then make recommendations for restructuring, reorganization and modification of service where and if necessary.

A committee of seven has been established to conduct a series of public meetings around the Province. These meetings will provide individuals and local programmers with a forum in which to present their views regarding the development of recreation programmes and services. Through this process, the committee will be able to identify and evaluate specific and general concerns for inclusion in their report.

The committee will be comprised of the following: the Chairman is Mr. Frank Butler. Frank is presently the Assistant Professor of the School of Physical Education Athletics at Memorial University. And if I may be permitted, I might run down through some of the activities and things that these people are involved in.

He is Past President of Basketball (Newfoundland), Past President of the Canadian Basketball Association, a member of the Sport Federation of Canada. He was Sport and Technical Director for the 1977 Canada Games, on the Advisory Committee for Community Recreation

December 4, 1980

Tape No. 2642

NM - 3

MR. DAWE: and Leadership of the College of
Trades and Technology, a member of the Sport Federation
for Newfoundland, Director of International Technical
Aid Committee for the Federation of International Basketball.

AN HON. MEMBER: A good man. A good man.

MR. DAWE: Mr. Frank Clarke, who will serve as vice chairman of the committee, is presently the principal of Persalvic High School in Victoria and he is also the mayor of Victoria as well as the president of the Provincial Parks and Recreation Association. He serves as a member of the Offshore Impact Committee on Oil, a member of the Social and Cultural Committee, he is past president of the Carbonear Branch of the NTA.

Mr. Victor Janes, Corner Brook in his present residence. He is recreation superintendent of the Parks and Recreation Department in the city of Corner Brook. There is a long list of his particular accomplishments and involvements which I am sure all hon. members would like to read. He is presently the Newfoundland director on the Canadian Parks and Recreation Association.

Mr. Gordon Randell, Labrador City. Mr. Randell is the first native Labradorian to work for C.B.C. and has done so for the past twenty years. He is a chartered member of the Kinsmen Club, Happy Valley, a town councillor for four years at Happy Valley and a number of other interests in the area of recreation and sport in the Happy Valley area. He is also a member of the Steering Committee for the Tourist Association of Lake Melville.

Terry Hart from Grand Falls. Terry is a news reporter with the Colonial Broadcasting System in Grand Falls. He is vice president of the Newfoundland and Labrador Amateur Baseball Association, a former member of the Grand Falls Recreation Committee, a former member of the Grand Falls Toastmasters Association, and the list goes on.

Mr. Bill Matthews presently works as a physical education teacher in the community of Fortune. He is former president of the Burin Peninsula Soccer Association, vice president of the Burin Peninsula Soccer Association,

MR. DAWE: chairman of the Fortune Recreation Commission, a member of the Fortune Arena Board and president of the Fortune Senior Hockey League.

Mrs. Paula Smythe, who is executive director of the Newfoundland and Labrador Parks and Recreation Association. Paula is presently in that position and she was formerly a youth and recreation specialist with the Department of Recreational Sports Services and has a wide list of credentials after her name as well.

It is important to realize that well-founded recreation activities fulfil many of the basic human needs which are no longer satisfied through our occupations. The completion of a Green Paper on Recreation will serve to assist the Division of Recreation and Sports Services in improving its support mechanisms to local recreation authorities and in turn to the citizens who utilize their services.

MR. SPEAKER (Simms): The hon. the member for St. Mary's - The Capes.

MR. HANCOCK: Mr. Speaker, having been involved in recreation and sports for the better half of my life, I can see what it can do to a guy, especially with the drug situation that we have now and how accessible it is to get to alcohol and whatever so that every day it is becoming more important that we get facilities and get our youth involved in recreation. Because I can assure you from my own experience that it is a great life saver if you want to use that term.

MR. NEARY: Hear, hear!

MR. HANCOCK: Recreation is very important to our youth. Having lived in Labrador City and seeing the recreation facilities that they have up there and how they utilize what they have and get the maximum benefit from those facilities, and then to move back into a district like the one which I represent now, Mr. Speaker, where we have some recreation facilities - not nearly enough, but I can look around and I can assure you I can count up in the next couple of days \$1 million worth of recreation facilities that should never have gone into the district and I would say that, and I will be criticized for saying that. But when I see at least ten or twelve outdoor swimming pools in that district and I never see a drop of water in as many as six or seven, then I can honestly say that that money has been wasted. And a committee such as this - and I can speak highly of the chairman of this committee because I have known him, he is a personal friend of mine; we have spent a lot of time salmon fishing this Summer. And I think that this guy can do

MR. HANCOCK: a great job and can help in the organizational aspect of districts like my own where the money should have been put to better use and we should have an indoor swimming facility or an indoor recreation facility in that district, and many districts around the Province should have the same because I can count up at least ten districts where money has been wasted, Mr. Speaker, on recreation facilities that could be used, in other words -

MR. NEARY: Right on!

MR. HANCOCK: - on different projects.

MR. NEARY: (Inaudible) out at Stephenville.

MR. HANCOCK: I do not know what other districts outside of my own. I can think of Fortune Bay, there are a few wasted up there as well.

I congratulate all the men on this committee and I look forward to having some input, if I may, into what is going on here. And I hope this is not just an ongoing study that is going to just be called a study and a Green Paper is going to be handed back and that is going to be the end of it. I would like to see the minister make sure that it is followed up.

I can remember the words that my grandmother always said. She always told me this: "A sound body makes a sound mind." As the body is in physical shape then you will get more mental work out of the mind.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

ORAL QUESTIONS

MR. SPEAKER (Simms): The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, my question is for the Minister of Social Services (Mr. Hickey).

As all hon. members know, Mr. Speaker, the oil boom syndrome created mainly by the provincial government has caused a tremendous increase in the cost of living in this Province, especially increases in rents, mortgage payments, food, clothing, lights, footwear, etc. I would like to ask the Minister of Social Services what steps his department is taking to assist people who are unfortunate enough through no fault of their own to be on social assistance, what steps he is taking to try to give these people on social assistance the resources so that they can cope with the high cost of living brought about mainly by the government talking about the oil boom that does not exist in this Province?

MR. SPEAKER (Simms): The hon. Minister of Social Services.

MR. T. HICKEY: Mr. Speaker, I cannot say I concur with the hon. gentleman's last comments about the oil boom that does not exist. That might be wishful thinking on his part, I do not know, but the increase in cost in housing and the cost of living generally started in this Province long before there was any strike in Hibernia and he, I am sure, well knows that. It has increased, I agree, more so in the last year or year and a half. There is really nothing that this government can do about it in terms of having been able to prevent it, and certainly I do not believe, Mr. Speaker, that has been directly related with anything government has been saying in relation to the development of oil and gas.

We have in place, Mr. Speaker, two areas within my budget, aside from the regular subhead of social assistance, under which we normally provide the rentals and mortgage payments, say, in relation to housing. We have what is known as additional assistance and then we have another category of what we call 'special needs' and those two categories, for example, the additional assistance is provided to a case where there are some serious circumstances; the special needs are more serious and where there are very extenuating circumstances we do certain things there.

We are presently looking at the rentals that we are paying and we acknowledge that they are insufficient. I can only say, Mr. Speaker, that social assistance is never meant to provide all things but rather to help a family, and this government finds itself in the position, and especially during this current year where we had some additional money in my budget that has been swallowed up by the fishermen's strike and the other labour disputes, but especially the fishermen's strike

MR. T. HICKEY: in this Province, so that right now there is very little flexibility. And the most I can say is that we have addressed ourselves to this question in relation to preparation of our budget for the coming year. Now, what is going to happen to that, of course, it is not for me to say at this point because, in fact, the matter is I am unable to say at this point in time because government has not made any decision on it. But the provisions are there, the recognition of the necessity for increases is identified and certain modifications of our programmes are included in the new submission in preparation for the budget for the coming fiscal year.

MR. S. NEARY: Supplementary, Mr. Speaker,

MR. SPEAKER (Simms): Supplementary, the hon. member for LaPoile.

MR. NEARY: Mr. Speaker, the hon. gentleman and members of the House know the number of complaints, the number of requests are increasing daily. We have almost reached an emergency situation in the Province; record unemployment, people are underemployed and underpaid and

MR. NEARY: the cost of living is practically out of control. There are a number of hardship cases, as the hon. gentleman is aware. Would the hon. gentleman indicate to the House if, in view of the situation in the Province when children are going to school undernourished and the government can spend \$100,000 out buying new flags-and does not the hon. gentleman think that they have their priorities a little bit upside down?-and that in this emergency that the minister could ask -

MR. MORCAN: Get to the question.

MR. SPEAKER (Simms): Order, please! I understand the hon. member is asking - a question?

MR. NEARY: - his colleagues in Cabinet to have a special warrant issued to grant some funds so that these people can be given some relief in this situation which is almost an emergency situation?

SOME HON. MEMBERS: Hear, hear!

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

MR. HICKEY: Mr. Speaker, there is no case-and maybe it is an opportune time for me to say that maybe the hon. gentleman is assuming based on statements made by people such as Richard Cashin and a few more, a couple in the Federation of Labour, with regards to this government's policy on assistance to strikers, maybe the hon. gentleman has been had by those people who have made such statements of our refusing to grant assistance to those people on strike during the past year.

MR. HICKEY: Let me say, Mr. Speaker, for the record of this House, let me inform the public how erroneous those statements are. What motivated them I will leave for hon. gentlemen to decide for themselves. The very fact that I do not have any flexibility in my budget at the moment is because we did not allow any family to go in a situation of hardship, where there was any undue hardship created. We did not do that. When it came right down to the final analysis, Mr. Speaker, having clearly demonstrated our position of non-involvement on either side of the fence in that labour dispute or those labour disputes during the Summer, my department and through my own office came down hard on the side of the families and the people in need and my role and my mandate as Minister of Social Services took precedent over government's policy in regard to assistance to strikers. That is why we are in the tight situation we are from a fiscal point of view right now.

Further than that, Mr. Speaker, let me say that I can only deal with the cases that come to my attention, and the same applies to my staff. No case, and I challenge anyone, anywhere in this House representing any area, to produce cases to me which have been refused or where we have turned our back where there is a pressing need, where we have not applied the case of special assistance, additional assistance, emergency assistance and where we have not bent over backwards to alleviate want and distress. As I said before, and I repeat, social assistance can never be interpreted as the end-all and be-all to provide everything but, Mr. Speaker, it is very wrong for anyone to convey the message to the public that we are in a tight situation financially to such an extent

MR. T. HICKEY: where people are going without the basic essentials of life. That is not true, it is not happening, and despite the fact that I face a possible deficit at the year's end within my own budget, government's policy is clear and precise in this matter: We assist people based on merit and based on individual cases and we will continue to do so.

MR. S. NEARY: A final supplementary, Mr. Speaker.

MR. SPEAKER (Simms): A final supplementary, the hon. member for LaPoile.

MR. S. NEARY: What rubbish, Mr. Speaker. And then the hon. gentlemen who are clapping their desks, their constituents are coming to us begging for food, begging for clothes to send their children to school. Down in my hon. friend's district of Burgeo - Bay d' Espoir (Mr. Andrews) -

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

MR. S. NEARY: - and he is over there thumping the desk. Mr. Speaker, my supplementary -

MR. W. MARSHALL: A point of order, Mr. Speaker.

MR. SPEAKER: A point of order, the hon. President of the Council.

MR. S. NEARY: - Sir, has to do -

MR. SPEAKER: I am sorry. The hon. President of the Council.

MR. W. MARSHALL: I thought the point of order was obvious. The hon. member is getting hysterical and in the course of his hysteria is delivering a speech.

MR. SPEAKER: It is a legitimate point of order. If the hon. member for LaPoile (Mr. Neary) has a supplementary question, I am sure he wants to put it now.

MR. S. NEARY: Mr. Speaker, my supplementary, Sir, has to do with single men and women in this Province who get no assistance whatsoever from the Department of Social Services. Is the hon. gentleman going to re-consider this matter, review this policy that was brought in by the Tories after they took over in this Province in 1972 and cut off single men and women, boys and girls over the age of eighteen from receiving any assistance from the Department of Social Services, which is contrary to the spirit of the Canada Assistance Plan in this country?

MR. SPEAKER (Simms): The hon. Minister of Social Services.

MR. T. HICKEY: Mr. Speaker, you know, one gets more tolerant after he is in this House over longer periods of time, I suppose. I am not going to rise and debate and enter into the realm of debate with the hon. gentlemen about the philosophy or the philosophical attitudes of this administration and this party versus the other party because that would take a long, long time. And, of course, the record would be just something else.

Let me simply say to the hon. gentleman he too is falling into the pitfall that Mr. Cashin fell in when he telexed the federal minister -

MR. S. NEARY: Why do you hate Rick Cashin?

MR. T. HICKEY: I do not hate anybody. Unfortunately, Mr. Speaker, or fortunately for me, I am not like the hon. gentleman, I do not hate a living soul on this earth. I love all people.

SOME HON. MEMBERS: Hear, hear!

MR. J. MORGAN: He is a loving person.

MR. T. HICKEY: That is why I am here.

Mr. Speaker, that statement has already been made and it is a false statement, Mr. Speaker, that we are in contravention of the Canada Assistance Plan. We

MR. T. HICKEY: are not. That matter has been checked out by the President of the Fishermen's Union and checked out very closely, and he found out, to his chagrin, that this Province was squarely in its own right to do as it saw fit within the confines and the rules of the Canada Assistance Plan. We are not contravening any law or for that matter any intent. We are strictly within the spirit of the Canada Assistance Plan and, indeed, they are quite pleased and quite happy with what we are doing. We are doing over and above, Mr. Speaker, the provisions which are contained in the Canada Assistance Plan. We are doing things in this Province for people which

MR. HICKEY:

are not covered in the Canada Assistance Plan, out of total provincial cost and total provincial dollars.

The question of single men and women is just not that cut and dried. There are situations where employment is available and where single men and women are encouraged to go out and find employment. There is no blanket policy whereby single people are simply refused irrespective of the circumstances. Again I point out, Mr. Speaker, the criteria or the bottom line in any case as regards to social assistance is based on the individual merits.

Now I will concede to the hon. gentleman that there are a number of cases of single people in this Province who are refused assistance. But there are good, solid reasons for that, Mr. Speaker, and that policy shall continue. Because we believe that we cannot be the end-all and the be-all, and we cannot just provide assistance just simply because somebody walks in the door.

I want to say one further thing in relation to the comment made regarding my colleague from Burgeo-Bay d'Espoir (Mr. Andrews). I can recollect instantly, right now, quite a number of cases that the hon. gentleman has brought to my attention where additional assistance was provided.

MR. HODDER: A point of order.

MR. SPEAKER (Simms): Order, please!

MR. HICKEY: Where special needs were provided.

MR. SPEAKER: Order, please!

MR. SPEAKER: A point of order has been raised by the hon. member for Port au Port.

MR. HODDER: I am listening intently to the minister and there is no doubt that the minister can phrase his answer much more concisely than he is doing. It is abuse of the rules, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

MR. HODDER: I timed the minister.

MR. SPEAKER: Order, please!

