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TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD  
3:00 p.m. - 6:00 p.m.  
MONDAY, DECEMBER 9, 1980

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. the Minister of  
Labour and Manpower.

SOME HON. MEMBERS: Hear, hear!

MR. DINN: Mr. Speaker, the latest statistics  
Canada employment growth figures released recently show  
Newfoundland leading the rest of Canada in employment growth  
for the month of October.

SOME HON. MEMBERS: Hear, hear!

MR. DINN: Newfoundland's employment growth  
rate was 6.2 per cent compared with 5.6 per cent for British  
Columbia, 5.3 per cent for Alberta, 1 per cent for Ontario,  
.5 per cent for Saskatchewan and .2 per cent for Manitoba.

There has been a growth in the  
employed segment of the labour force in Newfoundland in  
each month to date in 1980 as compared to 1979, and I give  
the figures in my release. This means that employment  
growth has averaged 5.37 per cent each month which translates  
into an average of 9,500 jobs per month.

Mr. Speaker, these figures confirm  
what I have been saying all along, that the provincial  
government's commitment of providing 40,000 new jobs over a  
five year period is far ahead of original projections.

SOME HON. MEMBERS: Hear, hear!

For the month of October, 1979  
we had 185,000 Newfoundlanders employed compared with  
197,000 in October, 1980, an increase of 12,000.

SOME HON. MEMBERS: Hear, hear!

Areas such as manufacturing,  
financial-insurance, real estate, commercial businesses,

MR. DINN: public administration and personal services saw significant increases with other areas of the economy remaining stable.

Mr. Speaker, the fact that Newfoundland is leading the rest of Canada in employment growth rate is indicative of the confidence the business community has in this Province, and I am optimistic that this trend will continue for the remainder of this year and into 1981.

Mr. Speaker, in passing this information through you to the people of the Province, I would like to say that the October monthly figure and the figures for six of the ten months show Newfoundland and Labrador has surpassed all other provinces of Canada in employment growth. If the figures for November and December have the same average growth rates then 1980 will be the first year since Confederation, to my certain knowledge, that we have reached this new plateau. This is indeed a great step forward.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

MR. LUSH: Mr. Speaker, we on this side certainly welcome any improvement, any real improvement in the statistics as they relate to the employment growth in the Province, but I must say that the government are really grasping for straws when they get up and comment

MR. T. LUSH:                   on the growth of employment in this Province when we are talking about a 14 per cent unemployment rate and that rate has not changed substantially, Mr. Speaker, since last year at this time. As a matter of fact, I do not have the up-to-date figures but in September of this year compared with September of a year ago, we had just reached the same employment levels, there were fluctuations throughout the year and there was a one percentage point difference in September of 1979 and September of 1980. And the difference was that in 1979 the percentage point was down and in September, as I have said, from over one year ago it has risen by one percentage point.

With respect to the 9,500 jobs, Mr. Speaker, again we are delighted that there were 9,500 jobs created in the total economy, both in government jobs within the Public Service and within the whole range of economic activity in Newfoundland, and that is the focus in which it must be put, that is the perspective in which we must look at it; there were 9,500 jobs. Of course, what the government must direct its attention to is what proportion of these jobs they created. They certainly cannot take credit for the natural growth in the economy and to say that they created 9,500 jobs. But, Mr. Speaker, we on this side certainly take delight in that figure to know that at least there were 9,500 new jobs created in the total labour force, in the total economy of this province. But, Mr. Speaker, to take any great joy in the little increase, I think is certainly being a little bit pretentious. And as the Speaker knows, there is a saying, I think, that says there are lies and there are statistics. But there can be no denying of the figure that there were 9,500 jobs added to the total work force in the year for which the statistics apply and we on this side certainly are delighted about that and only wish that

MR. T. LUSH: the minister could say that there were 15,000 or 20,000 jobs. But thank God for small blessings and we are delighted that there were 9,500 jobs added to the labour force in this Province this year.

MR. SPEAKER (Simms): Any further statements?  
The hon. Minister of Mines and Energy.

SOME HON. MEMBERS: Hear, hear.

MR. L. BARRY: Mr. Speaker, I must say I almost did not get up after that last statement. Does that mean that there are 12,000 of the 40,000 already delivered? Tremendous!

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

MR. L. BARRY: I am sorry, Mr. Speaker.

This statement is being presented to this hon. House, Mr. Speaker, in order to correct certain erroneous information carried prominently by the St. John's newspaper, The Daily News, December 5th, concerning the development of the Hibernia oil discovery on the Grand

MR. L. BARRY: Banks of Newfoundland. The news report under the banner headline "Hibernia Oil No Good for Come By Chance" was a staff report from Ottawa under the authorship of Mr. James R. Thoms. In brief, the report made the following points on which I propose to comment: First, Mobil Oil has "declared" that Hibernia crude cannot be used in Come By Chance without substantial modifications to the plant. These modifications are such that it is suggested that the Newfoundland Government might build a new refinery. The second point I want to comment on is that as a consequence of this so-called declared inability of Come By Chance to handle Hibernia crude, it would be transported to refineries in the Maritimes, Quebec and Ontario and would only be landed in Newfoundland if there is either a new refinery to handle it or Come By Chance is substantially modified. The third point I want to comment on is that pipelines to carry the oil from Hibernia to Newfoundland cannot be used due to the "pouring point" of the crude, whatever that is. Transportation of the crude therefore will have to be by tankers; the article suggested.

Mr. Speaker, the basis of the article was purported to be a disclosure on the part of Mobil Oil to "the federal government" and to "federal officials". In reality, Mr. Speaker, I am informed by Mr. Dory Little, president of Mobil Oil Canada Ltd., that the newspaper article represents a very garbled version of a very general presentation made by him to the Atlantic caucus of the Liberal Party.

In particular, Mr. Speaker, Mr. Little disclaims any special knowledge of Come By Chance and states unequivocally that he did not say that Hibernia crude is unsuitable for Come By Chance. In fact, this suggestion and the supposed need for substantial modifications or a new refinery,

MR. L. BARRY: came from a Liberal member for Nova Scotia at this same Liberal caucus meeting.

Mr. Speaker, while the original design specifications of Come By Chance were based on Kuwait and Agha Jari crudes, the refinery is extremely flexible in its ability to accept various crudes. Recent investigations have failed to identify any "no-go" crudes, any crudes that would not be possible to refine although running what they call pure Bachaquero crude is not recommended due to its high gravity, pour point and viscosity-this is a very heavy crude.

The best crude for Come By Chance from a yield and quality viewpoint is Bonny Light Nigerian. All members will be happy to hear that, I am sure. Investigations have indicated that other crudes which should present no significant yield or quality problems are Alaskan, Suncor, Sour Mixed Bleed, Arabian Light or, Mr. Speaker, Hibernia crude.

In fact, Mr. Speaker, the use of Hibernia crude may present economic benefits over the design crude in a relatively

MR. L. BARRY: higher yield of high value white products, such as naphtho, gasoline, kerosene and so forth and in lessening the need for a higher stack due to the lower sulfur content of Hibernia compared with the design crude.

It must be concluded, Mr. Speaker, that there is no known reason why crude from Hibernia could not be processed in the refinery at Come-By-Chance.

It should be noted, Mr. Speaker, that the design capacity of Come-by-Chance is 105,000 barrels per day, while at its peak, Hibernia will probably produce in excess of 300,000 barrels per day. There will be, therefore, significant exports of crude oil from Newfoundland to other Province of Eastern Canada because there will be more than Come-by-Chance can deal with.

Mr. Speaker, with regard to the development of the Hibernia field and the transportation of crude to shore, both the Provincial Government and Mobil Oil have long realized that several alternative design options exist. For example, production might take by way of fixed ice-resistant structures or through the use of floating movable structures.

In a similar way, transportation of the produced petroleum to shore might be accomplished using either tankers or pipelines.

Now, Mr. Speaker, the eventual choice of which of the production and transportation options are used, will be made by Government - not by Mobil Oil - on the basis of such considerations as safety to persons and the environment, reliability, economics, impact on the fishery and overall benefit to the Province.

At the present stage of knowledge of the Hibernia discovery and the physical environment, we consider all of the above alternative development and transportation concepts to be technically feasible.



MR. L. BARRY: Specifically, with regard to questions raised in the newspaper article with regard to a pipeline, it is acknowledged that the pour point of the crude does present a potential problem. It is a problem, however, Mr. Speaker, to which several technical solutions have already been proposed, such as heating the pipeline, insulating the pipeline and the addition of chemicals to improve the pour point characteristics of the crude.

In fact, Mr. Speaker, this pour point problem will have to be solved, at least in a limited fashion in any event, since there will be crude flowlines in the area of the Hibernia field under any of the development and transportation options. Even if you had tanker traffic bringing it in, there would be pipelines connecting the various wells to the point at which the tankers were loaded. Such flowlines will be subject to the very same crude pour point problems as with a major pipeline to shore.

Mr. Speaker, I want to caution members opposite against too quickly accepting as gospel every argument produced by third parties concerning why one development alternative should be proceeded with, as opposed to another. Companies will engage themselves for, their own purposes, in special pleading. Our government intends to see that the development method most in this Province's interests will be selected by an exhaustive public hearing rather than by political lobbying behind closed doors.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

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

MR. FLIGHT: Well, Mr. Speaker there is not  
much one can say. I thank the minister for the statement;  
however, I did not have it in time enough to prepare a prepared  
answer. It is obvious though, Mr. Speaker, that Mobil Oil  
believes that they have a reason for political lobbying.  
The minister admits that this information came to The Daily  
News as a result of Mobil Oil talking to the Federal Liberal  
caucus of the Atlantic Provinces, so Mobil must feel that they  
have a reason to lobby.

Now, Mr. Speaker, with regards to  
the mentioning of the second refinery being built to use

Hibernia crude, that should not sur-  
prise anybody, Mr. Speaker. We were told in - I think the  
minister was still the Minister of Mines and Energy in 1973  
when this government told us we would have to have a second  
refinery and there were plans made in the Province for build-  
ing a second refinery. The hon. House Leader (W. Marshall)  
will remember that.

Mr. Speaker, with regards to Mr.  
Little saying that he had very little know-  
ledge or no knowledge of Come By Chance, I find that diff-  
icult to understand. Petro Canada is a partner of Mobil on  
the development of Hibernia. And Mr. Speaker, Come By Chance  
can handle one half of the total production of Hibernia and -

MR. BARRY: One third.

MR. FLIGHT: One half of the total production.

One third. It is in the statement.

MR. BARRY:

MR. FLIGHT: Alright, one third; one third of  
the total production. Now, Mr. Speaker, it would seem to me  
that if we are going to get the benefit from offshore that one

MR. FLIGHT: would expect in view of the situation that we have had this government telling us that everything, everything will flow to Newfoundland, then obviously we would expect that the product would be refined in Newfoundland. That is where the jobs are.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: I need not remind anybody anymore, Mr. Speaker, that the reason for establishing the Come By Chance plant in the first instance was not necessarily for the plant itself, but in the hope that a petrochemical complex would be established in the area as a result of the refinery operating.

Now, Mr. Speaker, the minister has not told us, for instance, never made any reference at all to the fact that the main point, in my view of The Daily News story, that the production of Hibernia might end up not coming ashore at all in Newfoundland, never mind by pipeline, but head for refineries on the Eastern Seaboard. I mean this statement is conspicuous for the absence of the minister even addressing himself to that possibility that the oil would come ashore in the Eastern Seaboard.

So, Mr. Speaker, there are obviously reasons, the member for LaPoile (S. Neary) has been up on it for the past few days pointing out and will probably continue to point out that Mobil Oil and this government and the Premier are not seeing eye to eye on lots of things, that Mobil is threatening to set up offices in Halifax

MR. FLIGHT: and that there is an ongoing argument with the government. So, Mr. Speaker, this statement does nothing to clarify or to relieve the fears of the people in Newfoundland who might be starting to believe that there are indeed problems with Mobil, and they may indeed be intending to look at the possibility of setting up their head offices in Halifax where they can look at dealing with somebody who will have less of a confrontational attitude.

Now, Mr. Speaker, as far as the Come By Chance refinery is concerned, it is going to be very difficult for the people of Newfoundland to understand. This again - if the minister is so sure that there is no reason why Come By Chance cannot be updated or the necessary modifications made to handle the Hibernia crude then one would have to ask again why was this government prepared to give PetroCan a deal that had no obligations whatsoever, that put PetroCan in a position, a year down the road, to scrap that plant? Why? Why were they prepared? If this government is prepared to say offshore oil to the extent it can is going to be refined in this Province, the jobs are going to be here in refining, why is it having an oil refinery now, why did we put that refinery in a position so that it could be dismantled by Petro-Canada and have to look at the possibility, if we want to have the benefits of refining our offshore in Newfoundland and creating the jobs in Newfoundland, why do we put ourselves in a position where an oil refinery existing may be scrapped and we would have to look at the possibility of building another one to take advantage of any refining of the crude in Hibernia or any other oil field that might be out there? And, Mr. Speaker, the minister has not addressed himself to that issue in this statement.

MR. SPEAKER (Simms): Further statements?

ORAL QUESTIONS:

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

MR. NEARY: Mr. Speaker, in connection with the statement just made by the Minister of Mines and Energy (Mr. Barry) and other matters that have been bothering the people of this Province through lack of information coming from the government, the people have to depend on stories like they read in The Daily News and from third parties because the government has refused to give this House and the people any information in connection with the production of oil offshore. I would like to ask the Premier, in view of the fact that Mobil Oil have set the target date for producing oil offshore, moved it ahead a year to 1986, will the hon. gentleman indicate to the House if Mobil have presented their schedule, their programme, their plans for production of oil offshore?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, the whole business of what date the Hibernia field, for example, would come onstream is highly speculative at this point in time. It depends upon a lot of factors. While Mobil has indicated to the Minister of Energy and to the Petroleum Directorate certain alternatives that they are looking at, but under the regulations there is a certain procedure through which all companies when they want to go from in an exploration phase to a production phase must follow, part of which was contained in the Minister of Energy's statement as it related to public hearings, environmental assessment and so on, so it is not definitive yet.

PREMIER PECKFORD:

Under the petroleum regulations as promulgated, Mobil has not to this point in time made a presentation in line with those regulations. It was always indicated up to now, and I think it still stands, that sometime in 1981 was the time frame in which it seemed as if Mobil and their partners would be in a position to make the kind of presentation that is dictated under those regulations.

MR. NEARY:

A supplementary.

MR. SPEAKER (Simms):

A supplementary question. The hon. member for LaPoile.

MR. NEARY:

Mr. Speaker, in view of the fact that Mobil seems to be leaning towards transporting the oil by tanker from the well head, and in view of the fact that Mobil are operating under a federal and provincial permit, is it possible for Mobil or anybody else operating under two permits to make a presentation to the Government of Canada and not make a presentation to this government because of their hostile attitude towards Mobil and the other companies, make a presentation to Ottawa for the production of oil offshore and move the oil without approval of this Province, move it by tankers rather than bring it ashore?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

No, Mr. Speaker, not in our view.

MR. NEARY:

Mr. Speaker, a supplementary.

MR. SPEAKER:

A supplementary. The hon. member for LaPoile.

MR. NEARY:

Would the hon. gentleman indicate if it is correct that one permit is equally as good as the other, that Mobil operating under two permits, a federal permit and a provincial permit, that one permit is equally as good as the other and that it is possible for Mobil to make a presentation to the Government of Canada for producing offshore, and indeed may have already made a deal, may have

MR. NEARY: already made a presentation,  
is this possible?

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

PREMIER PECKFORD: Not in our view, Mr. Speaker, because the companies have indicated all along that at the same time as they make an application for an exploration permit with one jurisdiction they will do it with the other, and they have followed that all along. We would hope, and we have no indications to the opposite, that they would not do anything less than that as it came towards getting into the production phase. One could go on to indicate that once the companies have applied under our regulations, because they are so much better than the federal regulations, that they have almost automatically met all and even exceeded a lot of the conditions that they would need for the federal regulations.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: A final supplementary. The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, has Mobil indicated to the Newfoundland government in any way, shape or form that because of their procrastinating on the proof of ownership that this indeed may delay, could possibly delay production of offshore oil because the ownership question is not settled? And how hard is Mobil pushing the Newfoundland government to get this matter of ownership settled as quickly as possible?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, I think it is fair to say that all the companies are extremely concerned, and have been right from the start, about this double jurisdiction situation. And we have said from time to time that during the exploration phase it is not that serious, but as we get closer to a production phase then it does become more serious. So it will depend to a large extent

PREMIER PECKFORD:

upon when Mobil and their partners believe that they are in the position to make a specific application for development. Now, to this point in time, Mr. Speaker, there has not been an application from the consortium for a development permit, and remembering that inherent in that application is a fairly lengthy process of approvals through the environmental assessment, through public hearings under the petroleum regulations and so on, so unless and until they have reached that stage then the concern, although serious, is not to the point where it would stop anything. But as we see more oil flowing, as we see more wells being drilled through the Winter, obviously we are getting closer and closer to the day when the whole consortium has to make an application for development; so that as each moment goes by now, it becomes more and more serious, more serious in the sense that you will not see production as early as you could otherwise have seen it with only one jurisdiction applying.

MR. FLIGHT: Mr. Speaker, a supplementary.

MR. SPEAKER (Simms): A supplementary, the hon. the member for Windsor - Buchans.

MR. NEARY: (Inaudible) without any reference to the Province

MR. FLIGHT: Mr. Speaker, my supplementary grows, really, out of the minister's statement today and it is in keeping with the member for LaPoile's (Mr. Neary) question. Would the Premier confirm for us is it the government's position that all oil produced at Hibernia will come ashore to Newfoundland by tanker - or by a pipeline, however - but that it will come ashore for either refining or storage and transshipment, or is there a possibility that oil from the Hibernia field can be taken from the well head to refineries on the Eastern



MR. FLIGHT: Seaboard without ever coming ashore in Newfoundland?

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

PREMIER PECKFORD: There are two parts to that question. It depends on how involved the hon. member wants to get and what kinds of volumes he is talking about. If you are just talking about the Hibernia oil field, that is one thing. I think the Province and the government would try to -

MR. FLIGHT: That is the only one we know about right now.

PREMIER PECKFORD: Yes, that is right, but there could possibly be others. Now, how quickly they are developed and what regulations would apply is very important because you get into volumes. Now, if you are talking about a production flow of 300,000 barrels a day, under the regulations there would have to be public hearings and the government of the day will have to consider whether in fact it is environmentally, economically, and all the other ways, acceptable to bring 300,000 barrels of oil into Newfoundland, 100,000 barrels a day for Come By Chance and so much for storage or whatever in different places, that is a decision that would have to be made. We would try to maximize as much as we can Newfoundland's involvement in the production of oil offshore. Now, to the extent that that is possible, I do not know. I can not speak in absolutes. Does it mean then that if some day we got into production of 1.5 million barrels a day that all of that would come to the Island of Newfoundland? I do not know. But insofar as it is feasible and possible and we can make it happen, then we are going to try to get as much spinoff from that production offshore as we possibly can. But one must always put a condition on that, that sometime down the road because of its large volumes, it could be

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PREMIER PECKFORD:           just too much for the Province.  
The other thing is that if the  
Newfoundland provincial jurisdiction is acknowledged and  
confirmed, we would hope - and I suppose I speak for any  
government that is going to be here in the next twenty or  
thirty years - we would hope that the provincial government  
of the day, with the jurisdiction confirmed, would ensure  
an orderly development of other fields so that you were not  
at any point in time overheating and

PREMIER PECKFORD:

really destroying your fishing industry and the other things that you would have to look at, so one of the key elements in the whole business of jurisdiction and ownership of the resource like other provinces is this business of being able to pace the development so you do not get into a situation where you would have to see massive exports of your raw material going somewhere else.