MR. HODDER: Beauchesne, page 131, says, "Answers to questions should be as brief as possible," Mr. Speaker, and I say - you know, I waited and listened to what he was saying. The minister's answers are not concise and they are not to the point.

MR. HICKEY: To that point of order, Mr. Speaker.

MR. SPEAKER: To the point of order, the hon. Minister of Social Services.

MR. HICKEY: I am awfully sorry if, you know, my answers are not so direct and so short, and I suggest to the hon. gentleman that Beauchesne is not going to put much bread on the tables of the clients, the people -

SOME HON. MEMBERS: Oh, oh!

MR. HICKEY: - that the hon. gentleman from LaPoile (Mr. Neary) stood up on. Now if you want information, fine, and if I am not blessed with the quality of providing the information so short and, you know, so direct as that -

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: Oh, too bad now.

MR. HICKEY: - I am awfully sorry. But you asked for information and I am providing it.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: With respect to the point of order, there is a legitimate point of order in that questions and answers should be brief. I will say to all hon. members that this matter has been raised frequently in the last number of days and I am going to prepare a particular ruling for reference later on, next week perhaps. for all hon. members so they will be more precisely aware.

December 4, 1980

Tape No. 2648

NM - 3

MR. NEARY: Well, a new question.

MR. SPEAKER (Simms): I recognize the hon. member for LaPoile for a final supplementary -

MR. NEARY: A new question for the minister.

MR. SPEAKER: - and if there is nobody else who wishes to ask a question, the hon. member for LaPoile.

MR. NEARY: My new question for the minister deals with boarding homes, licenced boarding homes that come under the hon. gentleman's care. Obviously, Mr. Speaker, the government are rather testy on this subject because they know there are a lot of hardship cases in this Province.

MR. SPEAKER: A supplementary.

MR. NEARY: I am asking the minister now if any compensation will be made available to those people, those very dedicated people who run licenced boarding homes in this Province so that they can take care of

MR. NEARY:

their boarders, of the senior citizens and the sick people and the people who are unfortunate enough to have to live in these homes through no fault of their own. What steps has the minister taken to ask his colleagues to give some extra assistance so that the boarding homes can adequately feed these people and look after them and clothe them?

MR. SPEAKER (Simms): The hon. Minister of Social Services.

MR. HICKEY: Mr. Speaker, I can tell my hon. friend from LaPoile (Mr. Neary), again, that, you know, we are about ten steps ahead of him.

MR. MORGAN: And always will be.

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY: The matter of licensed boarding homes, Mr. Speaker - and some of the things the hon. gentleman says, I, you know, without hesitation concur with him - there is a pressing need, there is a very serious situation as regards to costs and I can concur as well that this is a very vital service, indeed it is one of the main prongs in our programme of services to senior citizens, to be expanded in this Province. I want to assure the hon. gentleman that my department and my staff has been involved in this issue for more than a year now attempting to find some equitable way in which to provide increases per patient to those operators which would not necessarily be too much in some instances and not enough in the other. It is not an easy issue to resolve. I can also say, Mr. Speaker, that at least four of my colleagues have been sitting on my doorstep pressing on this very same subject. And only yesterday I sat down with them and some other people, some operators of licensed boarding homes, and finally, Mr. Speaker, a submission is in the process of being prepared, after collecting all the information and after hearing from my hon. colleague and the operators themselves, on its way to

December 4, 1980

Tape No. 2649

AH-2

MR. HICKEY: Treasury Board and hopefully some solution and some positive decision will be made in this regard.

MR. SPEAKER (Simms): The hon. member for St. Mary's-
The Capes.

MR. HANCOCK: Thank you, Mr. Speaker. I have a question for the Minister of Health. I am wondering if the Minister of Health (Mr. House) could inform this hon. House as to whether there are any plans to implement or institute a programme of medical examinations for people involved in the food industry in this Province and related activities such as fish plants?

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

MR. HOUSE: Mr. Speaker, I think there are generally examinations required for food processing handlers but these examinations are at the cost of the people themselves, they are not implemented by the department. We do recommend examinations and, I think, it is carried out fairly regularly and routinely.

MR. NEARY: You mean it is not a requirement?

MR. HOUSE: I believe it is a requirement, yes.

SOME HON. MEMBERS: Oh, oh!

MR. HOUSE: I am saying I am certain it is a requirement but I want to get the full details on it from the hon. member.

MR. SPEAKER: A supplementary, the hon. member for St. Mary's- The Capes.

MR. HANCOCK: Well, I can assure the minister that it is not mandatory for anybody, especially a cook or anybody entering a fish plant, it is not mandatory to have a medical and in my opinion it should be, Mr. Speaker. When you go to Labrador City, you have to have a medical examination before the company will hire you but you can become a cook down at

MR. HANCOCK:

the Strand or some other establishment around town and a medical examination is not required or you can go to work in a fish plant as a new employee. I would ask the minister to check further into his records and verify whether it is not mandatory, and if it is not, would he make it mandatory?

MR. SPEAKER (Simms): The hon. the Minister of Health.

MR. HOUSE: Mr. Speaker, just a year ago we cut out fully - or we did not make it mandatory for all people who are working in any public capacity to have X rays; we cut these out but they still have to have the medical examination. But certainly, I will get the full details for the hon. member.

MR. SPEAKER: The hon. the member for Torngat Mountains.

MR. WARREN: Mr. Speaker, my question is to the Premier.

One of his ministers just said they are ten steps ahead all the time, and yesterday the Premier said they are on top of everything. I would like to know from the Premier what action has this government taken towards the translation of the English language into Inuktitut and Indian?

PREMIER PECKFORD: In your district?

MR. WARREN: For the district of Torngat Mountains in particular, but for the native people of this Province. Do you want me to ask the question again or do you understand?

PREMIER PECKFORD: What do you want?

MR. WARREN: What action has your government taken with respect to the translation of government

MR. WARREN: brochures into the native tongue?

MR. SPEAKER (Simms): The hon. the Premier.

PREMIER PECKFORD: I do not know the exact material that the hon. member is referring to - all government documentation? We will attempt as much as we can to put into other languages that are spoken by people who reside in the Province, as much material that comes forth from government as possible. The hon. member's word, operative noun, was brochures, I think. I do not know if he means other - most government documentation that goes to the native people and whether in fact we are trying to ensure that that goes into their languages as much as is possible, or is the hon. member referring to all government publications in general?

MR. SPEAKER: A supplementary, the hon. the member for Torngat Mountains.

MR. WARREN: Mr. Speaker, the Premier is not very consistent with his letter to me on July 17th.

PREMIER PECKFORD: Remember the conjunction and the preposition.

MR. WARREN: Well, Mr. Speaker, I will try to ask the Premier, probably, a simple question. To date, how much government literature that is going out to the native people of this Province has been translated into their tongue so that they can understand it?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: I do not know the answer to that question, Mr. Speaker. I can undertake to get it for the hon. member. And if he would do me the courtesy, if he is going to ask me a question that concerns correspondence that I had with the hon. member a few months ago, I would like to know the nature of the correspondence and the explicit things mentioned in it because I just do not remember, and I am sorry I do not.

MR. WARREN: Mr. Speaker, a supplementary.

MR. SPEAKER (Simms): A final supplementary, the hon.
the member for Torngat Mountains.

MR. WARREN: Mr. Speaker, my final supplementary
is has this government been in negotiations with the
federal government concerning the native people's agreement
in asking for funds to be allotted in the agreement for
this special case of translation?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: I do not know, Mr. Speaker, I will have to take notice of the question and get the information. Obviously the Minister of Rural, Agricultural and Northern Development (J. Goudie) would be in a better position to answer that question. The native agreement, of course, as the hon. member knows, with the Federal Government is negotiated not strictly between the two levels of government but also in consultation and very close consultation with the native groups, so that they have a large part to play in what the final agreement actually is, what the final specifics of it are, so that it is not fair to say that it is just a governmental negotiation process. It is a process which involves right from the start to the finish the native peoples and so that what comes out at the end is very much the kind of agreement that the native peoples themselves had wanted.

But the specific answer to the question of whether there was any funds in the new native agreement specifically for that, I will have to take as notice and get the information for the hon. member.

MR. SPEAKER (Simms): Does the hon. member for St. Barbe wish to yield.

MR. BENNETT: Mr. Speaker, I will yield.

MR. SPEAKER: The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, one final question to the Premier. I understand from his letter of July 17th that we are looking forward to getting money from the Native People's Agreement, this is what he is saying in his letter. However, if there is no money coming, if there is no possibility of getting any money through the Native People's Agreement, is this government going to be committed

MR. WARREN: to translation of government brochures that are essential to the people who are natives in this Province of being able to read it and understand it?

MR. SPEAKER (Simms): The hon. the Premier.

PREMIER PECKFORD: That is a very reasonable request that we will have to consider, Mr. Speaker.

MR. BENNETT: Mr. Speaker.

MR. SPEAKER: The hon. member for St. Barbe.

MR. BENNETT: Mr. Speaker, my question is directed to the Minister of Transportation. I understand, Mr. Speaker, the minister will be lifting the subsidy that presently exists on the Bonne Bay ferry service. If this is so, I wonder if the minister is aware of the hardship that might be experienced by the people? Is there going to be an alternate? Just what the minister's plans are for that service?

MR. SPEAKER: The hon. Minister of Transportation.

MR. BRETT: Mr. Speaker, there is some consideration being given to discontinuing this subsidy on the Bonne Bay ferry but there is no final decision on it. I suppose that would be a Budget decision. There is already an alternate route and I do not see any hardship being created. In actual fact, what should have happened is when the road was finished and paved, then that ferry subsidy should have been cut off then, because in actual fact what we are doing now is we are subsidizing the tourists of the Province. During the Summer months the number of people who travel on the ferry is quite considerable, and then when the tourist season is over it drops down and levels off and that is the

MR. BRETT: way it is for the remainder of the year. So, in actual fact what is happening is that the Newfoundland Government is subsidizing the tourist who come into the Province, and I do not think that was ever the intent. So while no firm decision has been made, I can say that, as the minister, I am looking at it and personally I think it should be taken off because there are places like Bell Island and Fogo and several other places around the Province where the money could be more properly spent.

MR. BENNETT: A supplementary, Mr. Speaker.

MR. SPEAKER (Simms): Supplementary, the hon. member for St. Barbe.

MR. T. BENNETT: A supplementary, Mr. Speaker. If the minister thinks it is going to be taken off, then I suspect it will, without doubt, be taken off. And if the minister thinks it is an inconvenience and if the minister thinks there is already an alternate service, I think he should take a closer look. I have just heard the Minister of Social Services (Mr. T. Hickey) explain something about the needy people having quite sufficient funds to meet their everyday needs. Once that service comes off, we have a lot of people who have to travel across on ferry and it presently costs them half a dollar. And if they have to get a taxi, mind you, around the bay, it is going to cost them up to twenty bucks. That is only one of the services that is going to be jeopardized. It will cost the Department of Social Services the dollars that the Department of Transportation might very well be saving. I understand that the subsidy in place is still in effect for the next two years. I am wondering if the minister will, in effect, be paying the subsidy out and letting the service deteriorate, or will the minister provide ferry landing services so that the ferry can continue the next two years effectively? It is going to cost quite a few dollars, Mr. Speaker, mind you, to build effective ferry landing services. So I am wondering if the minister is prepared to lose the subsidy and let the ferry boat tie up?

MR. SPEAKER: The hon. Minister of Transportation.

MR. C. BRETT: Well, Mr. Speaker, I suppose that is a matter of dollars and cents. I would think probably it would be a lot cheaper for the government to pay the subsidy than to go in there and try to upgrade the landing facilities. I do not have the figures with me, but I can assure the hon. member right now that if there is any way in this world to get away from it I will not be doing

MR. C. POWER: anything with the ferry landings in that area.

MR. T. BENNETT: Final supplementary, Mr. Speaker.

MR. SPEAKER (Simms): Final supplementary, the hon. member for St. Barbe.

MR. T. BENNETT: Very quickly, Mr. Minister, if it does come about that you eliminate that ferry service by lifting the subsidy, will this be general around the Province or is this an isolated case in Bonne Bay?

MR. SPEAKER: The hon. Minister of Transportation.

MR. C. BRETT: If we discontinue the subsidy, that does not necessarily mean that the ferry will discontinue. The owner and operator of the ferry system can carry on forever more if he is prepared to charge the people enough to break even or make a profit or whatever he wants. But this would be an isolated case, yes, because it is the only place I know of in the Province where you have a road and a ferry operating at the same time. If that occurs in another part of the Province, then I will take the same kind of action. I do not see the necessity for both, for a road and a ferry, which is what we have there now.

MR. SPEAKER: We have time for one final question and answer.

The hon. member for Grand Bank.

MR. L. THOMS: Mr. Speaker, my question is to the Minister of Social Services (Mr. Hickey). I understand there are quite a few runaways from the Boys' Homes, the one in Whitbourne and the Waterford Bridge Road Boys' Home. Can the minister tell me if there are any problems in those homes in regards to supervision, security or morale or anything along those lines?

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

MR. T. HICKEY: No, Mr. Speaker, it is not a matter

MR. T. HICKEY: of security, it is not a matter of supervision or staff or anything else. It is a matter, Mr. Speaker, and I am not sure that there is any significant increase this year over last year, In fact, I think I am quite safe in going so far as to say that there is not any great increase. Last year there was an increase. I do not have current figures, I would not be surprised but this year's figures to date might well be on a par with last year because some of the boys and girls who have gone into all three institutions are probably still there, still being cared for. And it boils right down, Mr. Speaker, to two things; one, the type of boy or girl who finds his or her way into the institution and the problems that brought them there or created the situation where we have had to place them there; and also, our policy of a kind of openness and a different kind of situation altogether from what it used to be. Once upon a time those institutions, and especially the one at Whitbourne which was, first of all, the first one and only one we had, and then we had the one on Waterford Bridge Road before the Pleasantville one finally came on stream, and the situation at that time was that there was more custodial care provided and

MR. T. HICKEY:

it was more of an institution where the doors were locked, etcetera. Over the last number of years that has been completely reversed and the doors are not necessarily locked -

MR. S. NEARY:

I unlocked them.

MR. T. HICKEY:

Yes, the hon. gentleman

certainly can take some credit for that.

MR. SPEAKER (Simms):

Order, please! Order, please!

I must bring it to the hon.

minister's attention that time has expired. If he wishes to clue up in a couple of seconds, I will allow him.

SOME HON. MEMBERS:

By leave.

MR. SPEAKER:

By leave.

MR. T. HICKEY:

Finally, Mr. Speaker, let me

say that the reason there are boys and girls leaving the school is because they are free to, it is a kind of open situation and it is working very well. I do not believe really the situation now is near as bad as it used to be when they were locked up.

MR. SPEAKER:

Order, please!

The time for Oral Questions

has expired.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. SPEAKER:

The hon. Minister of Justice.

MR. G. OTTENHEIMER: Mr. Speaker, maybe you will recall that yesterday, the hon. member for Lewisporte (Mr. White), I believe it was, asked me some questions with respect to the Mahoney inquiry which was established in 1977. In answer to him, I would say that the -

MR. L. THOMS:

I started the questioning,

do not forget.