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

MR. E. HISCOCK: Mr. Speaker, my question is to the Premier in his capacity as Minister of Intergovernmental Affairs with regard to a news item on the National News last night on CBC that Labrador South Chamber of Commerce inviting Mr. Levesque or some officials to come in and to speak with them and also see if there is any way that they can help them financially. I have asked the House these questions but basically I direct them to the Minister of Transportation. The Labrador South Development Association had a conference this weekend which I attended and which the Minister of National Revenue, Mr. Rompkey, attended, and also Mr. Art Puddister of Puddister's Trading Company, operator of the Northern Cruiser, No member from the provincial government was there.

MR. SPEAKER: Order, please! Does the member have a question?

MR. HISCOCK: The question I want to ask the Premier is how is the Premier treating this situation? Is he treating it as a farce, is he treating it as a serious situation? How is this provincial government in looking upon this invitation that they have given Mr. Levesque to come into Labrador?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, first of all, last weekend myself and the Minister of Rural Development (Mr. Goudie) talked about this situation and the Minister of Rural Development through the weekend tried to get to the

PREMIER PECKFORD: Strait's area for the meeting but was unsuccessful because of weather. I talked to the minister this morning and he can explain to the hon. member the efforts he tried in order to try and get there. That is number one, so we did try to have representation at that meeting. Number two, we view it very seriously. We are ready as a government and have been for a long time, from the time that I was Minister of Rural Development when the first public hearings were held on putting a Coastal Labrador agreement together and travelled down around that coast, the government did, through the Development Associations and other people, to get the input of the local residents for a comprehensive DREE agreement which would include transportation, fishing and hospital and educational facilities and all the rest. That agreement has been, as the hon. member knows, sent to Ottawa for quite some time now and has been approved by everybody except the highest level in Ottawa. We were ready to sign that yesterday but there has been a slowness to do it and there is no indication of when it will be signed. For example, we hear different statements in the press from time to time about, for example, the Minister of Lands and Forests (Mr. Power ), we have had to carry ourselves the money for Forestry this year because a DREE agreement was not signed, the Minister of National Revenue announces it is going to be signed in Grand Falls on the 6th or 9th of January; we called Mr. Debane's office and he knows nothing about it. So the Coast of Labrador agreement is something -

SOME HON. MEMBERS: Oh, oh.

PREMIER PECKFORD: - like that, we do not know when, we have got to wait for the latest press release and then we find from another federal minister that it is not true.

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER (Simms): Order, please!

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PREMIER PECKFORD: We view with a great deal of concern the situation in the Strait's area of Labrador, very great concern. We will try to demonstrate to the

PREMIER PECKFORD: people there and to the communities there that we are doing all we can and that we have our money available today to sign that agreement. And we want the people of the Labrador Coast to be treated no differently than the people of the Island of Newfoundland. That means when you are talking \$30 million or \$40 million for your road, then it should be treated ninety/ten, the same way as other roads on the Island. And I think that the people of the Straits of Labrador deserve the same treatment as the people of the Island of Newfoundland. In that case their roads should be ninety-ten.

MR. NEARY: Rhetoric.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): A supplementary, the hon. member for Eagle River.

MR. HISCOCK: A further supplementary, Mr. Speaker. Since the Labrador DREE agreement is \$47 million, ninety/ten under this agreement will be paid by the federal government, which is something around \$42 million, but under this agreement they said they would only pay fifty/fifty for the Straits Road, which is basically \$5 million. The Premier said he is ready to state - and roads are a provincial responsibility; DREE is basically saying they are not going to go \$30 million for 2,500 people - can the Premier tell me and tell the people in the district now that they have gone back to Ottawa, Ottawa has come to them, will the Premier only say, "No, we are not going to go seventy-five/twenty-five. we are not going to go sixty/fifty, we are not going to go eighty/twenty, we are sticking to our ninety/ten"? Can the Premier answer that question?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Yes, Mr. Speaker, we believe that the Burgeo Road and the Bonavista Loop Road, and the Great Northern Peninsula Road, all of those ninety/ten roads should be done the same way, ninety/ten in the Straits area. There is no reason why it should be done differently. These people should not be

PREMIER PECKFORD: treated any less than the people who lived in Burgeo and Ramea and are in need of a road down there. This is a secondary road and although under the constitution roads are provincial, there has been from time to time DREE agreements on secondary roads to help assist in regional economic expansion to the tune of ninety/ten. We have our ten per cent and we have to, you see, Mr. Speaker, because we have another DREE agreement in the works on roads for ninety/ten for all other secondary roads, roads that in the hon. members' districts, as well as members on this side, and we must ensure that we are fair all the way along the road - all the way along the road, no pun intended - because we do not want to go signing a DREE agreement for the people of Labrador, which - fifty/fifty, and then have to make people in other parts of the Province wait because we are still holding out for ninety/ten. This Province just does not have the money to do it that way.

So we are willing to be a party to a DREE agreement for Coastal Labrador which is the same as the agreements that we have signed in other parts of the Province, fair, equal treatment for all.

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

MR. HISCOCK: Will the Premier as the Minister of Intergovernmental Affairs - when I got elected I tried to get a copy of the Coastal Labrador DREE agreement and I was told by a Conservative Government, and later a Liberal Government in Ottawa, that this was between the Minister of DREE and the Premier or the Minister of Intergovernmental Affairs (Premier Peckford) and I as the member could not get a copy of this agreement. When I went to this meeting in my district this weekend, the supporters of the PC Party ended up coming up with this agreement and it was told at that meeting that they received it from the government side, from the ministers. Could the Premier

MR. E. HISCOCK: inform this House why is it that I, the member, cannot get a copy of this agreement but members of the PC can get it?

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

PREMIER PECKFORD: Mr. Speaker, that was information relating to the roads agreement and not the total DREE agreement itself, because obviously it cannot be the DREE agreement because it is not signed yet.

MR. HODDER: Will the Premier table what he sent out?

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

MR. F. ROWE: Mr. Speaker, Your Honour, was reported on Q-Radio-correctly, I assume, today-as having met with the President of Memorial University regarding the building of a regional college in Grand Falls. And it was reported that everything looks quite optimistic with respect to the building of that regional college. Since I cannot ask Your Honour a question, Mr. Speaker, I have to direct my question to the Minister of Education.

And in view of the fact, Sir, that on August 13th., 1972 it was reported in the Evening Telegram by the then member for Grand Falls, Mr. Aubrey Senior, that a regional college for Grand Falls would go ahead, could the minister indicate to the House, Mr. Speaker, what preliminary or final specifications and plans are on the drawing table now with respect to that regional college and what the start up date is anticipated to be and when the completion date is anticipated to be and when this college will be ready for occupancy?

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



MS. VERGE: Mr. Speaker, no decision has been made as to a start or a go-ahead for another regional college for our Province. This will be a decision to be made by Memorial University in consultation with the Education Department, the Cabinet Committee on university finances, and the whole government. The Cabinet Committee has ongoing discussions with the Board of Regents and the President of the university about the university's desires and plans over the long-term for capital expansion and that process has been a useful one, but no decision has been made for any go ahead for another regional college.

The member for the district of Grand Falls (Mr. Simms) has had several discussions with me and my officials about the need for a regional college in Grand Falls to serve the central region of the Province, and he has argued persuasively as to the suitability of the town of Grand Falls as the site for such a regional college.

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

MR. SPEAKER (Simms): A supplementary, the hon. member for Trinity - Bay de Verde.

MR. F. ROWE: My extreme condolences, Mr. Speaker.

Mr. Speaker, in view of the fact that the President of the Council (Mr. Marshall) said in one T.V. programme a few years ago that the Throne Speech is a very sacred document and outlines the programme for the government for that particular year, I would like to indicate to the minister that in the year of 1972 in the Throne Speech, I quote, "The PC's intend to establish regional colleges in various sections of Newfoundland and Labrador". I was wondering if the minister could indicate the government's plan with respect to that particular programme announcement, in the sacred Throne Speech of that particular day, what plans are developing for a regional college, say, on the South coast, in Labrador, either in the Goose Bay area and/or the Wabush-

MR. F. ROWE: Labrador City area, with respect to Central Newfoundland and the North East coast? What plans are on the drawing board now with respect to this great plan promised in 1972 for a series of regional colleges throughout the Province?

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

MS. VERGE: Mr. Speaker, since 1972 there has been a lot of activity in the area of post-secondary education in the Province. There are a couple or a number of kinds of colleges, I think the kind referred to in the first question posed by the hon. member for Trinity - Bay de Verde (Mr. F. Rowe) was a type of university or a branch of Memorial University the same as the Sir Wilfred Grenfell College in Corner Brook. Another kind of college is as a regional or community college comprising non-university post-secondary programmes such as the Bay St. George Community College in Stephenville.

The Bay St. George Community College in Stephenville has been established over the past number of years. My friend, the member for Stephenville (Mr. Stagg), served as Chairman of the Board of Governors of that college. And that is a model for our Province which is being studied and which will have relevance to others areas of the Province.

MS. VERGE: Under this kind of community college model, existing facilities such as the sixteen vocational schools could be incorporated into a local college having autonomy. And also, of course, the current plans for expanding the senior high school programme will meet some of the needs which have been identified for the young people of the Province in terms of giving them a good, well-rounded education.

R. F. ROWE: A final supplementary, Mr. Speaker.

MR. SPEAKER (Simms): A final supplementary, the hon. member for Trinity-Bay de Verde.

MR. ROWE: Mr. Speaker, I am afraid that the Minister and the administration are creating a monumental monster on their hands. We have, on the one hand, the intention of bringing in Grade XII. We have the foundation year at the university, the junior studies year, we have community colleges, we have regional colleges. What I would like to ask the minister is what exactly do we have with respect to a post-secondary education in this Province? Is it the intention of the minister and the administration to go for basically community colleges, as defined as community colleges, the broader curriculum type of college, or to go for regional colleges which are really, you know, first or second year university types of things?

Obviously, my own choice would be a broader type of a curriculum, but we seem to have a growing monster on our hands now with these four different tentacles going out. What, basically is the government's policy with respect to post-secondary education? Is it going to be community colleges throughout the Province of Newfoundland and Labrador or regional colleges or a combination of both?

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

MS. VERGE: Mr. Speaker, obviously there has to be a combination of post-secondary education opportunities for the people of our Province. There is Memorial University, with its regional college at Corner Brook and its extension programme with possibility for further expansion. There are non-university post-secondary programmes accommodated in the College of Trades and Technology based at St. John's, the College of Fisheries based at St. John's but which has extension courses in about sixty communities around the Province, the Bay St. George Community College, which takes in the old vocational school at Stephenville Crossing and has greatly expanded beyond that and is a model that we are studying for further community colleges of this kind.

We have sixteen vocational schools all around the Province serving every section of the Province. We have a thriving programme of adult and continuing education in just about every community of the Province and we will continue to expand and move in all these directions to adequately educate and train the young people and the adults of our Province.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Mr. Speaker.

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

MR. FLIGHT: Thank you, Mr. Speaker. I wonder would the minister indicate to the House whether or not the first priority will go to Grand Falls for the - you know, there are four or five areas in the Province where regional colleges or community colleges are being talked about. Has the minister made a decision on where the priority is, whether it is Central Newfoundland, the South Coast, Grand Falls, Labrador and would the minister also, while she is

MR. FLIGHT:                   answering that question, indicate since there are two or three versions of various colleges that may be established, which version it was that the hon. hard-working member for Grand Falls (L. Simms) suggested would go into Grand Falls?

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

MS. VERGE:                   Mr. Speaker, the hon. member for Grand Falls has been speaking to me about the need for a branch of Memorial University or a regional college of that university comparable to the Grenfell College in Corner Brook to serve the central region of the Province and to be situated in the town of Grand Falls.

As for community colleges, a la Bay St. George, it is obvious that there is a need for this kind of non-university post-secondary opportunity in a number of regions of the Province. One region which I have stated will be given priority is Labrador. The Central Newfoundland region is another area with the need and the potential for a community college along the Bay St. George Community College model.

MR. FLIGHT:                   But which one has priority?

MR. WARREN:                   Mr. Speaker.

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

Order, please!

MR. WARREN:                Yes, Mr. Speaker, I have a supplementary one for the Minister of Education. Am I left to understand from the Minister of Education that her first commitment for a community college is in Labrador as she said in the Estimates Committee on August 8th, 1979?

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MR. SPEAKER (Simms):

The hon. the Minister of Education.

MS. VERGE:

Mr. Speaker, I have stated that a community college housing non-university post-secondary programmes, these are the ones now given in vocational schools and through adult and continuing education, that

MS VERGE: a need has been recognized for this kind of a college in Labrador and in the Lake Melville area is now a nucleus for this kind of community college. Under this arrangement, existing buildings would be used to the maximum. The emphasis in the development of community colleges is not construction of new buildings, not bricks and mortar, but rather the co-ordination of existing programmes and an administration and policy-making mechanism organized at a local community regional level rather than one emanating from Confederation Building.

MR. WARREN: A supplementary.

MR. SPEAKER (Simms): A supplementary. The hon. member for Torngat Mountains.

MR. WARREN: My final supplementary, Mr. Speaker. In view of the minister's latest comments, could she tell the House whether development into the beginning of a community college in Labrador will begin in 1981?

MR. SPEAKER: The hon. Minister of Education.

MS. VERGE: Mr. Speaker, we have already begun the thinking and planning. There have been ongoing discussions with the principal of the Vocational School at Happy Valley and the regional supervisor for adult and continuing education for Labrador. These people are actively thinking, planning, making recommendations, so a good foundation has already been laid for the creation of a community college in the Lake Melville area.

MR. HANCOCK: Mr. Speaker.

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

MR. HANCOCK: Thank you, Mr. Speaker. I have a question for the Minister of Recreation, Youth and Culture (Mr. Dawe). I have been approached by many moose hunters this past week. Because of the poor weather conditions they

MR. HANCOCK: did not get a chance to get their moose, they could not get in the woods, and they were wondering if the minister would consider extending the season for another week or so especially with the cost of meat those days, Mr. Speaker?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): The hon. Minister of Culture, Recreation and Youth.

MR. DAWE: Mr. Speaker, there is very little we can do about the weather even though in my other reincarnation, as Minister of Environment, I do have some control over those matters but in this case it is probably a federal jurisdiction. I have not been approached by anyone with the request that the member indicated. I am sure that if there were really extenuating circumstances we would entertain it, but I doubt it very much at this late time of the year.

MR. SPEAKER: Order, please! The time for Oral Questions has expired.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

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

MR. BRETT: Mr. Speaker, I wish to table the annual report of the Department of Transportation and Communications for the fiscal year ending March 31, 1980.

MR. SPEAKER: The hon. Minister of Development.

MR. WINDSOR: Mr. Speaker, on behalf of my colleague, the Minister of Finance (Dr. Collins), who is down with the flu, and in accordance with the Financial Administration Act, 1973, I table some special warrants.

MR. SPEAKER: Any further reports?



NOTICES OF MOTION

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

MR. NEWHOOK: I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Municipalities Act."

MR.SPEAKER: Further notices?  
The hon. the Minister of Education.

MS.VERGE: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Education (Teacher's Pensions) Act, No 2."

MR. SPEAKER: Further notices?

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR.SPEAKER: The hon. the Minister of Public Works and Services.

MR.YOUNG: Mr. Speaker, I would like to table an answer to a question asked by the hon. member for LaPoil (Mr.Neary) on December 4th, question 43. The total cost of photographs hanging in public buildings and around the Province. Sir, to my knowledge there is one, Sir, that is hanging in my waiting room outside the office and to date we figure including labour, because we do not know what these men would be doing if they were not framing that picture, and the materials, the total cost is \$35.00. I did see something- one of the hon. members said in the terminal. Sir, we cannot control - Public Works cannot control private advertising. And I must say there is a nice picture of the Premier down there and a constituent of mine, Dr. Dunne, and some children. I do not know the children.

MR.NEARY: There is one out in the Torbay hangar.

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MR. YOUNG: The one at Torbay hangar, I did not see that one, Sir.

The question, Part B, Sir; were public tenders called for these photographs and if not why not? We did not call public tenders for that, Sir, because we had no reason because I felt it was in the Public Tendering Act that we could get this work done in the

MR. SPEAKER (Simms): Any further answers to questions?

PRESENTING      PETITIONS

MR. SPEAKER: The hon. member for the Strait of Belle Isle.

MR. ROBERTS: Mr. Speaker, I

MR. ROBERTS: would like to present a petition on behalf of a number of constituents of mine who live in the community of Raleigh in my district, in the Strait of Belle Isle. There are 210 men and women who have signed this petition.

I think perhaps the most effective way I can present this petition to the House is to read the words which were appended to the petition or which headed up the petition, which, I say at the outset, were not written by me nor by anybody with my urging or guidance, but I think it particularly relevant, given the Premier's eloquent and doubtless sincere remarks in Question Period about the state of the road in Southern Labrador, and we all concur with that.

The petition begins: "Presently there exists a substantial amount of discussion over provincial rights in the Canadian Confederation. It is disturbing to realize that we as a Province are doomed to insignificance and poverty while others have more than they can use." Send a copy of that to Peter Lougheed in Alberta, I would suggest. "Therefore, please reflect for a moment on the plight of an ignored part of our growing Province. On the lonesome Northern Peninsula, the expanding community of Raleigh has been attempting to improve its standard of living. To get to another part of our Province or to visit neighbouring St. Anthony, we must travel a rough and rocky road that stretches for about ten miles. Many people from our community make their daily pilgrimage over this road to work at the fish plant or hospital in St. Anthony. Millions of pounds of fish are carried along this road every Summer. Tourists have even attempted to traverse this road to visit our scenic area.

"We are fortunate that DREE has nearly completed the Northern Peninsula Highway."  
I can add to that that DREE has now let the final contract

MR. ROBERTS: to complete the Northern Peninsula Highway.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: "The only roads upgraded by the provincial government are in P.C. districts or where the citizens have become militant. To us, Mr. Premier, these are facts."

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: "We do not wish to become militant. We should not have to fight our government in a just society."

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: "We have exercised our democratic right in electing our M.H.A. Must we be punished even more because he is not of your party?"

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: Yes, they say, and the truth, Mr. Speaker, is that that is the attitude of the Premier and his colleagues, and these people at Raleigh know it and they are asking for a little justice. We go on, "For years you have been receiving requests for paving the road linking Raleigh with the Northern Peninsula Highway. Your reply has been that the road in question would be completed in a subsequent year. Surely, that year is now here." And if I may add, 'the time has come,' a phrase with which we are familiar.

"We, the citizens of Raleigh, challenge you, Mr. Premier, to demonstrate your impartiality and your concern for the improvement of life in all of our Province "

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: - "and pave the Raleigh road in the Summer of 1981." It is signed, as I have said, Sir, by 210 of the citizens of Raleigh. I would think that is just about every adult person in the community, Sir.

MR. ROBERTS: They support it wholeheartedly, as do I. I can tell Your Honour and the House that what is said in this petition is honestly believed by the people in Raleigh, a belief which I share. I think that one of the saddest and most shameful facets of the record of this administration and of its predecessor - and they are one and the same, Sir, because a rose by any other name smells just as sweet, and a Tory administration by any other name is just as bad - but the record in this respect, Sir, is one of the shoddiest of any aspects of their record. The people of Raleigh and the people of the Northern Peninsula deserve a fair share of the money which the government are spending for the improvement of public services, they are not getting it, Sir, and this is the answer which the people there are going to give - this, and the answer which they have given in the ballot box and, I venture to say, will give when next they are given the opportunity to elect whoever is to speak for them here in this House, Sir. I support the petition wholeheartedly.