MR. G. OTTENHEIMER:

There was a question asked by the

hon. member for Lewisporte.

MR. THOMS:

A supplementary

MR. SPEAKER (Simms):

Order, please!

MR. G. OTTENHEIMER:

Well, I do not recall who asked it, but anyway what is important is the answer.

In conversation with Mr. Justice Mahoney, I am informed that he expects to have it submitted by the end of January coming. The cost to date has been \$218,200. There have been no requests for additional funding within the past few months. As to the final cost, we would not anticipate that that would be in excess of an additional approximately \$20,000.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please!
Any further answers?

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please!
We have further answers.

The hon. Minister of Education.

MS. VERGE:

There was a question raised by the hon. member for Torngat Mountains (Mr. Warren) last week, November 28th., about a change of name of the Happy Valley-Goose Bay School Tax Authority. I can now advise that the name of that authority was, indeed, changed to the Central Labrador School Tax Authority at the initiation of the authority which comprises a majority of school board representatives.

MR. SPEAKER:

Any further answers to questions?

MR. BARRY: Now this was clearly set out to the officials of this company, and Mr. Speaker, we did not get a completely positive response. There were some further discussions but eventually it reached the stage where we had to, as members know, introduce legislation of general application which would have applied to the ERCO Company, to the ERCO contract, as to other industrial users of power in this Province. And lo and behold! Mr. Speaker, lo and behold, the message finally got through that we were serious. And Mr. Speaker, when the message got through, and when the Premier reiterated that the time had passed just to have this debated year after year after year in the political arena -

MR. NEARY: (Inaudible).

MR. BARRY: - when Mr. Speaker, -

MR. NEARY: He ran out on the (inaudible).

MR. BARRY: The Premier laid down the guidelines and laid them down very firmly that there was going to be a change, and a change for the benefit of this Province. And, Mr. Speaker, it was from that clear statement, it was from that expression of intent on the part of this government of determination to see a new deal, to see a new day for this Province in that ERCO arrangement, that finally, Mr. Speaker, reason prevailed, reason prevailed.

MR. MORGAN: Hear, hear!

MR. BARRY: And when they saw, Mr. Speaker, that the members of this government were determined to bring about a change in the inequitable situation that existed, lo and behold! sweet reason prevailed. And Mr. Speaker,

MR. BARRY: that is not to say that there were not tough negotiations. And, in fact, negotiations continued up until literally the day that I was able to present the completed agreement to Cabinet. Literally the day that it was going to Cabinet, Mr. Speaker, for approval, there were still details to be ironed out.

Well, Mr. Speaker, if I could, before getting into the details of the agreement, I could point out that there is a lesson, there is a lesson in what has occurred here. And that lesson, Mr. Speaker, that lesson is that when people who are doing business with government, when they see that a government has justice and equity on its side, has the support of the population and the people and has such a clear case of an inequitable situation, then, Mr. Speaker, you can expect the people who are doing business with government to act appropriately.

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

MR. SPEAKER (SIMMS): Order, please! A point of order has been raised by the hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I do not know if the hon. the Premier is aware of it or not, but there are about fifty people from NAPE down in the lobby looking for him. Does the hon. gentleman intend to go down and meet with them?

MR. SPEAKER: That is not a point of order. That is a question more aptly put during Question Period. The hon. Minister of Mines and Energy.

MR. BARRY: Mr. Speaker, I realize that the member for LaPoile (Mr. Neary) is squirming in his seat -

MR. NEARY: No, it is down in the lobby they are squirming. They want to see the Premier.

MR. BARRY: - is just in terrible misery, anguish and pain to see this government in a position to present to the people of Newfoundland such an attractive re-negotiation as that ERCO contract.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: I will deal with you very shortly.

MR. BARRY: And I realize that the member will do anything possible to detract and distract from what is happening here in this House today, Mr. Speaker. What is happening in this House today is that this government is presenting to the people of this Province a new arrangement which will see \$146 million in additional revenue come in -

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: - to the Consolidated Revenue Fund.

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: The hon. member for Grand Bank (Mr. Thoms) takes his matters of principle, he is prepared, Mr. Speaker, to trade off the Constitution for a snowplow and he is now prepared to trade off \$146 million for a bridge.

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: That is exactly the attitude that got us into the ERCO deal in the first place, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: Mr. Speaker, we have a situation here where firmness prevailed, where the Province was able to set out a position that was fair and reasonable, but pointed out very firmly that it was an inequitable situation to have that contract continue where the general consumer of power or the taxpayer, the general taxpayer, would be subsidizing an industry in this Province, where the costs would exceed the benefits to the Province of the industry.

Now, Mr. Speaker, the position of the company, when we presented our case was that well, look, Mr. Barry, well look, Mr. Premier, Bay d'Espoir would not be there of ERCO had not made the deal with the Government of Newfoundland. And, Mr. Speaker, they went on to say that they treated the Bay d'Espoir power as dedicated to the

MR. BARRY: ERCO industry. Now, I can understand, I could even sympathize, Mr. Speaker, with the position that was put by the company and we have to recognize that they did make a contribution to this Province, seeing an integrated hydro network within the Province. Their purchases of power did supply financial backing that assisted in the development of the electrical power network of this Province. But it was not correct, Mr. Speaker, it was not correct and this government refused to accept that the power of Bay d'Espoir had been dedicated

MR. BARRY:

to ERCO. The power from Bay D'Espoir, Mr. Speaker, was flowing into the provincial grid for the benefit of all Newfoundlanders, and, Mr. Speaker, that was the position that we asserted, the principle that we asserted from day one and that was the principle which prevailed. Again, Mr. Speaker, let nobody misunderstand, I am not standing here in this House and presenting this agreement as the agreement that I would have negotiated starting with a clean slate, starting from scratch. Let nobody misunderstand that.

MR. STIRLING:

That is not very good.

MR. BARRY:

Oh, \$146 million? The Leader of the Opposition can decide for himself. And I will want to hear from the Leader of the Opposition what he thinks about it, whether it is very good or not. I want to, Mr. Speaker, hear from the Leader of the Opposition whether he feels it is very good or not. The one inescapable fact here, Mr. Speaker, is that there was a company that took the position that we have a firm and binding contract that entitles us to power at a certain right until 1993 and this government has by moral suasion, by firmness and determination, Mr. Speaker, extracted an additional \$146 million over the next thirteen years from that contract. Is that good or is that bad?

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Now, Mr. Speaker, the bill that has been introduced is a fairly simple bill and one has to look to the agreement to which it refers in order to get the full import of the legislation. The bill merely authorizes the Lieutenant-Governor in Council to enter into a certain agreement with ERCO Industries, which agreement is attached to the act as a schedule, and the agreement in itself refers to a certain power agreement which will be entered into between

MR. BARRY: Hydro and between ERCO Industries Mr. Speaker, if I could just set out some of the highlights of this agreement without taking too much time, the most significant feature of course is the fact that we will move immediately, as of the first of January, 1981, from the fixed rate of 2.5 mils per kilowatt hour up to 8 mils, Mr. Speaker, 8 mils. And that 8 mils is 3.2 times the existing power rate so in itself, if there was nothing else, Mr. Speaker, a threefold increase in a power rate, that is not bad. But, Mr. Speaker, we recognize that the value of energy is going to increase and we believe that it is a fundamental principle that this increasing value should be recognized and we persuaded ERCO Industries Limited to agree to an escalation in power rates and it will increase from 8 mils or eight-tenths of a cent in 1981, it will increase up to 30 mils or 3 cents per kilowatt hour, which is twelve times the old rate, by 1993. Now, Mr. Speaker, that is an additional, the additional revenue that will come in by this increasing mil rate will compute to \$146 million additional revenue to the Province from that agreement.

Now, Mr. Speaker, the statement that was made on the presentation, the introduction of this bill, contained a typographical error. And I have had the opportunity of discussing this already with my friend from Windsor-Buchans (Mr. Flight) and it is obvious from the earlier calculation of the \$146 million and the mil rate and the number of kilowatt hours, that it could not be benefits exceeding costs by \$19 million annually. There was a word 'annually' stuck in there, the gremlins got into the typing of the statement. What was set out in the statement, Mr. Speaker, was that whereas now the costs

MR. BARRY: to the Province of the ERCO arrangement exceed the benefits by some \$42 million when you calculate it on a present value basis. In other words, you work out how much comes to the Province in sales tax, in salaries and so forth, in corporate tax, personal income tax, other jobs from the multiplier effect and so on, you work out all those benefits and you get so many hundreds of millions of dollars. And you work out the cost, the biggest cost being, of course, the cost of power, and you get so many hundreds of millions of dollars over the life of the contract, and you subtract the cost from the benefits, you get the costs exceeding the benefits by some \$42 million in present value terms. In other words, that so many hundreds of millions of dollars would be the same as if you took \$42 million and invested it in the bank today at a 12 per cent discount rate, you would arrive at what right now that contract is costing the Province. The present value of our loss is \$42 million over the life of the contract. This, Mr. Speaker, has been turned around -

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: - so that the benefits now will exceed the costs over the life of the contract by some \$19 million. Nineteen million dollars does not sound like a big amount, Mr. Speaker, in the scheme of things. You will see though that moving from a \$42 million deficit to a \$19 million excess of benefits over costs that there has been a turnaround of some \$61 million in present value terms.

Now, Mr. Speaker, I believe - and I have to get the calculations done; I have so many pages of calculations I will not take the time of the House to go through them. I believe if you took \$61 million and invested it in the bank today at 12 per cent, you would arrive at around \$146 million by 1993. That is the way

MR. BARRY: it is supposed to work anyhow,
so my economic advisers tell me.

But in any event, Mr. Speaker, I think that for the people of this Province what comes forth is that over the life of the contract there will be an additional \$146 million obtained in revenue. Now, Mr. Speaker, we would have liked to have had the take or pay provision of the contract escalate on the same terms and we tried very hard, but we came to the conclusion, Mr. Speaker, that one could not have everything. This is one aspect, of course, where if I were negotiating from scratch, I would insist; we just would not sell the power otherwise. But when you are in a context of getting a negotiated arrangement, Mr. Speaker, you give a little, you accept a little. In this case, I think we gave a little and accepted a lot, Mr. Speaker.

I also want to stress, Mr. Speaker, that we have given our assurance to ERCO Industries Limited that it will no longer be a political football as far as it is within our power to do so, Mr. Speaker, that the jobs of those people, Mr. Speaker, employed in that ERCO plant are assured, we believe, and that they should not be subjected to the uncertainties created by the continuation of that industry being a political football.

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: We have, Mr. Speaker, dealt with that company firmly, decisively, and that company saw the light. That company finally had sweet reason prevail and sat down with us man to man, face to face and renegotiated a new arrangement. And, Mr. Speaker, I am proud to say that I can applaud ERCO Industries Limited and its parent company, Albright, Wilson, for this example of

MR. BARRY: how a good corporate citizen should deal with the government of the Province in which it operates.

MR. THOMS: Do you have to take the credit for that?

MR. BARRY: Mr. Speaker, unlike -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. BARRY: - unlike the nineteen-or-so-odd individuals on the other side of the House, on this side we have a team.

SOME HON. MEMBERS: Hear, hear!

SOME HON. MEMBERS: Right on! Right on!

MR. BARRY: We have a team.

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: Mr. Speaker, our government believes that ERCO Industries has now established itself as a good corporate citizen in good standing with this Province. The families, the employees dependent upon the ERCO plant should recognize and applaud ERCO for its commitment to the Province and for acting as such a good corporate citizen.

Now we made certain concessions - again let nobody misunderstand here - we made certain concessions.

MR. MARSHALL: State then.

MR. BARRY: We have agreed - I am going to fully, I hope - we agreed that for the remaining thirteen years of the power contract no new major industrial user would obtain incentive rates lower than those that would be given to ERCO. Okay?

MR. FLIGHT: I guess not.

MR. BARRY: I do not think we were giving too much away there. I think we can live with that.

MR. FLIGHT: Not if you give (inaudible)

MR. BARRY: And if that happened, we will reduce the ERCO rates accordingly.

Mr. Speaker, there was another technical matter where under the agreement the consent of government is required for the repayment of loans from ERCO to Albright, Wilson. And whereas it is something that I believe legally is the type of thing which consent will not be unreasonably withheld and if the company decided to go to court they could force government's consent, we have agreed that we will not, provided the bondholders of ERCO agree, we will not stand in the way of ERCO repaying the \$8 million loan owing to Albright, Wilson.

We have also, Mr. Speaker, given ERCO a ten year option to buy further power, and I think we would all agree that we would like to see that industry continue to provide the 300 to 400 jobs that are from time out there at Long Harbour, but not at the same price, Mr. Speaker, not at the same price. And whereas this is a very significant concession from the company's point of view, because we could have cut them off, bang, in 1993, and they would have just had to pull up sticks and go somewhere else. They realize that would not be too profitable for them as a corporate entity. We have made it clear, Mr. Speaker, that we are interested in seeing this industry continue, but after 1993 the rates which this company will pay will be the rates prevailing for other industrial consumers. There will be no special rates after 1993.

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: Mr. Speaker, I want to congratulate ERCO on the businesslike manner in which they have conducted their recent negotiations and we, as a government, wish them every success. I think that we should take note of the fact, and there are other places in the world where this is happening, that people are prepared to recognize that a contract is not necessarily always a contract. And there are other groups with whom we are dealing that this factor I guess is of some significance: A contract is not always a contract.

Mr. Speaker, I guess most of us know the great Westinghouse Corporation in the United States. The Westinghouse Corporation I guess sold a lot of refrigerators in Newfoundland, and is I guess one of the bigger companies of its kind in the world. A few years ago it got into the building of nuclear reactors and as part of the deal of building nuclear reactors it also, forgetting the old motto that the cobbler should stick to his last, Westinghouse got into the business of supplying uranium. And Westinghouse entered into a deal with companies

MR. L. BARRY: in the United States to supply them with uranium at a certain price. And lo and behold the price of uranium skyrocketed and if Westinghouse had to comply with its agreement to supply uranium it would have gone bankrupt. Mr. Speaker, what did Westinghouse do? Did it say a contract is always a contract and permit itself to go bankrupt? No, Mr. Speaker, what it did was say, 'We will not comply with these terms to supply uranium at this price because, Mr. Speaker, and these are the operative words, 'it would be a commercial impracticability'. They were taken to court by their customers naturally and Westinghouse said, 'Sorry, customers, this is understandable, your taking us to court, but let me tell you we are going to fight this tooth and nail to the highest courts in the land. We are going to fight it for years, we are going to fight it for decades, we will fight it as long as we have to because we are not going to go bankrupt by living up to a ridiculous agreement which changing times, changing events have now made a commercial impracticability.' What happened, Mr. Speaker? What happened was that the customers recognized, 'What could Westinghouse do?' So if the customers insisted that they supply the uranium and they go bankrupt, who would supply the uranium then? They settled, Mr. Speaker, they all arrived at out of court settlements - and this is all a matter of public record in the United States - they settled, and, Mr. Speaker, they renegotiated the contract.