SOME HON. MEMBERS: Hear, hear!

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

MR. NEARY: Mr. Speaker, I support the petition so ably presented by my colleague, the member for the Strait of Belle Isle (Mr. Roberts) on behalf of his constituents in the community of Raleigh.

I am disappointed that the hon. the Premier, to whom the prayer of the petition was directed, did not see fit to stand and give some kind of an explanation of why this road has not been upgraded or why these people have been neglected.

Mr. Speaker, the people indicate in the prayer of the petition that government can find money for everything else. Government can find money for coloured photographs, they can find money to pay the Economic Council

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MR. NEARY: of Canada \$1.5 million for a  
report that the Premier dismissed forthright.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: They can find money for all kinds of foolish things, \$100,000 - a special Lieutenant-Governor's warrant for \$100,000 to buy silly flags. And, you know, Mr. Speaker, it is shocking then for us, as members of the House, to hear the people of Raleigh beg and plead to try to get some recognition for a bit of road in their community. I think it is absolutely disgraceful. And no wonder the people down in Southern Labrador are looking to the Province of Quebec for help. It is terrible. If you do not think oil, if you do not talk about oil, then you do not get any recognition in this Province anymore. We have a government that represents urban communities, Mr. Speaker, who are not interested in the rural parts of this Province. I think it is a shame and I support the prayer of the petition.

MR. SPEAKER (Simms): Any further petitions?

ORDERS OF THE DAY:

Motion, the hon. Minister of Municipal Affairs and Housing to introduce a bill, "An Act Respecting The Assessment Of Real Property And The Imposition And Collection Of Certain Taxes In The City Of St. John's," carried. (Bill No. 84).

On motion, Bill No. 84 read a first time ordered read a second time on tomorrow.

Motion, second reading of a bill, "An Act To Provide For The Repeal Of The Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961 And The Lease And Amendments Thereto Executed Under That Act And The Reversion To the Province Of The Rights And Liberties Leased Or Granted To The Lessee Under The Lease." (Bill No. 85)

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, it gives me great pleasure today to begin the debate on this important piece of legislation, another in the series of actions taken by this government over the last number of months to try to indicate to

PREMIER PECKFORD: the people of the Province the way we intend to try to manage and operate, or, as our five year plan has said, how we intend to manage all our resources.

Now, Mr. Speaker, the introduction of this very important piece of legislation is a culmination of efforts over the last fifteen or sixteen months by this government and by people working for this government. I suppose it is fair to say it is not only a culmination of work that has been done in the last year and a half or so, but at least it has been done - a culmination of work that has been done by Newfoundland and Labrador Hydro and ministers of energy over the last four or five years, really, I guess it springs from a frustration that all Newfoundlanders feel, and I am sure I speak for all Newfoundlanders when I say that and all members of past governments who have recongized in the whole Upper Churchill Falls development something seriously wrong.

There was a time, I suppose, Mr. Speaker, when it was thought back in the 1960s that this massive technological achievement, which still stands, technologically and engineeringly is one of the great feats of modern man really as it relates to hydro developments anywhere in the world, including recent developments in the Soviet Union, and it would always stand as a shining symbol of what can be done in a very harsh environment and a very harsh climate. That lasted for only a short period of time and it was unfortunate really that the frustrations that Newfoundlanders and governments have felt over the last several years have sort of obliterated the engineering feat that is contained there. But it has, Mr. Speaker, and this legislation recongizes and reflects an action that has been deliberately decided upon by government after very, very serious consideration, and after many, many years of frustration.



PREMIER PECKFORD: Mr. Speaker, the first specific active movement by a government to do something as it relates to the present Upper Churchill situation was done in 1976. Before that time there were different actions taken, it is true, which in themselves or collectively or together can demonstrate some action towards changing it. But there was a specific action taken in 1976 which I think bears mentioning now which indicated the people of Newfoundland's desire through their government to do something when the government of the day decided to enter into the courts to ask the courts whether in fact the lease agreement entered into with CFLCo a subsidiary then of BRINCO did not give the Province of Newfoundland certain rights of recall beyond the specific amount of recall which was in the power contract. I suppose it is one of the most complicated, complex, intricate arrangements there are and I guess there are a lot of Newfoundlanders around now who still do not understand it, and has to do with the difference between the lease agreement and the power contract. I suppose it would not be a bad idea for me, Mr. Speaker, for me to say that obviously back in the early 60's and in the 50's when this great concept was first seriously thought about, that the first action that had to be taken by the government of Newfoundland was to decide upon whether they themselves were going to try to enter into some kind of an agreement with the private sector or with a corporation for the pursuit of this development and then for the sale of the power after it was developed, or whether they were going to allow somebody else to do it. And I think this is the crucial aspect to the whole development, to the whole problem to the whole situation, and it has been overlooked and this legislation tends to get us back on the rails again to the beginning of this

PREMIER PECKFORD: development and it was when this legislature passed an act which gave a lease to CFLCo, a subsidiary, a wholly owned subsidiary then really of BRINCO, for the development of the Upper Churchill and the sale of power from the Upper Churchill. That was the key document, that was the key agreement, that was the key move; it was the legislature of this Province providing through legislation, a lease to CFLCo. And it was after that lease was given that, of course, with that kind of mandate then CFLCo and BRINCO could go the financial markets of the world and go to Hydro Quebec and try to put together the Upper Churchill Falls development. But the key part of that lease-and so after they did of course go to those financial markets and put it all together and have a development that allowed - in order for that development to get off the ground, CFLCo had to enter into a sale

PREMIER PECKFORD: of power to be generated from that development Westward in order to make the thing financially viable. So there are two key components to this whole operation, to this whole situation. One is the legislation passed in this hon. House which gave the power to CFLCo to develop the Upper Churchill Falls, and to sell the power once it was developed - two separate agreements, two separate components. But in that lease agreement, long before there was a power contract, Part I, Clause 2 (e) of the lease grants to CFLCo 'the right to transmit throughout the Province any electrical power generated as the result of the harnessing of the whole or any part of the Upper Churchill and to export from the Province such power; provided that upon the request of the government consumers of electricity in the Province shall be given priority where it is feasible and economic to do so.' So we do not have to go really beyond that because that is where we are coming - this legislation now that I am introducing now comes right back to that basic thing. And so into the '70s as it became clear that this great energy development, this great symbol of engineering achievement, given the OPEC crisis, given the oil and all the rest of it, that we were really supposedly locked into an agreement for sixty-five years for selling that power Westward at rates around \$2.00 a barrel for oil and reducing down to a \$1.20 per barrel for oil in the last twenty-five years of the sixty-five year length of that agreement, it became clear to all Newfoundlanders that this was not an equitable, fair agreement. And it became clear that whilst it can be argued, I think this is the fairness and equity principle which has come full circle on this thing, I suppose with some justification that the initial price of \$1.80, and it is even hard to argue that when you get down to it, I think it was \$1.80 rather than \$2.00 - oil was selling for \$2.00 a barrel and the original price from day one to day forty years later was

PREMIER PECKFORD:           around \$1.80; so even the original price was below its oil equivalent at that time. So even if one tries to justify the original price -there is some problem with it, but let us say there is not a problem with it, that is is close enough, that is around what the price of oil was - where the great problem comes in is that there were, one, no re-openers on that contract - oh, yes, there were re-openers to reduce the price of it from : \$1.80 all the way down to \$1.20, that as time went on and as we progressed energy prices would go down, not go up. So, number one, there were no re-openers at all for renegotiation and/or there was no clause put in there for escalation of any kind. And I think that is the frustration that Newfoundlanders have felt through the '70s and which was reflected through their government in 1976 when the Government of Newfoundland, after extensive negotiations then with the Province of Quebec and Hydro Quebec to try to come to grips with this, decided that this lease agreement - let us go back to our lease, let us go back to the legislation giving CFLCo the right to develop and sell in the beginning, that surely 'provided that upon the request of the government, consumers of electricity in the Province shall be given priority where it is feasible and economic to do so,' and so the Government of Newfoundland took CFLCo to court, and then latterly, obviously, by definition, Hydro Quebec, to say to the court, 'Is it not reasonable for the Government of Newfoundland to say that it has a legitimate, legal right to demand power from CFLCo now because we are requesting it', and that is the word used in the lease, 'for consumers of electricity

PREMIER PECKFORD:

in the Province and that we be given priority and that it is now feasible and economic to do so. And, of course, the economics and the feasibility of it was proven because of the studies done at that time by the consulting engineers who were doing the work on the Gull Island project and on Muskrat Falls, but primarily on Gull Island, that it was proven that the technology for transmitting the electricity generated at the Upper Churchill from there by transmission line down to the Straits and across the ocean by cable or by tunnel to the Province and, if you remember, Mr. Speaker, at that time the engineering option that was in vogue was to come across the Straits of Belle Isle in a tunnel. The original engineering design for transmission of Labrador power to the Island of Newfoundland was by tunnel, which was the more expensive of the two modes. It has since become possible and technically feasible to transmit that power by cable which is at least 200 million or more dollars less expensive in the transmission of that electricity.

So, therefore, Mr. Speaker, the 1976 action by the government of the day tried to get the courts to validate our claim that this provision in the lease agreement gave us the right to recall and at that point in time the government put in a figure of what they would need because the lease agreement actually says, 'Given priority where it is feasible and economic to do so.' In other words, you would have to demonstrate a need and, of course, we have demonstrated a need that by the time that transmission line could be built and brought to the Province, our need would be around 800 megawatts. So the figure 800 megawatts was put into the court case, into the request to the court.

PREMIER PECKFORD: simply to give a specific amount to reflect a tangible need, not that we could only ever recall 800 megawatts, but that is all we needed and then from time to time, if that court decision was in our favour, that court decision said, 'Yes this does give you the right to recall,' and we could recall, well then at the first instance we would recall 800 megawatts but because sometime in the future we would have more need we could go back and recall from CFLCo whatever it was we could demonstrate we needed. So if it was another 200, two years from that it was another 500, five years from that and so on you could continue to recall over time more and more of the energy as you demonstrated need for that energy within the Province.

And so that was entered into.

Now, simultaneously with that action, because we were frustrated in negotiations, simultaneously with that action, around the same time, we were still talking to the Province of Quebec. We were still talking to the Province of Quebec and to Hydro Quebec. We did not just suddenly snuff them out of the picture altogether and say, 'Well, fine, we are going to court,' and all the rest of it, 'we are not going to talk to you.' We did not suddenly do that. From 1973 until 1980 we have been talking to the Province of Quebec, but when we got to 1976 we had to start taking some action because for three years it was just frustration where Quebec had said they had no intentions at all of talking about the Upper Churchill. But around that time, when the Parti Quebecois came to power, they once again, like their predecessors, like Mr. Bourassa and Mr. Cournoyer, who was the Natural Resources Minister in Bourassa's government, the Parti Quebecois showed a desire to sit down and talk again. Here was a new government ready, a fresh start and all the rest of it and they wanted to now get things going to show that they were different

PREMIER PECKFORD: than the former administration in the Province of Quebec. And so they began to talk. And their initial approach was one of saying to the Province of Newfoundland, 'Let us sit down and deliberate, let us sit down and discuss this whole matter of Labrador development.' And we said back to them, 'Yes that is a good idea, Let us sit down and do it over again.' There had been some talks and some bitter talks between Mr. Crosbie and Mr. Cournoyer; in a meeting they had in Quebec City there had been no agreement, there had been different reports of that meeting. 'Let us sit down and start all over again.' And that was at a time when M. Guy Joran was the Energy Minister in the Parti Quebecois Government. He is no longer the Energy Minister now, he is the Minister of Co-operatives, I think, in the present government in Quebec. He was then Minister of Energy.

PREMIER PECKFORD: So it was agreed between the First Ministers of the two provinces that the Energy Ministers should sit down and discuss this matter. So even though we had, because of our frustration three years before that, for those three years tried to do something, we decided that we had a legitimate interest here under this lease agreement, so we began court action. Simultaneously, a new government came in Quebec and we sat down and we started to talk. So our initial meetings were along the lines that, 'Well, we want to look at this whole matter now of Labrador power developments. We want to look at the Lower Churchill, we want to look at the Upper Churchill, we want to look at the Five Rivers.' And the word and the phrase which the Quebec Government used at that time and continued to use was, 'Okay, we will take a global approach,' - a global approach meaning, and we asked them what they meant and said, 'If you mean this, fine, that the components are at least the following three: Lower Churchill, Upper Churchill, Five Rivers. That will do a fair job on giving you a Labrador power strategy. There might be other rivers and other water to develop. That will give you the major components of any strategy. Fine.' But they came to be in the order of Lower Churchill, Five Rivers and Upper Churchill, the third one being the Upper Churchill.

So we sat down and we started to talk and negotiate. We had our technical advisers from Hydro Quebec and Newfoundland Hydro sitting down at the same time until we had all the data that was possible to get exchanged between the two corporations on the costs, on the feasibility, on whether it would be cable or whether it would be tunnel, how you could link the Romaine and whether it would be diverted into the Upper Churchill reservoir into a separate power house, the whole bit, everything that



PREMIER PECKFORD: it was possible to get was put together over a year, I guess, or more, and we kept talking. And finally we had as much information as we could possibly garner together on the Lower Churchill - on the Gull Island first and, well, we had decided that on Muskrat Falls a more technical feasibility would have to be done. Up to that point in time, there had not been a technical feasibility done of Muskrat Falls - Gull Island, yes, there had been. And we had a good, firm handle on the costs and both engineers and economists of both governments agreed. On Muskrat Falls, no, there would have to be a separate one done, but that would be the second one anyway.

Meanwhile, the Five Rivers. Could you do anything more on Upper Churchill to generate any additional amount of power? Could you do a Romaine diversion back into it? And how about some of those five rivers? That was all gone into.

And then was introduced at that point in time the third component, this Upper Churchill situation. Hydro-Quebec and the Quebec Government insisted at that point in time that 'No, we do not want to talk about the Upper Churchill.' 'But you had agreed a year ago that there would be three components because you talked about a global approach, and let us try to work out some kind of an arrangement based upon this, your desire to get additional power from us' and all the rest of it and the business of the Upper Churchill. We insisted through this whole year or more of discussion that we go into these discussions under the understanding that there must some day be recognized a principle that the people of Newfoundland should have the same rights as the people of other provinces to transmit their energy products and that the National Energy Board really should be the agency. 'If you want to talk we will see what colour your faces are and what kind of

PREMIER PECKFORD: thing you are going to put forward.'

MR. NEARY: When was this?

PREMIER PECKFORD: This was from 1976 onward, 1977, 1978.

And there was no agreement reached because there was not only a reluctance, there was a position on behalf of the Government of Quebec that they did not want to look at the whole Upper Churchill situation, besides which they were not prepared to recognize that a principle was at stake here that had to do with hydro transmission being treated the same as oil and gas transmission. So it did not amount to anything more than that. We compared notes and it came down to a very serious disagreement over whether anything should be done with the Upper Churchill situation and all the rest of it. All that Quebec said was, 'We will let the court case take its course.'

Now, in the meantime, this court case was ongoing during those two or three years and every possible, conceivable, imaginable procedure or obstacle was put in the way of that court case and has been since 1976 to 1980.

So during 1979, after talks had broken off in 1978, we continued still to talk to Quebec in a general way, right up until this present year. After I became Premier of the Province, I talked to Mr. Levesque on many, many occasions about the whole question and there have been communications back and forth and talks and so on, but there has been no agreement on it.

Then, entering into the whole equation came the constitutional discussions and the whole question that if we are going to rearrange this country and make massive changes, well, we had better re-write,

PREMIER PECKFORD:

right some wrongs from the old constitution, and that is the whole question of transmission principle, which then becomes extremely operative. Because if you are going to change the constitution, let us give us the same rights for the transmission of our energy products as you give other provinces for their oil and gas transmission.

And then we decided last year, Mr. Speaker, that we better try to put all of this together. We have a serious problem. We have had to build 150 megawatts at Holyrood, oil fired generation, thirty or thirty-five miles or more per kilowatt hour and rising. It might be up to forty now. That we had to build a Hinds Lake, that we had to build an Upper Salmon, total amount of money about \$318 million, that we have had to spend in this Province to replace really what should be rightfully ours in the beginning, and that is the water at the Upper Churchill. The taxpayers in Newfoundland have had to raise \$318 million through Newfoundland and Labrador Hydro.

So we decided that we should take a very rational, logical approach to try and to look seriously at this whole problem from a legal point of view, and so we have appointed a task force. Meanwhile, Newfoundland and Labrador Hydro, plus their legal counsel here in Newfoundland, Mr. Greene, plus advisers to Newfoundland and Labrador Hydro from other parts of the world had already examined in the minutest detail the lease agreement and the power contract, and it had been their decision, you see, Mr. Speaker, up to that point in time, that we should move, and we should move and in '76 they had decided to move and use that lease condition as the way we should go. Our problem is now in 1979 and 1980, that we were going nowhere with that very legitimate court proceeding, that it would take

PREMIER PECKFORD: another five, six, seven or eight years, nobody will give us anything better than five or six years from this day, from now, before we will have any decision from the courts by the time it goes up through the various courts to the Supreme Court of Canada, which it must ultimately go to.

And so we established a task force now of Newfoundland lawyers, let us get the best minds that we have around, put them on a task force, let them go to work on this problem, examine over again from a Newfoundland viewpoint, Let us just not take the view of the solicitor for Newfoundland Hydro who is a Newfoundlander, let us just not take the view of the three or four internationally reputable law firms who have looked at this, but let us now throw all of their research, let us throw all of their ideas, let us throw all of their legal opinions through the minds of Newfoundlanders who live in Newfoundland, let us throw all of that through them plus let them think about it as well. And so we established a task force and over a year or so they spent a lot of time doing their work and trying to make recommendations to government. And it is only then, Mr. Speaker, out of talks for seven years, out of a court case ongoing now for four years with the predication that it will go on for another five or ten, that we have concluded as a government that we must now - given our energy needs over the next five, ten, fifteen years - that we must move now in an additional initiative to try to shorten the time period when we will have a decision on what we believe is a legitimate argument of ours, that we have the right to the power which is within the boundaries of the Province of Newfoundland and Labrador, and that therefore we have, through this new legislation, albeit that the lease itself has a condition in there for recall based on need, that because that is going to be outstanding the court for such a long

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PREMIER PECKFORD: period of time, that if this  
Legislature, Her Majesty's Legislature has the right to pass  
legislation providing a lease in the first instance, then it  
surely has the right to repeal that lease in the second  
instance, especially after we have tried to negotiate,  
we have swallowed our pride and our principles on transmission  
for years and tried to negotiate both with the Lower Churchill  
and the Five Rivers, and with the Upper Churchill, and that we  
have put in the courts a legal argument that is based upon the  
condition of the lease, all to no avail and if we let the normal  
course of events take their toll we will not see any significant  
changes to the lease or the power contract for a long, long  
period of time. So therefore, we think

PREMIER PECKFORD: we are not only justified that we would not be living up to our responsibilities as legislators and as leaders of the Province if we did not at this point in time introduce this piece of legislation which effectively repeals the lease that this Legislature gave in the first instance.

Now, Mr. Speaker, we did not do that -

MR. S. NEARY: Will you answer a question for me? How come it cost \$318 million -

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

MR. S. NEARY: - to attach these water rights in the Lower Churchill when we were told in the beginning it was \$165 million. I do not understand the figures.