Mr. Speaker, I just learned through speaking with New Zealand dipolmats a few months ago, New Zealand had a contract with an aluminium smelter for power at fixed rates. The New Zealand government, with the cost of power skyrocketing as it skyrocketed everywhere in the world since 1973, I guess, and the Arab oil embargo and the increase in the price of oil and therefore the increase in the value of equivalent energy. Mr. Speaker, New Zealand

MR. L. BARRY: said, 'What is going on here, this is madness.' They did not say a contract is a contract, they said, 'This is total lunacy, this is total insanity for us to have to continue to sell power to this firm for year after year after year at this totally ridiculous price'. They said to the firm involved, 'We must renegotiate our contract'.

Mr. Speaker, I mentioned these just to point out to you that what is happening here in this Province with respect to this contract and with respect to at least one other situation, Mr. Speaker, is not something that is totally unknown to either the legal, commercial or political worlds. We have, Mr. Speaker, in the legal, political and commercial worlds hopefully men of good sense, men of reason, men of good will who are able to get down around the table when they have a problem that results in an inequity and unfairness, reasonable men can sit down, Mr. Speaker, around the table and they can work out a resolution given, and I stress this, given the good intent, the bona fide intent on both sides to arrive at a fair resolution, a fair settlement of the problem. Mr. Speaker, we have started something in this Province that will be of benefit to our people. There are, unfortunately, other areas where there are messes still to be cleaned up, and God knows it takes a long time, it takes a lot of time and effort to clean up some of the messes that have been left, but we are getting there, Mr. Speaker, we are getting there and I am proud to have been part of the cleaning up of this particular mess and I am proud to say that we will now have

MR. BARRY: an arrangement with ERCO Industries which is something that government can live with in that it is of benefit to the people of the Province. It is something that ERCO Industries can live with in that they will still be obtaining power at rates competitive with other areas of the world, and I am sure, Mr. Speaker, it is something that the men and women of Long Harbour, as my friend from Placentia (W. Patterson) can attest to, that relieves a great burden and a great source of anxiety from their lives.

And Mr. Speaker, I would ask all members of this House to support this Bill which has been placed before this House. I would ask all members to underline that we support this government's position of dealing firmly but fairly with everybody with whom we do business. Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Mr. Speaker.

MR. SPEAKER (Butt): The hon. member for Windsor-Buchans.

MR. FLIGHT: Thank you, Mr. Speaker. I would want to say to the minister, because I know he was sincere when he wound up the debate in saying that if you are dealing with good men of good will anything is possible, but I would want to say to him, Sir, that when that industry was established in 1966 it was established by good men with good will.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Mr. Speaker, there is no question that this bill will improve the situation of ERCO at Long Harbour, there is no question of that. The \$146 million may indeed be a fact that it will be a net gain in the long run to the Province, no question about that. There is no

MR. FLIGHT: question also, Mr. Speaker, that ERCO has become a political football. ERCO has been kept to the attention of the general public this past - since 1966 for two big reasons. One, they were always reminded of the dangers of the environment, the danger to the environment. Remember the Placentia Bay incident? We recall a couple of years ago the debate in this House regarding the environmental damages. As long as ERCO was being kept before the people's attention in that way, the people were realizing the gross unfairness that existed in that power contract.

And, Mr. Speaker, it is very interesting in the Premier's statement here. He says, 'Since I became Premier, during the past eighteen months with representatives of ERCO.' Well, I will tell the minister that one of the first questions that I ever asked in this House in 1976 was when we were going to start negotiating with ERCO to re-negotiate that contract. That was four years ago. And the Premier says, 'As you are aware -

MR. BARRY: Since his administration.

MR. FLIGHT: Since his administration! Well, he was the Minister of Mines and Energy when I asked my question.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Now, Mr. Speaker, I am not concerned about a time limit on this, Mr. Speaker, I am simply concerned in making a few points. And I fail to understand some of the points the minister made. He pointed out that we will save \$146 million, that there will be a net gain to this Province, that is indeed true. But, Mr. Speaker, let not the word go out from this House that the subsidy to ERCO has ended. The subsidy may well be, Mr. Speaker, before the end of this contract, in excess; we may

MR. FLIGHT: pay more than \$146 million in subsidies to ERCO over the next thirteen years in the life of this contract, Mr. Speaker.

Let me tell this House and the media or the people of Newfoundland who are concerned - and let me say also, Mr. Speaker, before I do, the reason the people of Newfoundland were so concerned about the ERCO arrangement was that they watched their power escalate this past five or six or seven years to a rate that they could not afford to pay. They could not stand the rate of escalation.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: And they wondered out loud why it is that an industrial user like ERCO could continue to get the kind of subsidies that they could not get. There is no question, Mr. Speaker, that ERCO was operated this past years off the backs of the people of Newfoundland, and they are going to continue to operate, Mr. Speaker, until 1993 off the backs of the people of Newfoundland. No question about that, Mr. Speaker, about the subsidy.

Just listen, the cost to generate power in this Province today, Mr. Speaker, is ten mils for Bay d'Espoir, 30 mils per kilowatt hour - 10 mils per kilowatt hour at Bay d'Espoir, 30 mils per kilowatt hour at Hinds Lake, 40 mils per kilowatt hour at the Upper Salmon and 40 mils per kilowatt hour at Holyrood today. And that is basing oil at \$14.00 a barrel, thanks to the Canadian subsidy.

MR. FLIGHT: Now, Mr. Speaker, to average that out and to blend it, the blended cost of a kilowatt hour of electricity in this Province today is in excess of thirty mils per kilowatt hour. Thirty mils, Mr. Speaker, thirty mils per kilowatt hour. The cost is right here, Mr. Speaker, and anybody can check the figures.

MR. R. MOORES: The minister had his chance.

MR. FLIGHT: Now, Mr. Speaker, in 1980 under the new contract - let me get the figures here, Mr. Speaker. Mr. Speaker, in 1980 the price stays at 2.5 mils. The subsidy - I have not worked it out, Mr. Speaker, but it is in excess of \$11 million. But listen, Mr. Speaker, in 1981 the subsidy - we charge ERCO 8 mils per kilowatt hour, 8 mils. That electricity is costing this Province 30 mils to generate. We will be subsidizing ERCO, Mr. Speaker, in 1981, the first year of this rearranged agreement, by roughly 22 mils per kilowatt hour for a cost to this Province of roughly \$11 million per year. That is in 1981, Mr. Speaker.

MR. MOORES: At least Joey did not know the price of oil was going to go up.

MR. FLIGHT: In 1981, Mr. Speaker, we will be subsidizing in excess of \$11 million. In 1982, Mr. Speaker, we will be subsidizing ERCO in excess of \$11 million. And, Mr. Speaker, let us assume that that holds true, let us assume we take that through to 1987; and we cannot really because we know the price of oil is going to escalate to world prices.

MR. MOORES: Right. We know it. The minister knows it.

MR. FLIGHT: So on that basis, by 1986 or 1987 if we go to world prices, hydro generated by Holyrood will be 80 mils instead of the 40 it is today. So, Mr. Speaker, there is hardly any way, there is hardly any way to determine what the power being generated in this Province in 1986 is going to be costing. But I will guarantee you, Mr. Speaker,

December 4, 1980

Tape No. 2661

AH-2

MR. FLIGHT: the cost to this Province will
escalate faster than the increase that ERCO -

MR. MOORES: The real dollar value, yes.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: The cost to this Province, Mr.
Speaker, into 1987 will escalate, based on the assumption
that oil will continue to escalate, the cost to this
Province will escalate greater than the price that ERCO
will pay, escalate under this new deal, under this new
contract.

MR. MOORES: Shame!

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Now, Mr. Speaker, if we take that
on into 1987, because the Province tells us - and they had
better be right -

MR. MOORES: Talk about Smallwood's sell-out.

MR. FLIGHT: If we take that on, Mr. Speaker,
to 1987 when we say Gull Island will come on, well, Gull
Island power will cost this Province 65 mils, the blended
price forgetting the cost of oil because Holyrood is still
going until 1987. The blended cost then goes to almost
40 mils per kilowatt hour. Now if we leave it at that, Mr.
Speaker, if we leave it at that, in the last year of the
contract, 1993, we will be subsidizing ERCO by in excess of
\$5 million in 1983. It could well be a lot more, Mr. Speaker,
because if Gull Island does not come on, if we do not have
the Lower Churchill power by 1987, as the minister says, and
we increase our generating capacity in this Province, the only
way we have left to increase it by thermo-fired - if we increase
Holyrood's capacity, God knows what the cost will be because
nobody knows how far oil is going to go in the next eight
or ten years. We could well be looking at 100 mil power. Now
that appears to me to be still a pretty good deal for ERCO,
Mr. Speaker. Now I want to go on record here, put this side
on record to say that we support this legislation. It is an

December 4, 1980

Tape No. 2661

AH-3

MR. FLIGHT: improvement in the situation, there is no question about it, but let not the word go out across this Province that this Province is not on the hook to subsidize ERCO very likely in excess of the \$146 million the minister talks about having saved. We are still on the hook for ERCO, Mr. Speaker.

MR. THOMS: We are not going to make \$146 million?

MR. FLIGHT: We are not going to make anything. The ERCO industry is going to cost this Province in excess of \$146 million in subsidies, it does not matter what happens.

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: It does not matter what happens, Mr. Speaker, the people of this Province will probably subsidize ERCO in excess of \$146 million over the life of this contract.

Now, Mr. Speaker, let us look at the figures again.

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: Let us go through the figures.

MR. SPEAKER (Butt): Order, please! I have trouble hearing the hon. member.

MR. FLIGHT: Now, let me agree with the minister that I may not have - because, as he knows, it is very, very difficult to come up with an exact figure on the cost of electrical generation in this Province. It is practically impossible. He has the research people, he has all of the energy people available to him.

MR. MOORES: Right.

MR. FLIGHT: But in the research that I have done - and I have had some people who understand, the figures are there, Mr. Speaker. We know what it is costing to generate, we know what the Upper Salmon is coming on at, 40 mils. We know Hinds Lake came on at 30 mils, we know that Bay d'Espoir is going at 10 mils right now, cost to generate. And, by the way, in Upper Salmon and Hinds Lake, that excludes the cost of getting that power to the grid. So Hinds Lake will be in excess of 30 mils, Upper Salmon will be in excess of 40 mils because of the transportation.

MR. FLIGHT: So, Mr. Speaker, under the new deal, under this contract that is fair to the company and that government can live with - and the minister said, 'I would not have presented this contract had I been starting from scratch.' Well, I do not suppose he would. I do not suppose that he would be prepared to negotiate a contract that would watch this Province subsidize a company like ERCO by \$11 million in the first four or five years of the contract.

MR. MOORES: Not true. Not true.

MR. FLIGHT: And, Mr. Speaker, what is almost laughable in this bill - and the minister was serious -

MR. MOORES: They sold (inaudible).

MR. FLIGHT: - he said, 'We have promised ERCO that if any industrial user in this Province gets power cheaper than this contract says, that they will get the benefit of that cheap power.' Well, what a laugh, Mr. Speaker. After 1987, Mr. Speaker, the cheapest power that we can generate in this Province is 65 mil power and he makes a big deal of telling ERCO that nobody is going to get it for less than 30 mils.

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: That is supposed to be a big deal.

MR. BARRY: (Inaudible) did not get very much (inaudible).

MR. FLIGHT: Now, Mr. Speaker, let us put this contract in its perspective. All that is happening is that this government is cutting our losses.

AN HON. MEMBER: Right.

MR. FLIGHT: They are reducing the subsidy. Whether they could have reduced it by a lot more, I do not know. The indication in the legislation, Mr. Speaker since the minister has allowed ERCO to repay the \$8 million plus interest to Albright, Wilson, the indication is that ERCO will be making money over the next few years.

MR. FLIGHT: Because I suppose if there were any doubt that ERCO was indeed going to make money, he would not have lifted that particular restriction. There is an awful danger of a multi-national, a company like Albright, Wilson, deciding to take out their money and go home. It has been known to happen before in the world, Mr. Speaker. So I presume the minister and the Premier who have negotiated this deal have made certain that ERCO will indeed make money, they will make enough to pay off Albright, Wilson and pay for the electrical consumption they are going to use in their future operations. But if that is so then, if they are going to make money, the question is, Mr. Speaker, could the minister have got a better deal?

As of this day, Mr. Speaker, the subsidy - remember this, that Bay d'Espoir power is coming on at 10 mils, ERCO was paying 2.5 mils and the chances are, Mr. Speaker, that the subsidy that we are going to be looking at today is greater than the subsidy that ERCO was being given when they were taking their power from Bay d'Espoir.

MR. MOORES: Right.

MR. FLIGHT: We are probably giving them a bigger subsidy as a result of this contract than the original subsidy.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: The minister can dispute that.

MR. BARRY: Are you out of your mind?

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: Come on! Come on!

MR. FLIGHT: No, Mr. Speaker.

MR. BARRY: The facts are there.

MR. FLIGHT: Mr. Speaker, in 1968 - I will stand on the figures - in 1968 ERCO was paying 2.5 mils.

MR. BARRY: For 10 mils -

MR. FLIGHT: I do not know what it cost in 1968 to generate power in this Province. Can the minister tell me the cost to generate per kilowatt hour in Bay d'Espoir?

MR. NEARY: 2.5 mils.

MR. MOORES: That is right.

MR. FLIGHT: 2.5 mils? I do not know exactly -

MR. BARRY: No, just under 8 mils.

MR. FLIGHT: Just under 8 mils.

MR. NEARY: Not at that time. It was 2.5 mils.

MR. BARRY: I thought you asked me what it cost now.

MR. FLIGHT: Oh, now it is 10 mils.

MR. BARRY: It is just under 8 mils.

MR. G. FLIGHT:

It is just under eight. We will accept - the figures are right enough, Mr. Speaker, to make the case, to make the points we have made.

MR. NEARY:

They are wrong but they are right.

MR. G. FLIGHT:

They are right. The figures are right. Let the minister have a chance to dispute the figures.

MR. L. BARRY:

You are making a point but it is not the point that the subsidy would be greater than it would have been before. We are getting an extra \$146 million.

MR. G. FLIGHT:

That was the first year of the agreement. Talk about the first year of the agreement -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (Baird):

Order, please!

The hon. member has the floor and every hon. member has the right to be heard in silence.

MR. G. FLIGHT:

Mr. Speaker, I do not know - I would accept whatever figure the minister gives me as to what the cost to generate a kilowatt hour of electricity from Bay d'Espoir was in 1968, what it was costing this Province.

MR. L. BARRY:

Just under eight mils.

MR. G. FLIGHT:

1968.

Would the minister hazard a guess?

MR. L. BARRY:

I do not know because I was not here.

MR. G. FLIGHT:

All right, let us say, it was three mils. Let us give the minister the benefit of the doubt.

MR. NEARY:

Two and one half.

MR. G. FLIGHT:

Two and one half mils. So Erco was given the power, Mr. Speaker, in 1980 at cost. In the first year of this new agreement, negotiated by this government that the minister is so proud of, ERCO is being given the power at one-third of the cost of the generation.