PREMIER PECKFORD: \$318 million is how much it cost to build a thermal unit at Holyrood, plus build Hinds Lake, plus build Upper Salmon-which we would not have had to build if our legitimate rights to recall on the Upper Churchill had been recognized. So we have had to spend an extra \$318 million that we would not have had to spend if we had those rights under the condition of the lease recognized before now, because we would have accessed by need that \$318 million worth of power from the Upper Churchill. But because the court case is lumbering along - well, lumbering along because of the procedural wrangles that are being placed in its way - then we have had to in the meantime borrow \$318 million to keep the lights on all over Newfoundland with the Hinds Lake and Upper Salmon and 150 megawatts at Holyrood which we would not have had to build had we had the legitimate access that we desired through the condition of the lease in the lease agreement of the legislation that was passed here in the late '60's. That is the point.

PREMIER PECKFORD: So here we are here today, Mr. Speaker, with this legislation saying that we have as a Legislature of Newfoundland and Labrador no other alternative. We reluctantly have come to the conclusion we have no other alternative in the best interests of Newfoundlanders but to try to use an additional action which will trigger some decision hopefully, and we believe confidently, in our favour.

Now, there were a number of routes we could have gone, Mr. Speaker, there were a number of routes. But this route was chosen primarily because it was the overwhelming consensus among those people who advise the Government of Newfoundland and Labrador. This was the consensus, that this route had the most chance of success and seemed to be the one that we should move on at this time. Of course, it was only after very serious consideration we did it.

Now then, Mr. Speaker, as soon as we made a decision that we were going to act additionally from what we have already done over seven years in negotiation through a court case started in 1976, then we had to be sure, Mr. Speaker, that what we were doing we could stand the light of day. So then we had to ensure obviously that those people who helped build that magnificent project were going to be covered, that what we were doing was legal, that we were not going to be looked up as some banana republic trying to do things retroactively which you really cannot do, that we were not being irrational in our approach, and so that is why we took that whole year of a legal task force to do it. So we have built into the legislation three important components which I think prove the rational, logical approach and yet dramatic approach that we are taking. One is that we have said that once this legislation is approved and hopefully it will be done very shortly because we want to refer this directly to the highest court in Newfoundland.

PREMIER PECKFORD: We cannot refer it to any other court, Mr. Speaker, we do not have the power. If we could refer it directly to the Supreme Court of Canada, because that would speed up the time, we would do it. But as a Province we do not have the power to do that. We can only refer it to the highest court in the Province, so it will go to the Appeal Court of the Supreme Court of Newfoundland for an adjudication as to its legality. And then once that that court has ruled on it, we will automatically have it appealed to the highest court in Canada. So before any action can flow from this legislation, it has to be tested by the highest Canadian courts.

So, number one, we have shown our responsibility, our sense of fair play, our rational approach by ensuring that its legality is unquestioned by the highest courts in Canada.

And, secondly, we had to cover obviously those people who put a lot of money up front for the development in the beginning. So we have indicated that those financial institutions who have invested into this Upper Churchill project and on which now there is \$400 or \$500 million outstanding, that if this is proven to be legal then we intend to act on it, but we will act in such a way that the investors can either have their money that they are owed or they can agree to a second option and that is to take out new bonds under the new agency which would then have operational control and management of the Upper Churchill Development. One or the other,



PREMIER PECKFORD: they can have the cash or they can have it in new bonds on that development, one or the other.

And thirdly, we had to ensure that the shareholders of the company, CFLCo, were also protected because when you are going to take an action like this, then obviously that company most effected must be protected as well. So we believe that we have in the body of this legislation provided sufficient guarantees, sufficient assurances to the financial community, to the legal community, to governments generally that we are acting in a responsible, rational manner but always in the context of that we believe as a government, we believe as a party, we believe here that this legislation, duly constituted under British law, has the power within its boundaries to manage and control the resources within its boundaries and that includes the water that flows in Labrador. So, Mr. Speaker, there is the skeleton, if you want, there are the major components from my point of view of the whole situation. One, the whole question of we have as a government, even though all Newfoundlanders recognize this to be now an unfair situation that we cannot tolerate for 61 more years under the power contract. It actually goes down, I think, from just under 3 mils to 2.5 mils in the year 2016, and then from there down to 2 mils in the last twenty-five years. So it goes down to \$1.20 per barrel of oil anyway, to a ridiculously low figure and it is equal to about 50 million barrels of oil annually, which is a lot of energy. In any case, Mr. Speaker, there it is. Now, I mean, to add credence to it, if any more credibility needs to be added to the unfairness and the inequitable situation that we find ourselves in, just about everybody in Canada was really surprised to see, as a matter of fact, one of my sort of

PREMIER PECKFORD: arch opponents in Central Canada, the Ottawa Citizen just a couple of days after we introduced this legislation, or at least announced our intentions to introduce this legislation because we are only introducing it, I guess, today through the Ministerial Statement at that time, that even the Ottawa Citizen, in the home of Central Canada - if ever there is a paper which reflects the viewpoint of Ontario and Central Canada it has to be the Ottawa Citizen - and even then in a very, very long editorial acknowledged not only that this was an unfair situation and that the Government of Newfoundland was quite justified in taking the action it was taking, but it even went a step further - I guess it is due, I would like to think it is due to some of our speeches up there and talks with the Ottawa Citizen and their editors last year when we talked to them about this whole question of constitutional change and the transmission principle - they went on to say not only is the Upper Churchill an unfair situation and something has to be done to rectify it, but in addition that the Government of Newfoundland is being frustrated from getting on with \$8 billion worth of construction on the Gull Island and Muskrat Falls because they are not being treated like other Canadians and allowing their electricity to go through Quebec in the same way the gas pipeline goes through Quebec. So when you get that kind of support from the hot-bed of Central Canada, then we either should be extremely scared and run away and not do it, or otherwise take the bull by the horns and say, well, at last we have been able to convert some of our worst enemies, that we do have something fair and reasonable to say and that we are not crazy, outlandish people who somehow are asking and are pleading for something very selfishly and which they really do not have any right to at all. That is the justification, that is the real justification for me when you see that kind

PREMIER PECKFORD: of thing. And I think it is fair to say the Economic Council of Canada in their report even had to recognize the unfairness of this situation, the gross unfairness of it. So here we have it, Mr. Speaker, we are moving. Now obviously, as we have said, since the legislation was introduced it will take, we do not know, we hope, a couple of years, no more than a couple of years before the courts can adjudicate on this because it is so important for our future. But in any event we are taking another bold step to try to right what we believe is a wrong, to try to manage differently in the future what was managed wrongly in the past, to try to bring some sense of fair play and justice and to give Newfoundlanders a chance not only to keep lights on at a reasonable price

PREMIER PECKFORD: but to stimulate industry, to provide dollars in our pockets, to do other things that we would like to do. That is the great thing with hydro power, it is just not a matter of trying to meet your electrical demand and see how many more megawatts you are going to need next year. Hydro power of this magnitude, of this amount means the difference between Newfoundland being a have Province and a have-not Province, that this can trigger so many developments in our Province that it is not even funny. It just boggles the mind what you can do with this.

And it is all linked in with managing your resources. And just imagine today, Mr. Speaker, what our position - we are in a position of power as it is now, there is no question about it, when you can shake the various stock exchanges with the least bit of a rumour as relates to Newfoundland these days - but just imagine the position of power we would be in today, Mr. Speaker, if in fact we were getting a fair deal, a fair amount of economic rent from that resource, what a powerful force we would be in Confederation. Talk about building roads to Raleigh and to St. Lunaire or Griguet or to Cape Onion or to build a road from Lodge Bay to Mary's Harbour or to do the Strait's road or to do anything else - just imagine what we could not do for our people! We would almost be seventh or eighth in Canada. Just imagine being seventh or eighth. I said to a gentleman in Ottawa some time ago when I worked out the mathematics for him; you know, it is like the Hibernia thing, even under the best scenario it would have been 90 per cent of world with our regulations applying, we might have a chance of being have for the ninth, tenth and eleventh years of a twenty year development. So we would have three years, not in the sun, we would have three years in which we produced just as much goods - \$400 million worth - as we are now getting in Ottawa We would

PREMIER PECKFORD: be equal to what we are now, the only difference is that \$400 million of the \$1.3 billion would be created by ourselves. We will be no better but we would be proud because we created it ourselves, that is all. And I was telling this gentleman at the time and when you work with all the mathematics what we are saying is that with a decent kind of arrangement on the Upper Churchill, with our oil and gas resources being treated the same as other oil and gas resources in Canada with these things applying we would have a chance. And please stand back, I said to him, 'Please stand back because this is going to knock you down, this is going to bowl you over because we will show you just how selfish we are being, how greedy we are being. This will mean that perhaps in fifty years we might be number seven in Canada as it relates to per capita earned income, as it relates to all the other economic indicators; we might.'

And that is the kind of criteria, that is the way you have to put it to a lot of people in order for them to understand that all you are asking for is an equal chance and equal treatment. Hopefully these kinds of measures will lead to that eventuality, Mr. Speaker, and allow us to keep our heads up high and to be equal Canadians in every sense of that word.

I am very proud to introduce this legislation today, Mr. Speaker, extremely proud. We are asking for fairness and equity on a situation that has existed over which we have tried every other way to solve it. We are saying to those people who invest in our Province, 'You will be protected and we want you here in this Province for years and decades to come, we want you protected.' And we are saying to the people who own and are part of the company that developed it, 'You are going to be protected, too.' And before we do any of those things we will ensure that it is legal. How more reasonable approach to an

PREMIER PECKFORD: absolutely unbelievable situation as it relates to our resources can a government be, how more rational, how more logical, how more sensible can we be. Meanwhile we labour in inequality, we labour in being number 10 in Canada, we labour in not being able to build all the roads we want to build or build all of the schools, we labour as number 10; and even in that labouring and even while we suffer that indignity, we are saying even though we are in that state, we will be rational and we will be logical. And we will let the power of our methodology, the power of our way of doing things, the power of our rationality, demand that somewhere along the road a year from now or two years from now, justice will be done to us on one of the most unfair, unreasonable situations that any society in this world has ever faced. I move it.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER (Butt): The hon. the Leader of the Opposition.

SOME HON. MEMBERS: Hear, hear!