SOME HON. MEMBERS:

Hear, hear!

MR. G. FLIGHT:

In 1981, Mr. Speaker, ERCO

is going to pay eight mils. To generate that power, Mr.

Speaker, is going to cost this Province close to thirty mils.

MR. BARRY:

(Inaudible) the first

agreement for 2.5 mils.

MR. G. FLIGHT:

Oh, yes, but let us talk

about this agreement, let us talk about this contract, let

us talk about the big deal -

MR. MOORES:

What is your point?

MR. G. FLIGHT:

Mr. Speaker, in the first

year that this contract was negotiated, ERCC was given power

at cost, 2.5 mils in 1968, at cost, possibly to attract an

industry, possibly for all the reasons but at cost, 2.5 mils.

In this new contract, Mr.

Speaker, ERCO is being given power at one-third of the cost

of generation in this Province today.

MR. MOORES:

Now, there it is.

MR. G. FLIGHT:

There it is. That will tell

you the kind of a subsidy we are going to be looking at for

ERCO, that will tell you, Mr. Speaker, whether this - I

was afraid, Mr. Speaker, I was afraid the word would go out

the way the hon. Premier when he is making a Premier's state-

ment or a Ministerial Statement in this House or a minister

making a statement in this House - I was afraid the word

would go out -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (Baird):

Order, please!

MR. G. FLIGHT:

- and it may well have gone

out, the word may well have gone out that Newfoundland is going

to make \$146 million on the power that we sell to ERCO.

Mr. Speaker, if I do nothing

else I will make sure - and again in supporting the legisla-

tion because the truth of the matter is, of course, if this

legislation were not brought in then the subsidy would

MR. G. FLIGHT: obviously be that much higher.

But, Mr. Speaker, let me say to the minister, in view of the cost to the Province of generation of power over the next thirteen years, Mr. Speaker, I have to ask the minister if any better deal could not have been got. And when he talks about guaranteeing ERCO that no other industrial user coming into this Province would get power less than ERCO is getting it for, I want his assurance, Mr. Speaker, that he is not prepared to sit down with any industrial user or any potential customer or any aluminum plant or anything else and be prepared to talk about supplying power at one-third of the cost of generation in this Province.

Mr. Speaker, let us look at the last year, 1993. We are going to be charging ERCO thirty mils per kilowatt hour. The cost of generation, Mr. Speaker, the minimum, the very minimum cost of generation will have to be around thirty-seven mils. In the last year of this contract, we will be giving ERCO, subsidizing ERCO's energy needs by seven mils per kilowatt hour, around \$5 million in the last year in 1993. And the minister talks about giving ERCO lower rates if somebody else gets lower rates.

SOME HON. MEMBERS: Hear, hear!

MR. G. FLIGHT: The logic defies explanation,

MR. FLIGHT:

Mr. Speaker. We are going to support the bill, Mr. Speaker. And I do not want to take away from the points made by getting on - the minister was tempted to get into some political -

AN HON. MEMBER:

What about that?

MR. FLIGHT:

- points a few minutes ago. He did not do bad, though. He got up and he talked about the bill.

MR. MOORES:

Another Come By Chance.

MR. FLIGHT:

And I believe he would like to have talked about the bill in a way so the message would have gone out that this was a great contract, that now Newfoundland is going to save a lot of money and that this government has saved a lot of money for us.

Well, the contract that this company has just negotiated with ERCO will cost this Province in subsidies over the next thirteen years millions and millions and millions of dollars. ERCO will still survive on the backs of Newfoundlanders -

MR. MOORES:

Hear, hear!

MR. FLIGHT:

- just as much as they ever survived, just as much as they ever survived.

MR. NEARY:

(Inaudible) a week.

MR. FLIGHT:

I am only pointing out, Mr. Speaker, I am only pointing out to the people of Newfoundland what they have a right to have pointed out to them. And this speech of the Premier's here, Mr. Speaker - there is nothing in this, Mr. Speaker, suggesting the kind of subsidy that we will continue to pay ERCO.

So, Mr. Speaker ,

MR. FLIGHT: we should go through those figures again I suppose. I am not sure if the minister -

MR. BARRY: The House Leader will get up (inaudible)

AN HON. MEMBER: Are you ready for this bill?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Baird): Order, please!

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Mr. Speaker, there are some funny points in this bill too. Really funny. There is some indication here somewhere about how ERCO was an industry utilizing our natural resources. Well, Mr. Speaker, I did not know the phosphorus was a natural resource in Newfoundland. Up to this day I did not know the phosphorus was a natural resource. To me saying that ERCO is utilizing a Newfoundland resource would be like saying that we will buy some gasoline from Ultramar, buy some rice from China and make packaged chinese rice.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Mr. Speaker, ERCO is utilizing our natural resource, ERCO Mr. Speaker, is abusing, Mr. Speaker, -

MR. MOORES: Destroying our natural resources.

MR. FLIGHT: - we are paying ERCO, we are paying ERCO to the tune of millions and millions and millions of dollars under this new contract negotiated by the government to use our hydro, to use Newfoundland hydro, to guarantee that the cost of electricity to the average consumer in this Province is far beyond anything he can afford. Now, Mr. Speaker, the people have been demanding, the people have been demanding

MR. FLIGHT: over this last few for the government to do something about the ever escalating cost of electricity, and they have been pointing at ERCO contract as grounds for that argument. Well, they will still have just as much reason to point at the ERCO contract from now to 1983, Mr. Speaker, as they ever had because the subsidy to ERCO under this contract will be just as blatant to the people of Newfoundland as the subsidy was prior to this, Mr. Speaker.

MR. MOORES: And the fact that the subsidy is reduced will not reduce electrical rates.

MR. FLIGHT: And Mr. Speaker, let me ask the House Leader, the senior man, the hon. the President of the Council, the senior man left now that all the rest have fled, let me ask him what does he propose to do, he is going to save \$146 million on the subsidy. The subsidy now instead of being about, instead of being about \$300 million over the next thirteen years, he is going to save \$146 million around that on that subsidy. Now, I want to ask him what he is going to do with that \$146 million. Is he going to give the poor people of this Province a break on their electrical rates? Will he take that \$146 million now and apply it across to subsidize the electric rates of consumers in this Province that cannot afford to pay the kind of rates they are looking at? And as the power escalates, as we get into 70 and 80 and 90 kilowatt hour power -

AN HON. MEMBER: Mil power.

MR. FLIGHT: -90 mil power, as we get into 90 mil power in this Province, will he take the \$146 million that the Premier wants to talk about and apply that to subsidize the cost of that power to the old aged pensioners in this Province,

December 4, 1980

Tape No. 2664

RA - 4

MR. FLIGHT: the people on fixed incomes?

MR. MOORES: Yes or no?

MR. FLIGHT: Will he do that? What does he want to do with the \$146 million? Or will it be plowed back into general revenue to help balance the budget?

MR. MOORES: Buy a few more

MR. FLIGHT: To cut back on hydro bills.

MR. MOORES: Buy a few more flags.

MR. FLIGHT: So, Mr. Speaker, I have made all the points I want to make on the bill. Mr. Speaker, it is a bill in a sense; the bill will serve one purpose, it serves to reduce now our subsidy into ERCO But Mr. Speaker, let no-one be under the mis -

MR. MOORES: Apprehension.

MR. FLIGHT: - misapprehension, let nobody misinterpret this bill,that in the

MR. G. FLIGHT: first year of this contract the best this government could do was to negotiate an agreement that would cost this Province \$11 million. In the second year, in excess of \$11 million; that is the best this government could do. We are subsidizing up until 1985, Mr. Speaker, we are subsidizing this ERCO plant anywhere between \$8 to \$11 million. If Gull Island does not come on, we may be subsidizing them by - it will be out of sight because we will be talking about 100 mil power if we have to generate it by oil. So the ministry and the hon. government had better make sure that the Upper Churchill or the Lower Churchill - they had better make sure, Mr. Speaker, that they are prepared to proclaim that legislation or get Gull Island - Muskrat on stream and into this Province before 1987 because I will guarantee you if they do not the subsidy that we have been paying ERCO up to this point may be nothing to the subsidy we will have to pay under this much touted agreement. Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER (Butt): The hon. member for Placentia.

SOME HON. MEMBERS: Hear, hear.

MR. S. NEARY: Now the dirt will fly, the rubbish.

SOME HON. MEMBERS: Oh, oh.

MR. PATTERSON: You had better go out then if it is rubbish.

SOME HON. MEMBERS: Oh, oh!

MR. PATTERSON: Far be it from me, Mr. Speaker, to enter into any verbal argument with the John Kenneth Galbraith of the opposite side.

SOME HON. MEMBERS: Hear, hear.

MR. PATTERSON: A man of my humble beginnings with little knowledge of economics. would not dare enter into an argument with the member for Windsor - Buchans (Mr. Flight) I think he should be the Minister of Finance, the shadow

December 4, 1980

Tape No. 2565

MB - 2

MR. PATTERSON: minister over there.

SOME HON. MEMBERS: Hear, hear.

MR. W. PATTERSON: I am sure -

SOME HON. MEMBERS: Oh, oh.

MR. PATTERSON: - his Liberal friends up in Placentia district, the few left up there who I did not wipe out in the last election and there were four who ran against me.

SOME HON. MEMBERS: Oh, oh!

MR. PATTERSON: The next election there will be none up there.

SOME HON. MEMBERS: Right on, right on.

MR. PATTERSON: Remember that.

AN HON. MEMBER: Hear, hear.

MR. PATTERSON: Now if the hon. gentleman's knowledge of economics is no better than his of natural resources -

AN HON. MEMBER: No dirt.

MR. PATTERSON: No dirt at all. No dirt. No dirt at all. He talked about the element phosphorus that is used is making liquid phosphorous. You forgot all about the quartz mine up at Dunville.

AN HON. MEMBER: Hear, hear.

Did not know anything about it, boy.

MR. PATTERSON: The people who brought that industry into Newfoundland were a government by inspiration and the Leader was up in the air And who put him up there? We say the Russians had the first man in space, but we had him, and whenever he looked down -

SOME HON. MEMBERS: Hear, hear.

MR. PATTERSON: And wherever that man was at any given particular moment and he looked down, he said a battery plant should go there and a phosphorus plant should go there, and at Come By Chance, an oil refinery, and a rubber plant should go there. Possibly if the rubber plant had been managed it would have been the only safe industry we had.

SOME HON. MEMBERS: Hear, hear!

MR. PATTERSON: I remember well the coming of Come By Chance and I remember well the coming of the ERCO plant and I remember well the steel plant. They all came in September of 1966 . And it was dangerous to go out in the Placentia district without a steel helmet on because your former leader was running around with a bag of dynamite, a fuse and a box and pulling a hose here and a helicopter picking him up and off to Come By Chance and then off to Donovans to the steel plant. Now he was wondering why - you stated there that ERCO Industries was kept before the public. Rightly so, they should have been kept before the public.

SOME HON. MEMBERS: Oh, oh!

MR. PATTERSON: We experienced the pollution problem in Placentia Bay and when that problem was brought to the attention of the government, one of the top men over there, who is not there today but is still a member of the government, said it was the eruption around the fiery ring of the Pacific that reddened the herring in Placentia Bay, they would not admit it was the phosphorus. But this government took the matter by the horns and had this survey done

MR. PATTERSON: and came up with thirty recommendations which ERCO Industries are prepared and are cleaning up.

AN HON. MEMBER: (Inaudible) Crosbie

MR. PATTERSON: I do not know what Crosbie said. But I do not have to get people to put words in my mouth, I will tell you straight. But ERCO Industry was before the public because it was a very contentious issue and, as the Minister of Mines and Energy (L. Barry) pointed out, ERCO was not contributing anything to Newfoundland, but now they are, they are contributing. Is \$146 million better than \$2.00? Is it better or is it not? Do you want us to close ERCO? Do you want us to go out and grab them by the throat and send them back to England? We are not that type of a government. We are looking for a fair deal. We could have gone the whole hog on this.

MR. WARREN: (Inaudible) down in Come By Chance.

MR. PATTERSON: We did not have a thing to do with Come by Chance. It was your buddy, Shaheen, who transferred \$50 million out of it over to his own companies and did not pay for his crude, That is what happened in Come by Chance, my son.

SOME HON. MEMBERS: Hear, hear!

MR. PATTERSON: Now, you might wonder they went \$600 million in debt. A supertanker cost \$20 million. They had one over at Kuwait loading, one on the high seas, one at Come By Chance, that is \$60,000,000 and they turned that around five times and they were \$300,000,000 in debt to Attaca. Now, you want us to go and give that company back to Shaheen again. Is that what you want? Cannot you shed yourselves of the giveaway policies? Can you not get up and shake yourselves?

AN HON. MEMBER: Talk about the bill.

MR. PATTERSON: Never mind the bill. I am talking about Come by Chance, talking about ERCO and talking about the giveaways. But I can assure you that your friend Mr. Hogan in Dunville will not be a bit happy tonight with you people.

SOME HON. MEMBERS: Oh, oh!

MR. PATTERSON: And the few Liberals that are left up there will not be too happy with the member for Windsor - Buchans (G. Flight).

SOME HON. MEMBERS: Hear, hear!

MR. PATTERSON: And this is a great bill, it is a great bill for the taxpayers of Newfoundland. It is a great bill for the people of Placentia district who tonight can go to bed and know that their jobs are secure.

SOME HON. MEMBERS: Hear, hear!

MR. PATTERSON: They did not know that when you fellows were there. And I would say it is a great favour to rabbits in Placentia district, that the flouride has been cleaned up, thanks to this government. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Speaker.

MR. SPEAKER (Baird): The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, first of all I want to deal with a point made by the member for Placentia (W. Patterson) -

AN HON. MEMBER: Why did he make one?

MR. NEARY: - and he did not make very many points. The hon. gentleman gets up and tries to be humourous, but the hon. gentleman during the course of his few brief remarks mentioned that this company had contributed nothing

MR. NEARY: to Newfoundland. Now, let me remind -

MR. PATTERSON: (Inaudible)

MR. NEARY: Mr. Speaker, the hon gentleman said we are going to save \$146 million from a company that contributed nothing to this Province, nothing, absolutely nothing, zilch, zero. Now, Mr. Speaker, the hon. gentleman's constituents would be interested in hearing that statement because I can tell the hon. gentleman I - let me first of all say, Mr. Speaker, that we would not be discussing this matter, there would be nothing to re-negotiate if it was not for the Liberal Government. They would have nothing to -

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Speaker, this is their crowning glory, this is their first success, their first success since 1972. This is their one and only success, renegotiating a contract from a company that was brought in here in 1968 by the Liberals.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Speaker, let me show the House this company has contributed nothing to the economy of this Province. In power alone, electricity, they have paid \$11,826,000. In fuel, oil, crude, fuel, heating fuel and so forth, \$12,335,000, not bad for a company that has contributed nothing to the economy of this Province. In transport, in trucking and the like, \$5,300,000, a great deal of which went to my hon. friend's district, to his constituents, \$5,300,000, Local contractors, a great number of whom are down in that area who will be very unhappy to hear the hon. gentleman say that ERCO has contributed nothing to the economy of this Province, Local contractors,

MR. NEARY:

\$11,028,000,

Supplies, supplies, Mr. Speaker, a great deal of purchases made in that district made in that district and on the Avalon Peninsula and in various parts of Newfoundland. \$15,441,000, Not bad for a company that has contributed nothing to the economy of this Province. Mining, down in the quartz mine the hon. gentleman referred to, \$2,982,000. Local capital, experts and so forth, expertise, consultants and the like since the start-up of production at ERCO, \$17,921,000. Not bad for a company that has contributed nothing to the economy of this Province.

MR. NEARY: Local supplies, experts before start up of production, before she actually started at all. The hon. gentleman refers to a political gimmick, before she started up, not bad for a political gimmick. I wish this crowd had the same record, the same track record, the same success, before start-up \$13,880,000 pre-election goodie for the people of this Province, \$13,880,000

Wages and salaries, Mr. Speaker, and the majority of the employees of that company come from my hon. friends district.

MR. PATTERSON: Wrong again.

MR. NEARY: Oh, the majority of them come from the Placentia area and Trinity Bay and Conception Bay. But listen to this, Mr. Speaker, listen to this figure - not bad for a company that has contributed zero, zilch to the economy of this Province - \$47 million since they started up. The total infusion of money into the Newfoundland economy as a result of this company coming to this Province was \$137,772,000 and - I am not talking about the multiplier effect. Mr. Speaker, all the benefits to the shops down in my hon. friends district, the hotels, the motels, the clubs, the taverns, the beauty parlors, the taxis, teachers, electricians, carpenters, farmers, lawyers and the like - Not bad, Mr. Speaker, for a company who has contributed nothing to the economy of this Province. Provincial income tax alone is \$47 million. I do not know what our share of the federal taxes are. Put it all together and you are talking about a substantial amount of money, Mr. Speaker. You are talking about almost \$200 million of new capital, new money injected into the economy of this Province since that industry started. Now what are we arguing about here today? We are talking about the 2.5 mil rate that

MR. NEARY: was given this company for their electricity and that 2.5 mil rate, Mr. Speaker, rightly pointed out by my hon. colleague, was the cost of electricity generated at Bay d'Espoir at that time. But what happened since then? What happened since then, Mr. Speaker? We had the thermo generating plant up at Holyrood, and who could forecast at that time that the cost of crude, the cost of oil to operate that thermo generating plant was going to take off the way that it did which at that time was \$1.65 per barrel. And so when you mix the two together, when you mix them together then you get a pretty hefty subsidy coming out of the public treasury. But, Mr. Speaker, the former Premier, Mr. Smallwood, the former Premier of this Province, has had to take the rap for all of this. But I am going to tell the House something now that they are not aware of: When the ad was placed in the European papers to try and attract industry to this Province, when that ad was placed it was only put there after much consultation with the officials of the Newfoundland Power Commission, who used to meet down in Joev's house on Roach's Line every Sunday morning—

MR. STAGG: That is not so.

MR. NEARY: that is so!—to go over the energy situation in this Province. And it was on their advice, they told him, Mr. Smallwood, they told him that he would be safe justified in advertising power throughout the world for 2.5 mils to try and attract industry in this Province. There were a lot of other things that he was not told. Mr. Smallwood, although he was a very knowledgeable man and we were surprised that his little head could hold so much, but what could he have forecast that we would need a thermo generating plant at Holyrood at that time. Did they tell him that? No, they did not. The cost of electricity to ERCO was based on the cost of generating that electricity at

MR. NEARY: Bay d'Espoir and that alone, and not on the thermo generating plant, and that is where the hon. gentlemen are confusing the issue.

Now, Mr. Speaker, as a result of that, Mr. Smallwood's name has been dragged down in the gutter and dragged through the mud of this Province by hon. gentlemen, especially the member for St. John's East (Mr. Marshall) who will stand up when I sit down and squirt more poison and more venom across the House because of his hatred for Joey Smallwood. He will not get up and tell us about the great Janeway Hospital that Joey built in this Province, he will not tell us about the great university that Joey built in this Province, he will not tell us about all the vocational schools and the College of Trades that Joey build in this Province, he will not tell us about all the hospitals Joey built, he will not tell us about all the fish plants that Joey built, he will not tell us about the Trans-Canada Highway that Joey built; he will not tell us about all the other things that Joey built, but he will get up and he will squirt his poison - Your Honour wants to -

MR. SPEAKER (Simms): Give the hon. member a chance to think of the other things now.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: I do apologize to the hon. member for LaPoile (Mr. Neary), but pursuant to Standing Order 31(h) and it being 5:00 P.M., I have to inform the House that I have received notice of three matters for debate at 5:30 P.M. when a motion to adjourn will be deemed to be before the House.

Notice is given by the hon. the member for Torngat Mountains (Mr. Warren) arising out of a question asked the hon. the Minister of Education (Ms Verge), subject matter of which is the School Tax Act

MR. SPEAKER (Simms): as it applies to Labrador.

Notice is given by the hon. the member for Grand Bank (Mr. Thoms) arising out of a question asked the hon. the Minister of Justice (Mr. Ottenheimer), subject matter of which is the Ku Klux Klan.

Notice is given by the hon. the member for LaPoile (Mr. Neary) arising out of a question asked the hon. the Minister of Social Services (Mr. Hickey), the subject matter of which is welfare assistance.

The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, I have been told that they are conducting a contest throughout the world to see if there is one person on the face of this earth, one person in the world that the Government House Leader (Mr. Marshall) does not hate, and if they do find one -

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: - they are going to put it into the Guinness Book of World Records.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: It will be a first for the hon. gentleman. He will get up now and he will have to lash out at the former Liberal administration and Joey Smallwood. Well, I only wish, Mr. Speaker, that this hon. crowd had as good a record as Joey Smallwood has in this Province.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: One project only, one only, the Janeway Hospital, as my hon. friend knows and any doctors in this House know, has saved thousands and thousands of lives of children in this Province.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: But do they zero in on that and say God bless him? No! Here is what the Premier of the

MR. NEARY: Province does: I heard him one day on an Open Line programme. A woman called in and she said, 'Mr. Peckford, what do you think of Joey Smallwood?' He said, 'I think he is a pretty good man.' 'But for Joey Smallwood,' the Premier said, 'I would not be where I am today. Only for Joey Smallwood putting the university over there,' he said, 'I would not be where I am today, and I have to thank Joey Smallwood for it.' And the woman said, 'Well, that is great, boy, I am certainly glad to hear you say that. You are a pretty broad-minded fellow and I admire you for that. And the people of Newfoundland admire you for giving Joey a little bit of credit for doing the odd little good thing in Newfoundland.' And so, the conversation ended. But two weeks later, Mr. Speaker, this very same Premier, who is so honest and wants to portray the image of being so intellectually honest and a man of integrity, two weeks later he was on with Michael Harris. And when Michael Harris asked him about Mr. Smallwood, do you know what he said? - only two weeks later. 'The only good thing,' he said, 'that Joey Smallwood did for Newfoundland was to bring Newfoundland into Confederation, and in 1950 he died.' Not bad, Mr. Speaker! Within two weeks the only good thing he did -

AN HON. MEMBER: You must have heard wrong.

MR. NEARY: No, I heard right. I did not hear wrong, I heard right. And we are going to hear it all again in this debate, make no mistake about that, Mr. Speaker. They think they are going to shove it down our throats and shove it up various other parts of our anatomy. I have news for them. The people of this Province are sick and tired and fed up with this crowd dwelling on the past. And they are asking now, even their staunchest supporters are asking, 'Where is your record?

December 4, 1980

Tape 2668

EC - 4

MR. NEARY:

What have you done?'

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

They are saying any government worth its salt, whether it is Liberal or Tory, would have

MR. NEARY:

negotiated the ERCO contract, and I might say, Mr. Speaker, that contract could not have been renegotiated only ERCO voluntarily agreed to renegotiate it. Not only that, but in the process of the negotiations they would not have anything to do with the Premier. The representatives of Albright, Wilson went back to England and said, "Never again are we going to sit down around the table with that arrogant So-and-So that you have leading that Province", and they went home and they had to come back and renegotiate with Vic Young. And that is the truth of it, Mr. Speaker, they would not sit down again with the Premier of this Province, no more than Ottawa will sit down with him or any of the other provinces would sit down with him because of his arrogant, confrontational attitude and it is Vic Young that should get the credit.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Vic Young is the man, if there is any credit - and I do not give him much credit because any government, it does not make any difference which one it was. would have done the same thing. But if there is any credit it should go to Vic Young, and my hon. friend knows that. My hon. friend was told. My hon. friend, the Minister of Mines and Energy (Mr. Barry) was told in no uncertain terms, "We will back and we will -". Mr. Speaker, the irony of it is that the - what was it eight mils they agreed on? The eight mils they agreed on was what ERCO originally suggested to the Newfoundland Government. They voluntarily agreed, they voluntarily agreed to pay eight mils. The only difference in the terms and conditions of the contract was that it escalates faster. That is the only difference, and it could not have been

MR. NEARY: renegotiated but for the co-operation of ERCO. That is a fact. I am still not satisfied myself with the impact of the ERCO plant on the environment but that is another matter. We are not talking about that now. If we were, I would have a few choice words to say about it. But I do want to say this, Mr. Speaker, and I want to try to rivet this home, that the people of this Province are not buying the arguments put up by this government at the present time. They are starting to ask questions; they are starting to demand action; they say, "Let us have less talk and more action. Let us see your record", they are saying. "What have you done since 1972 in this Province?"

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: The only thing they can point to is the renegotiation of the ERCO contract which could not have been renegotiated if the Liberals had not put the industry there in the first place.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: And so, Mr. Speaker, I hope in this debate we will hear none of this childishness that we have been listening to. The people of this Province who are finding it very difficult to cope with the high cost of living, the high cost of electricity, high rents, the effect of inflation and the cost of living, they are unable to cope with it. Young people cannot buy homes.

MR. THOMS: No plow in Lamaline.

MR. NEARY: They cannot clear the roads. Vandalism and crime are on the increase. Small businesses are on the brink of bankruptcy and all we can hear from this crowd is, "Ah, you gave everything away! You gave everything away!"

MR. NEARY: Mr. Speaker, what would they do if they did not have a couple of things to hang their hat on? What would they do if they could not make a whipping boy out of the Upper Churchill, if they could not make a whipping boy out of ERCO-and that one is going to be out of the way now, so there is only going to be one left, the Upper Churchill. Now, what are they going to do then when the people start saying, "Well, hold on now, hold on now. We have heard enough belly-aching about Joey Smallwood and we have heard enough belly-aching about the former Liberal government in this Province? What about you? Where is your record?" They are going to say, "Mr. Premier, produce your record. If you want to have an election, produce your record." And we have heard threats of election in the last couple of weeks in this Province.

AN HON. MEMBER: We will win another.

MR. NEARY: We have heard threats. The hon. gentleman thinks he is home free because he has made a big issue out of the constitution, he has made

MR. NEARY: a lot of fuss about the offshore ownership and the hon. gentelman thinks he is riding high.

SOME HON. MEMBERS: Hear, hear.

MR. NEARY: Well, let me start up in the upper end. Let me start in the upper end and see how high he is riding over all this. The member for St. George's (Mr. Dawe), down the tube in the next election.

SOME HON. MEMBERS: Hear, hear.

MR. NEARY: Be wiped out and any of his foolish, silly, green papers will not save his political scalp in St. George's. The member for Baie Verte (Mr. Rideout), gone.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER: (Butt) Order, please!

MR. NEARY: The member for Stephenville will be annihilated.

MR. SPEAKER: Order, please! Order, please!
I believe the hon. member should be relating his remarks to the bill.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: As a result, as a result of the childishness and the silly nonsense that we have heard from this crowd the member for Stephenville (Mr. Stagc) will be annihilated. The member for Burgeo - Bay d'Espoir (Mr. Andrews) will be wiped out, one term only in this House. The member for Harbour Grace (Mr. Young), Mr. Speaker, -

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

MR. NEARY: . . . who deceived his constitutents over the superport, gone! The member for Port de Grave (Mr. Collins), down the drain,

AN HON. MEMBER: Fortune - Hermitage

MR. NEARY: I have Fortune - Hermitage.

The member for Gander; well, I do not think the lady will run again but if she does down the tube,

MR. NEARY: Humber West (Mr. Baird) is it? Fonze Faour is looking at Humber West with a jaundiced eye, gone! They will be the spoiler in that district. Placentia (Mr. Patterson) where my hon. friend gets up and tells us there are no Liberals left down there, well, I go down there once in a while, I have very good reason to visit that area once in a while: the hon. gentleman, gone! Wiped out, Mount Pearl (Mr. Windsor), gone.

MR. L. THOMS: Baie Verte - White Bay.

MR. NEARY: Pardon? I have Baie Verte - White Bay. One thing they do not like in Baie Verte - White Bay is a turncoat, Mr. Speaker.

AN HON. MEMBER: Do not forget Naskaupi.

MR. NEARY: Ah, Naskaupi (Mr. Goudie) I cannot see my hon. friend there, that is why he does not come to mind. Naskaupi, they may as well forget it, Do not send anybody in there, it is gone! Now, I ask my hon. friend wants to have an election and he has been toying with the idea and throwing it out let us have it, I would say let us have it.

SOME HON. MEMBERS: Hear, hear.

MR. NEARY: Anytime the hon. gentleman -

MR. SPEAKER (Butt): Order, please! I would ask the hon. member for LaPoile to confine his remarks to the bill and I think he is being irrelevant at this time.

MR. NEARY: You notice, Your Honour, I -

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

MR. NEARY: -skipped over Conception Bay South Your Honour, and I did that out of my respect for the Chair and so I am not going to pursue the matter any further, Mr. Speaker, except I want to say this: If the hon. gentleman thinks he is riding so high, I would say let him put his record before the people of this Province.

SOME HON. MEMBERS: Hear, hear.

MR. NEARY: Let him do it. There is no need of an election. The hon. gentleman has only been there eighteen months, eighteen months. He has been a minister in the government for the last seven years. The hon. gentleman has been a senior minister in the Tory government for seven years, he has been Premier for eighteen months, he was Executive Assistant to Mr. Moores for a year and a half or so. I am not advocating an election. There is no need to have an election, no need of it, but I will guarantee you, Mr. Speaker, there is nobody on this side afraid of an election.

SOME HON. MEMBERS: Hear, hear.

MR. NEARY: What is the hon. gentleman going to go into an election with? Is he going to go in and say to the people of this Province, 'Well, here is my record. We renegotiated the ERCO contract, that is my record!'

AN HON. MEMBER: The new flag.

MR. NEARY: Well, I do not think - He may select districts where he can mention the flag, but generally speaking, generally speaking the flag, which cost \$100,000 so far for new flags, is not acceptable to the people of this Province. So, I do not think that would be an issue in the election. The only success, the only item that they can point to in their record is the renegotiation of the ERCO contract. Now, that is something after eight years, Mr. Speaker, that is something after eight years. Because the other issues, the other

MR. NEARY:

items the hon. gentleman is pushing will not be resolved before the next election. The hon. gentleman will lose the argument on the offshore, he will lose that.

AN HON. MEMBER:

He has already lost it.

MR. NEARY:

He has already lost it. The hon. gentleman will lose the constitutional argument. He went over to London and embarrassed Canada. He ignored protocol and tradition and showed the people throughout the British empire that we have a hillbilly running this Province.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (Butt):

Order, please!

MR. NEARY:

A person who is completely ignorant of protocol and of tradition, an embarrassment to Canada, not only Newfoundland but an embarrassment to Canada. And so the only thing they will be able to hang their hat on, the only thing is the fact that they re-negotiated the ERCO contract. Now they cannot go back to the Newfoundland people and say, "Well, look what the Liberals did and we undid it". The Liberals would have done the same thing, we would have re-negotiated. As a matter of fact, Mr. Speaker, let me say this here and now that there is not a contract that exists that we would not try to re-negotiate.

AN HON. MEMBER:

Why did you not?

MR. NEARY:

We did not get an opportunity to do it. We were thrown out in 1972 or we would have done it. That was high on our list of priorities.

But, Mr. Speaker, the point that I am making is it did not have to be re-negotiated for the reasons that my hon. friends are giving. They are again deceiving the people of this Province. It was not Joey Smallwood's fault, it was not the Liberals' fault.

MR. STAGG: Why were you thrown out?

MR. NEARY: We have no control over the price of oil from the OPEC countries.

MR. HISCOCK: We were there for twenty-one years, that is why.

MR. NEARY: And so, Mr. Speaker, I am going to support the bill. I am going to support it.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: I will support any measure, Mr. Speaker, that will reduce subsidies paid out out of the public treasury. But in doing it I am not hanging my head when I do it. I am rather proud to be able to stand in this House and say that I was sitting around the table and responsible - and I make no backdoors about it - responsible for bringing an industry into this Province that we are able to re-negotiate a contract on. If the industry was not there - ah, Mr. Speaker, where is the hon. Premier's record of bringing industry into this Province, creating jobs for our Newfoundland people, creating jobs for the unemployed, where is the hon. gentleman's record? Let him stand up. Do not let the government House Leader get up. Let the hon. gentleman stand up and tell us his track record and stack that up against Joey Smalwood's and let us see where he stands and let the Newfoundland people -

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: - and let the Newfoundland people see the hon. gentleman's track record. Let the Newfoundland people see the hon. gentleman's track record.

MR. MORGAN: Give him twenty years.

MR. NEARY: He has had eighteen months -

MR. MORGAN: Give him (inaudible).

MR. SPEAKER (SIMMS): Order, please!

MR. NEARY: He has had eighteen months. He has not produced one original idea. The first offshore oil

MR. NEARY: rig to come to Newfoundland came in here under a Liberal Government, SEDCO I.

PREMIER PECKFORD: What about all the permits we had to cancel?

MR. NEARY: What did you have to cancel?

PREMIER PECKFORD: Eighteen permits.

MR. NEARY: Ah, there is another little bit of dirt, another little bit of poison, another little bit of deceit that is not true. The hon. gentleman does not lie to the House, he just deceives the House. Ah, I am out of order. I am out of order.

PREMIER PECKFORD: On a point of order.

MR. SPEAKER (SIMMS): Order, please! On a point of order the hon. member for St. John's East Extern.

PREMIER PECKFORD: On the run. On the run.

MR. NEARY: To save the hon. gentleman the trouble, I withdraw it, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Anyway, Mr. Speaker, I know it is useless to stand in this House anymore and try to get the truth across. We have got a crowd up over our head who will swallow anything the Premier tells them. All he has got to do is hold a news conference, pop out a news release. I asked the hon. minister of Social Services (Mr. Hickey) some questions in this House today about undernourished children. Do they invite me to come up and ask me why I asked the minister a question? No. They invite the minister up and then they accept as gospel whatever he says. That is the kind of news reporting we get from this House, Mr. Speaker, one-sided stories, no investigative journalism -

MR. SPEAKER: Order, please!

The hon. member, I would assume, is trying to make a point about the bill.

MR. NEARY: The point I am making, Mr. Speaker, is there is no investigative journalism. If there was, then you would see the other side of the ERCO story go out of this House and not just the Premier's side and the member for St. John's East (Mr. Marshall), the President of the Council who will get up and just squit their poison around and be negative. They came in on a negative note in this Province in 1972 and that is the way they will go out, on a negative note. So, Mr. Speaker, I am going to support the bill and the only reason I am supporting it is because it will reduce the subsidy, the amount of money that is going out of the public treasury.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: And anybody, any government or any Premier worth his salt would have done the same thing.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): The hon. the President of the Council.

MR. MARSHALL: Mr. Speaker, I do not suppose in the annals of parliamentary history that there has ever been such an exhibition of legislative schizizophrenia as we have seen here today.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: We have heard, Mr. Speaker, from the hon. the spokesman for energy on the other side of the House, the member for Windsor-Buchans (Mr. Flight), we have heard from the hon. and the venerable new backbencher on the Opposition side of the House.

PREMIER PECKFORD: An appropriate position.

MR. MARSHALL: They say, Mr. Speaker, they are going to - they say with their mouths that they are going to support and presumably they will vote for this bill, but their mouths show the bitterness and their mouths show their absolute determination to minimize this which is one of the monumental achievements that has been achieved by any government -

December 4, 1980

Tape No. 2672

AH-2

PREMIER PECKFORD:

Hear, hear!

MR. MARSHALL:

- in many years.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

Mr. Speaker, this bill that is before the House for its consideration at the present time is one of the most dramatic turnarounds of a mis-negotiated contract that has ever become before the people of this Province. Mr. Speaker, it is only second to one other measure and that is the measure and the actions that have been taken and will be taken in the future by this government with respect to the giveaway of the Upper Churchill power.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

Mr. Speaker, we see the measure of the Opposition and we see the measure of the Liberal party when we see their bitter attitude towards this particular bill.

Mr. Speaker, despite what the hon. - I am not going to take the hon. member for LaPoile's (Mr. Neary) invitation because I do not really choose to respond to the hon. member for LaPoile (Mr. Neary). But I do wish to go into this matter just a little bit because there were a few things he said that require - they do not really require, I think, an answer, but I think it is of some benefit to go back to a certain stage anyway into the history of about how this colossal mistake came about, if not for anything else but to show the consistency of thought of the members on the opposite side of the House, I suppose, but also, I think, for the purpose of showing how these mistakes come to pass, hopefully in the effort of preventing in some small measure them ever coming to the fore again.

This occurred, Mr. Speaker, in 1966.

December 4, 1980

Tape No. 2672

AH-3

MR. MARSHALL:

The hon. member for LaPoile

(Mr. Neary) indicated that when they placed ads in Europe in 1966, and they invited this industry and other industries presumably, but we are now concerned with the ERCO industry, after consultation with the Power Corporation and they were told it was save, but the fact of the matter is this, Mr. Speaker, and this is an incredible fact which I think that has to be called to light, that this particular industry was installed at Long Harbour around the time when the Bay d'Espoir power project, the power development was being built but before - and incredibly so, Mr. Speaker - before the government of the day knew the actual cost of the power. Now, Mr. Speaker, in case, as I say,

MR. MARSHALL:

people make statements like the hon. the member for Windsor - Buchans (Mr. Flight) the other day getting up and saying the Come By Chance refinery is worth \$100 million; it is being sold for \$15 million, and he comes up with some arithmetic gyrations today that 8 mils is not more than 2.5 mils or 15 mils not more than 2.5 mils or 30 mils.

SOME HON. MEMBERS: Oh, oh!

MR. MARSHALL: But, Mr. Speaker, I refer to an editorial that appeared in the Evening Telegram on April 26, 1968, and I think I will quote from it because, I say, it does have a lesson to be learned. It says, and I quote, "The Telegram, Wednesday, April 23rd" - that is in 1968 - "carried a story in connection with the decision of the Newfoundland Government to subsidize the power requirements of one of the new industries for which it has already made substantial guarantees. The government has made a twenty-five year agreement to provide the Electric Reduction Company of Canada with power for their phosphorus plant at Long Harbour at two and one-half mils per kilowatt hour." And it goes on to say, 'Apparently, the government's agreement with ERCO was made before or while a study of the cost of Bay d'Espoir power was being made by the Newfoundland and Labrador Power Commission. The result of this haste or lack of forethought appears to be the government's obligation to pay the difference between the agreed sale price and the final cost price. It does not sound like a very sensible way of doing things." I refer to this, Mr. Speaker, because the Evening Telegram in its perception of the day, was one of the first groups of people, or the first people to see the danger of this type of contract. But first of all, can you imagine selling power which is generated in the Province before one knows what the power costs? And this is what was done.

MR. MARSHALL: When they discovered that, how were they to pay for it? How was the deficiency to be paid for? Well, this is a little bit laughable because it goes on to say, "Some months ago, in a state of the Province address to the St. John's Rotary Club, Premier Smallwood" - that is the former Premier of Newfoundland; I have no doubt that the member for LaPoile (Mr. Neary) probably wrote that address because he was such a close adviser of him - "Premier Smallwood waxed eloquent about what the government was going to do with the great royalties it expected to get from the sale of Churchill Falls power. The estimated sum of \$20 million was to be hypothecated to various activities amongst other things to subsidize electrical power. However, it must be noted that whatever royalties we get from Churchill Falls," the editorial says, "will not begin to materialize before 1971 or 1972 when the great project in Labrador comes onstream. In the meantime, any subsidies must come from the Province's current revenue whether they originated from provincial or federal sources, and failing that, from borrowing."

MR. NEARY: The Evening Telegram - a great supporter of the Liberals.

MR. MARSHALL: He had great support. I am, Mr. Speaker, referring to facts, the hon. the member for LaPoile (Mr. Neary) should know. I am referring to the fact that ERCO was put - when the hon. gentleman was over here with his hon. leader, he bragged a moment ago about bringing in an industry and he was a party to bringing an industry into this Province, selling them power without knowing what the cost of power was, and at the same time, when this was pointed out, the hon. member and his colleagues then said, 'Oh, we are going to regain this price from Churchill Falls.'

MR. MARSHALL: Now, I mean, that is ridiculous!
What do we get from Churchill Falls? We do not even get
the \$20 million referred to. We got from dividends in
Churchill Falls -

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: (Inaudible).

MR. MARSHALL: I beg your pardon?

PREMIER PECKFORD: That is the idea of the return
(inaudible).

MR. MARSHALL: This is it exactly. I am on the ERCO
bill, Mr. Speaker. I am speaking of the history of the
ERCO bill, and the matter of the Churchill Falls is
peripheral and very relevant to what I am saying.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: The five -

MR. NEARY: (Inaudible) contract.

MR. MARSHALL: Mr. Speaker, I would make it quite
plain, I have a few more words to impart to the hon.
gentleman there opposite tomorrow, so I would adjourn the
debate. I would not wish you to think that I was sitting
down and ceasing to partake of my time.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): The hon. the President of the Council (Mr. Marshall) has adjourned the debate.

It being five-thirty the first matter for debate raised by the hon. the member for Torngat Mountains (Mr. Warren) is the School Tax Act as it applies to Labrador. The hon. the member for Torngat Mountains.

MR. WARREN: Yes, Mr. Speaker, on November the 28th., I asked the Minister of Education (Ms. Verge) - I thought it was a basic, simple question - I asked her why the Happy Valley School Tax Act was changed to the Central Labrador School Tax Act. Now, she gave me an unsatisfactory answer then and, in response today, I do not think she really gave me the answer either.

Mr. Speaker, I want to brief this House on what happened. I believe it was in Section 4, or Subsection 4 of Section 5 of the School Tax Act. It says, "Before any order is made under this section, the minister shall give at least two months' notice by publication in a newspaper that is circulated in the area". Now, that was done, Mr. Speaker, no disagreement at all. However, it also says there that "or by certain things as may be considered adequate of her intentions to submit to the Lieutenant-Governor in Council a proposal to make the order and just state in the notice any observations or objections." Now, Mr. Speaker, the people of Mud Lake on April the 17th. - by the way, this notice came in two months prior to April the 25th. April the 25th. was the deadline for any objections to be in the minister's hands. On April the 17th., sixteen residents in Mud Lake sent in an objection to the minister. Now, knowing that it takes a while for mail to come from Labrador and the deadline date on April the 25th., they sent a telex to the minister outlining these objections in case the minister never got

MR. WARREN: it before the 25th. So, subsequently, an answer came back from one of the minister's staff saying, "We received your letter, we received your telex, we will be in touch with you later". Now, Mr. Speaker, the Premier of this Province and this government have advocated time and time again that this was a government with consultation. "We are going to consult with the people before we make decisions". Well, Mr. Speaker, the next thing the residents of Mud Lake heard - they never got a letter at all from the minister - they did have a letter from the hon. member from Naskaupi (Mr. Goudie) saying that he would bring it to the minister's attention and she will get back to you. But the minister's staff or the minister herself never yet, as of today, got back to the residents in Mud Lake in answer to their objections. Well, Mr. Speaker, the next thing the people in Mud Lake received was a letter from the School Tax Authority, and invoices from the School Tax Authority, saying, "You have to pay \$72 a year". Now, this is what you call a government consulting with the people. There was absolutely no correspondence at all other than saying, "We received your letter", and apparently it must have been received in time so now the people in Mud Lake are asked to pay \$72 a year for School Tax. Mr. Speaker, they are not objecting to paying School Tax; let us not get it wrong. They are objecting to the way this government is operating. They are objecting to the way that this government is trying again to ramrod something down in the people's throats.

MR. HISCOCK: Vinland.

MR. WARREN: Mr. Speaker, in the Vinland schools which govern Southern Labrador and the Northern Peninsula the government has done exactly the same thing. They have done it through the school boards and brought in a tax there

MR. WARREN: without even notices or anything else brought to the attention of the people in the community. So, Mr. Speaker, if the minister has no control over the school boards or has no control over the School Tax Authority, why is the minister making those regulations?

Mr. Speaker, on behalf of the residents in Mud Lake I ask the minister to seriously consider this, because the change in the School Tax Act to Central Labrador School Tax was, number one, because of new industry moving into the area. That was the reason, but there is no industry moved there, there is only industry moved out, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): The hon. the Minister of Education.

MS. VERGE: Mr. Speaker, I have reviewed the records in the department pertaining to this matter and I am satisfied that the proper procedure was followed. The Happy Valley-Goose Bay school tax authority, which comprises as a majority of its members representatives of the Labrador East Integrated School Board, which has somebody from Mud Lake as well as every other community in its territory, and the Roman Catholic School Board for Labrador with the balance of its members coming from municipal governments in the Lake Melville area, initiated a change in the boundaries administered by that authority. And in November of 1979 the authority made to the Department of Education a request to have its name changed to the Central Labrador School Tax Authority and more importantly to have its boundaries extended to take in the communities of Mud Lake, Sheshatshit, North West River and the Lower Churchill Falls development area. The department responded in the usual manner to that request in getting the territory described by the Department of Municipal Affairs, and then in February past publishing in a newspaper circulating in the Happy Valley-Goose Bay area a notice of the intention to make the changes requested by the local school tax authority.

The only comment received from residents of that area was a telegram from the community chairman of Mud Lake which objected to this change. That was received on April 22nd. and that was acknowledged by letter on April 25, 1980. Executive Council then on the recommendation from me, which in turn had originated with the local school tax authority, assented to the changes requested. Not a word has been heard from any of the residents of the Lake Melville area since then and I would submit that the changes to extend the boundaries of that tax authority to take in the communities of Mud Lake,

MS. VERGE: Sheshatshit, North West River were quite legitimate. It is reasonable for the residents of those communities to share the burden of the cost of education the same as the residents of Happy Valley and Goose Bay. Those communities have good schools. I personally have visited the schools at Mud Lake and Sheshatshit and also it was a wise move to take in the territory of the Lower Churchill Falls development area where there is likely to be growth and expansion in a few years.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (SIMMS): Order, please!

The second matter for debate raised by the hon. member for Grand Bank (Mr. Thoms) is the Ku Klux Klan.

SOME HON. MEMBERS: Hear, hear!

MR. THOMS: Mr. Speaker, if I may I would like to be listened to in silence on this matter. Mr. Speaker, I do not want to stand in this House five years from now or ten years from now and to say to the members of this House -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

AN HON. MEMBER: You are pretty cocky, are you not?

MR. THOMS: - and to say to the members of this House, 'I told you so'. It will not be funny, Mr. Speaker, it will not be funny. It will not gather guffaws from the members opposite or from the Minister of Fisheries (Mr. Morgan) when there is a rock thrown through his window because the Ku Klux Klan, Mr. Speaker, their whole reason for being is the supremacy, something that I cannot accept, the supremacy of the white race and the Protestants of this world.

December 4, 1980

Tape No. 2675

IB-3

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (SIMMS):

Order, please!

MR. THOMS:

Mr. Speaker, it is no laughing matter. And maybe this is why, Mr. Speaker -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

The hon. member has requested to be heard in silence. I believe we should give him that right. Every member has that right. The hon. member for Grand Bank.

MR. THOMS:

Maybe, Mr. Speaker, this is why I can turn on the radio and hear the head of the Ku Klux Klan in this nation of ours, maybe it is why

MR. THOMS: I can turn on the radio and hear him say that Newfoundland is fertile ground. Because, Mr. Speaker, I think it is probably the narrowmindedness of this administration that we have seen in relation to the mobility rights of the citizens of this nation and the hatred that I heard very recently on an Open Line show in this city and the venom and the poison that was spewed out over that particular programme against the French Canadian people of this nation. Maybe this is why this chap McWhirther, or whatever his name is, feels that Newfoundland is fertile ground.

Mr. Speaker, the Ku Klux Klan has announced -

MR. STAGG: Prove you are right.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order! Order, please!

MR. THOMS: They have announced -

MR. STAGG: (Inaudible)

MR. SPEAKER: Order, please!

MR. THOMS: And, Mr. Speaker, maybe it would be a good idea if they took the member from Stephenville (Mr. Stagg) and burned him in effigy. Maybe it would be a good idea. It would be one way of getting rid of the man.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: He will be out wearing the white cloak.

MR. THOMS: The people of Stephenville would be doing everybody a favour the same as they did back in 1975 and turf him out.

MR. NEARY: His little beady eyes will be out through that sheet he will have over his head.

MR. THOMS: Mr. Speaker, I happen to think - now do not forget that in other cities of this nation there may have been people like hon. members on the other side who

MR. THOMS: laughed at it; they may have laughed in Vancouver, they may have laughed in Toronto, they may have laughed in the United States originally when the Ku Klux Klan began to organize; they may have laughed then, but are they laughing now? Because the Ku Klux Klan, Mr. Speaker, they do not care how they achieve. The end does justify the -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: All the former card carrying Liberals are over on that side of the House.

MR. THOMS: Mr. Speaker, it is an organization that is based on hatred and they will do anything. They will rape, they will murder, whatever means to achieve their ends they will do it. Now we have enough problems, Mr. Speaker, not the least of which are the Tories in power in Newfoundland. We have enough problems in Newfoundland without members on the opposite side of this House encouraging - and that is what you are doing, by taking them less serious than you should be taking them, you are encouraging them, that hateful organization, that despicable organization to come in this Province and set up. You are encouraging them, that is exactly what you are doing. And when they throw the rock through your window, the hon. member for Burgeo-Bay d'Espoir, (Mr. Andrews) when they throw the rock through his window he will not be laughing, he will not be laughing and none of you will be laughing.

I think, Mr. Speaker, that whatever we have to do, whatever we have to do to keep this organization from getting a toehold in this Province should be done. That is all I am asking, is that every possible means be explored to keep those people out of this Province. We have enough problems and we do not need the Ku Klux Klan.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms):

Order, please!

The hon. the Minister of Justice.

MR. OTTENHEIMER:

Mr. Speaker, I am not sure that there is a great deal extra I can say about the Ku Klux Klan. I made my views known when the hon. member asked me a question a couple of days ago. It seems to have had a great deal of interest in the press and I have been talking on the radio and I have been talking to the newspapers and I am really not sure that there is anything original that I can add. I will make the three or four points that I have already made. Number one, there is today no evidence of any Ku Klux Klan membership or activity in Newfoundland. Number two, certainly if there is any evidence of their presence then we will monitor it very carefully. The provisions of the Criminal Code with respect to public incitement of hatred are obviously the applicable provisions if the situation ever became a reality.

As I said before,

MR. OTTENHEIMER: I really think that this chap McWhirther, whoever he is, talks about coming to Newfoundland, I doubt if the man - I do not know who he is - I doubt if the man knows anything about Newfoundland, has ever been here. I can really think of nowhere in Canada less receptive to that kind of philosophy. I cannot imagine or conceive that there would be any receptivity or sympathy with the principles of that organization in any segment of the population of Newfoundland and Labrador. Finally, what I would say is that, obviously, the situation would be monitored but I feel - I have a great deal of confidence in the common sense of the vast majority of Newfoundlanders and I really cannot see that this organization would, in the foreseeable future - I mean the Lord knows what can happen in any, you know, lengthy period of time - but in the foreseeable future how this organization could have any appeal to people in this Province.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): A final matter for debate raised by the hon. the member for Lapoile (Mr. Neary) is welfare assistance.

The hon. member for Lapoile.

MR. NEARY: Mr. Speaker, as hon. members know, the number of complaints from people who are unfortunate enough to be on Social Assistance through no fault of their own is increasing. The phone calls reaching my office have practically tripled in the last several months. Now, the minister told us today - and it is the same for all other members, I have checked with my colleagues. We are getting calls from - and members on the opposite side were getting calls from members' districts, from Burgeo-Bay d'Espoir. I had one the other day from St. John's West, and they are coming in from all over the place. People are desperate,

MR. NEARY: Mr. Speaker, they are desperate. There are hardship cases in this Province. People are being put out in the street because they cannot pay their rent. Their lights are being cut off because they cannot pay their lights. Increases in rent, they cannot cope with them because of the oil boom syndrome created by this government. Mortgage payments, they cannot cope with them. Food and clothing costs and the cost of footwear, they cannot cope with it, and the people who run the licensed boarding homes cannot give the people who are in these homes, the senior citizens and the sick people, they cannot give them the nourishment and the food that they require. And we have children going to school in this Province under-nourished, and we have people who are under-employed. We have people who are unemployed. We have single men and women who cannot get any assistance at all from the department, and we are told today by the -

MR. HICKEY: There are no children under-nourished.

MR. NEARY: - there are children under-nourished, Mr. Speaker. I had one case today, I have had a case this afternoon of a family in Port aux Basques, a man, his wife and four children. He was laid off on October the 4th. He has not been able to get any assistance because he is entitled to Unemployment Insurance that he has not received yet, and he went today and he said, "I am desperate. If you will give me a week's Social Assistance I will pay it back when I get my Unemployment cheque", and he was refused. He called me, the man practically crying on the phone. Mr. Speaker, I do not accept the minister's explanation that it is all Richard Cashin's fault and it is all the fault of the strike this year. The minister has his budget for the year spent.

MR. NEARY: The minister has his budget spent. He is going to have a deficit this year and he tells us that he cannot go to his colleagues and ask for a Lieutenant-Governor's warrant. That is what he told us today. "I cannot get the money", he said. In the meantime, people are hungry and cold and wet and living in cold homes, and the minister says, "I cannot help them because I cannot go to my colleagues and ask for a Lieutenant-Governor's warrant". Well, he can go and ask for a Lieutenant Governor's warrant to pay \$100,000 for that silly new flag we have in this Province!

AN HON. MEMBER: What?

MR. NEARY: They got a Lieutenant-Governor's warrant recently for \$100,000. Today we heard \$210,000 spent on a Commission of Inquiry to try to find the crooks that had to do with the Department of Public Works spending. That is \$310,000. Then we are told by the Minister of Public Works that he has to put portraits of the Premier around in various public buildings. He has to put Mr. Rostotski's coloured portrait of the Premier

MR. NEARY: in the public buildings. Now, how much is that costing? Did they get a Lieutenant-Governor -

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

MR. SPEAKER (Simms): A point of order, the hon. the member for Harbour Grace.

MR. YOUNG: I would ask the hon. member, when did I say that I had to place portraits of the Premier around public buildings? When?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. YOUNG: He said it. Withdraw the remark.

MR. SPEAKER: Order, please! That is not a point of order. The hon. the member for LaPoile (Mr. Neary) has the floor.

MR. NEARY: Mr. Speaker, we hear about \$1.5 million being spent on a commission report done by the Economic Council of Canada, \$1.5 million of taxpayers' money for a report that the Premier told us should be tossed in the garbage. And did they stop the second phase of that report on the social aspect of the economy of this Province? No, they are letting it go on, another \$500,000, and the minister tells us he cannot get a few paltry dollars to see that the children in this Province, children of families who are unfortunate enough to be forced on social assistance, cannot get enough money to see that they are properly clad, to see that they are properly fed, to see that they go to school with overshoes on their feet. The hon. gentleman cannot find a few dollars for that. But they can find it, Mr. Speaker, for portraits of the Premier, new flags, a Royal Commission of Inquiry, And then this crowd has the gall to come in here from the mainland holding their seminars and saying, 'Oh, Newfoundland, if you have oil do not let it change your lifestyle. Do not change the lifestyle of

MR. NEARY: outdoor privies; do not change the lifestyle of sending your children to school half-hungry and wet. Do not change that kind of lifestyle.' Obviously, the minister subscribes to these people who come in here who have \$200,000 homes on the mainland and two or three cars in their driveways and have \$75,000 a year salaries and probably a \$1,000 dog house.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!
The hon. member's time has expired.

The hon. the Minister of Social Services.

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY: Let me first of all say, Mr. Speaker, that there is one thing which is consistent on the other side, I find, in the last eighteen months, and that is when people are bankrupt of ideas, of constructive suggestions, they attack one man in this House, one man in this Province, the Premier.

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY: And that is a clear-cut example, Mr. Speaker, of being bankrupt of any constructive notions or ideas or policies.

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY: The little tidbit that the hon. gentleman dealt with, the \$1,000 dog house, when he sat down, I will tell him that I will deal with that in another forum at another time and he will regret ever opening his mouth. He might be very close to being in that dog house before too long.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: His brother-in-law knows he has a dog house (inaudible).

MR. MORGAN: I know that.

MR. HICKEY: Is that right? I read the transcript. My brother-in-law said no such thing.

SOME HON. MEMBERS: Oh, oh!

MR. HICKEY: I also read the transcript on some other matters on which I will deal with the hon. gentleman at the appropriate time, but I will not be detracted from the most important issue here, Mr. Speaker, and that is the people that this gentleman talks about, and that this gentleman comes into this Chamber in an effort to try to steal a headline or beg for a headline. You know, the hon. gentleman sets himself up as the great, righteous individual of the poor. Now, Mr. Speaker, I will not go back in history, but history will record my efforts as Minister of Social Services and no doubt they will record the hon. gentleman's efforts as well.

SOME HON. MEMBERS: Hear, hear!

SOME HON. MEMBERS: Oh, oh!

MR. HICKEY: I could be as content, Mr. Speaker -
MR. NEARY: (inaudible)

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

MR. HICKEY: I could be as content -
now, Mr. Speaker, I ask to be heard in silence. I did not open my mouth while the hon. gentleman was speaking and I ask the same treatment.

MR. SPEAKER: Order, please!

MR. HICKEY: If he cannot stand the heat let him get out of the kitchen.

MR. MORGAN: He is almost gone anyway.

MR. HICKEY: If I could be as sure, Mr. Speaker, and as satisfied and as content on any other issue as I am on how history will decide that between us two, then I would be a pretty happy individual.

But let us get to the real issue, Mr. Speaker. The hon. gentleman talks about-a classic

December 4, 1980

Tape 2678

EC - 4

MR. HICKEY: example of how he twists things
around - he just got through saying that I said here today

MR. HICKEY:

that I could not go to my colleagues for any money, that I could not get a Lieutenant-Governor's warrant for more money to feed the poor, to feed the sick and the ill in this Province. I made no such statement, Your Honour. I simply by way of offering information to the hon. gentleman, hoping he might look at it and take it in the constructive way in which it was meant that our budget is tight, that we cannot look at new policies and evaluation of programmes with new policies and improvements for the present year until we get into the new fiscal year and until we get a new supply of money.

Now the hon. gentleman took that, Mr. Speaker, and he twisted it around as if I were to have said that because I cannot do that I am starving people or I am leaving people cold.

MR. NEARY: That is right.

MR. HICKEY: Is that right? Well, let the hon. gentleman be -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (SIMMS): Order, please!

MR. HICKEY: Let the hon. gentleman just stay quiet now and if he wants to have a go at the Late Show next week let him and I will deal with what he has to say. Let me say to any hon. gentlemen opposite that if they know of any cases where undue hardship has been created and ignored by me or my staff let them produce them because, Mr. Speaker, the import of what I said today was simply this - and I will end on this note - notwithstanding the fact that we have a tight budget and notwithstanding the fact that we issued assistance to the fishermen although we have been accused of not issuing it, every single case in this Province of social services is dealt with on the merits of that case. And my budget for special needs, additional assistance, an emergency assistance will have swollen by the end of the year which will reflect that, that I am dealing with the

MR. HICKEY: hardship cases, that I am filling and responding to those needs notwithstanding the fact that I face a deficit. Let me tell the hon. gentlemen when the time is appropriate we will get a Lieutenant-Governor's warrant, and if he wants to compare this government with former governments in terms of how compassionate they are, let me simply remind them that it is not a year ago that we gave a 10 per cent increase to everyone straight across the board when money was pretty darn tight.

So, Mr. Speaker, we will stand on our record as I will stand on mine in comparison to his.

SOME HON. MEMBERS:

Hear, hear!

On motion the House at its rising adjourned until tomorrow, Friday, at 10:00 A.M.