MR. STIRLING: Thank you, Mr. Speaker. As I indicated when I responded to the Premier's comments, I hoped he would give us the information so that we could support this bill. I am still hopeful that we will be able to get that information. As yet, we have not received the information and although the Premier went into a lot of the background, he did not really come to grips with two or three of the main questions. Because we have to make up our minds, Mr. Speaker, in looking at this legislation, putting it in that total context, are we really saying that the whole purpose of this legislation is to force Quebec to negotiate? Is it as a result of all the frustrations and the legal battles?

For example, the last frustrating step made by the government, as I understand the Premier to say, was to take action in the courts in 1976. The Premier did not say that it was in the Newfoundland court that this action was taken and that - I am not a lawyer and I would not try to move into that territory, but I understand that even the most junior lawyer could have foreseen all of these kinds of things that would have been thrown in the way by Quebec - very basic, normal, natural efforts to postpone any action in the courts. So at the time that they did it they could have foreseen all these delays. Now, is that poor planning, poor advice, utter frustration or just a need to be seen by the public as doing something?

I remember three by-elections that were won in those years on the basis of, 'Give us a strong mandate so that we can show the people of Quebec that we mean business, and then that is the last we heard until this latest, greatest effort.

MR. WARREN: Maybe there will be another by-election.

MR. STIRLING: Now, Mr. Speaker, the Premier is very concerned about his reputation that is abroad, very concerned about articles by people like Charles Lynch, who say that he believes that he is a separatist but he is not the only one and privately so does Premier Hatfield and the Premier of Nova Scotia and that the press reports that came back from London showed him waving his arms. He is so concerned about that image that this is being brought into the House and saying now, look, just to be sure, we do not want anybody to be overly concerned. We have got the Finance Minister (Dr. Collins) down talking to the financial people and we have the Minister of Energy (L. Barry) down talking to the financial people and, listen, do not be afraid of this legislation because before we do anything with it we are going to submit it to the courts.

The question that the Premier has not answered, and he has not even guessed at, is how long is it going to take, how long is this method going to take before it gets through the courts. And really what is the purpose of it? Is the purpose just to force Quebec to negotiate or is the real purpose, the purpose that was set out in the original lease - it is very interesting how they have gone back to that original lease, and say, look, there was nothing really wrong with that contract. That whole concept that Newfoundland came up with with BRINCO, there is nothing really wrong with it because they said 'provided that upon the request of the government consumers of electricity shall be given priority where it is feasible and economic to do so.' So they are going back to the original lease.

And the real question, Mr. Speaker, that the Premier has not dealt with is are we say-



MR. STIRLING: ing to Quebec that not only do we want the 800 - and as the Premier said, that happened to be a figure that was worked out as being economically feasible - but are we saying to Quebec in this legislation that the 800 is what we can now prove that we need and three years from now we want another 200 and five years from that another 500? Are we really saying to Quebec in this legislation we are going back to our original intent and the original intent in the lease, as the Premier puts it out in his material, Mr. Speaker, the original intent was to develop that water into electricity to allow BRINCO to export it,

MR. STIRLING: but always Newfoundland had the first priority. Is that really the intent of this legislation? because the Premier has not told us which way he is going with this legislation. Is it just one more frustrating attempt in his long list of attempts to get Quebec to negotiate?

Mr. Speaker, let us try to put this in its total context, the total energy context. For the future of this Province -and, by the way, it was not too long ago when this Province was talking about the first development would be in Newfoundland, in Newfoundland and Labrador. None of this was going to be exported, Mr. Speaker. First when I came into this House, the Minister of Mines and Energy (L. Barry) and the Premier would not hear of one kilowatt being exported, not a kilowatt, it was all going to be used in Newfoundland. And now we are talking about, well, Muskrat Falls might be used in Newfoundland, or half of the Gull Island development might be used in Newfoundland, and the rest we now want to transport through Quebec.

Mr. Speaker, the Premier has good cause to be concerned about his reputation elsewhere because people read his various statements and from one day to the next you are not sure what he is talking about, because in the very hasty resolution that was brought before this House - it was drafted twelve o'clock or three o'clock or something. It was not ready six o'clock and it was in the House the next day. The resolution on the Constitution, the government in that resolution calls for the free transportation of electrical energy across neighbouring provinces. Is that what you were looking for, Mr. Premier? Because the stories change, the stories change. In the five year plan,

MR. STIRLING: this wonderful five year plan, which is also the government's programme, the five year plan says, 'To enable Newfoundland to move energy for a reasonable fee over Quebec's transmission system.' That is what it says in the five year plan. And the wild exchange of messages with Ottawa calls for a power corridor, so what is - you cannot really be surprised that people trying to get a long range view of what Newfoundland is looking for, as expressed by the present Premier, you have to be concerned about why they have difficulty saying, Oh, this is what he really means, because to the Prime Minister, he will not accept the fact that the Prime Minister writes him a letter and said, look, we are with you. Tell us what you want done. Now, give us some agreement, what is the problem and we will help you transmit your energy across the Province of Quebec. Do you want a power corridor? Or do you believe the resolution, the resolution on the Constitution? That hysterically drafted resolution said free transmission across the Province, and the five year plan says to move energy for a reasonable fee over Quebec's transmission system.

MR. WARREN: That is three concepts.

MR. STIRLING: Three stories. Three concepts. And I suppose if you look at three more documents you will find three more different approaches because it is a question of what are we going to do today, the frustration. We made a recommendation, we made a recommendation, Mr. Speaker, on Friday that said in the total concept if we are going to go with the recall and we are going to get 800 megawatts back tomorrow, or we are going to go with the Lower Churchill development, they recommend Muskrat Falls or if you go with the five year plan that is talking about Gull Island, whichever one you go with it is still going to be five years away from

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MR. L. STIRLING: getting the use of that power unless we start now on the transmission facilities.

And what was the response to the media by the Minister of Mines and Energy (Mr. Barry)? Was the response, 'Oh, well, we do not need to worry about Gull Island or Muskrat Falls because we are going to get this 800 megawatt power back on the Upper Churchill, no problems there'. No, that was not the response from the Minister of Mines and Energy.

MR. L. STIRLING: What was his response? His response was, well, the financial community is not going to put up any money until we have made a decision as to which source we are going to use. After delivering this to the House of Assembly and saying here is the final answer we are certainly going to get back our 800 megawatts of power, no fooling around, it might take a year or two, but he does not have enough confidence, maybe the Premier does not have enough confidence, in this latest piece of legal-whatever it is.

SOME HON. MEMBERS: Oh, oh!

MR. L. STIRLING: Legal attempt, whatever that is. Maybe none of them have any confidence to say, okay, let us have the transmission system started because we are confident that this time we are going to be successful. Last time, true, we acted like a bunch of amateurs. We went to our own Newfoundland court, took our own selves to court. By the way, I noticed that the Premier did not mention as one of the alternatives when he took a look at it, and he did not spell it out, he just sort of touched on it carefully. Let us look at the facts of the matter: fact number one, CFLCo was owned by BRINCO. CFLCo came to the Government of Newfoundland and got a lease to develop the Upper Churchill. And by the way, the Premier in one of his - this is just an aside, just a reminder; the Premier might want to make a note of it. When he was running for the leadership of the party, there was something so dark and sinister in the Upper Churchill at that time that he was going to have a commission of enquiry. He had some little tidbits that he wanted brought out and there was going to be a commission of enquiry just as soon as he got elected; just as soon as he became Premier, a commission of enquiry and then after he was elected said, well, you know we will get around to

MR. L. STIRLING: that one of these days.

MR. NEARY: Cabot Martin told him not to do that.

MR. WARREN: That is almost two years ago.

MR. L. STIRLING: Mr. Premier, I wonder what ever happened Mr. Speaker, whatever happened to that commission of enquiry or the royal commission to look into all aspects? Now, let us get back to the BRINCO deal. What the Premier is telling us is that BRINCO had a lease. BRINCO through CFLCo had a lease. Go ahead and develop this, but if we ever want to get it back based on the feasibility, when it is feasible and economic to do it, we are going to get it back. So then what did this government do in their first frantic frustration of saying, 'We have got to do something, we better do something. The people out there are saying that this PC government has been in office since 1972 and done nothing. We better do something, what will we do? Why do we not nationalize CFLCo?' So they did. But now we are in a position of taking ourselves to court. We are taking ourselves to court. The Newfoundland Government, the Minister of Mines and Energy (Mr. Barry) takes themselves to court. And then Mr. Vic Young, as CFLCo, says, 'No, boys, we are not giving you what you want.' Now, the Premier never touched on the fact, never touched on the fact, that when we gave the original lease, the Government of Newfoundland,

MR. STIRLING: and then CFLCo went on and made a deal with Quebec, that did not bring into it the terms of the original lease. CFLCo made a mistake. CFLCo did something they were not allowed to do. CFLCo did not protect Newfoundland, so what is our option? We could have taken CFLCo, then owned by BRINCO, to court, and then we would have a multibillion dollar outfit to sue. But right now, because of the anxiety of the government to be doing something, anything, we now have a situation where we are taking ourselves to court and of course CFLCo has not got any money. And then when you mention that to them they say, "Well, now, okay, there is provision that if CFLCo has not got the money, Quebec Hydro can take it over and you might see the Fleur de Lys flying over CFLCo. Forget the first mistake." And now, Mr. Speaker, we are in a position of saying, 'Okay, put that aside. We are now going to take back the original water rights.' And, Mr. Speaker, I hope that this succeeds. I honestly hope that this succeeds. But based on this government's past record, we may be in for another four or five years of legal entanglement if on something as simple as the first one they have been in court now for four or five years and got another four or five to go. What indication does the government have that this is ever going to be settled by the court? Because they have indicated to their bond holders that they will not do anything until it gets settled by all the courts, all the appeals and then to the Supreme Court.

Now, Mr. Speaker, I think the government has got to make up its mind. Either this is a bluff - and if it is a bluff we might just as well admit it, Quebec Hydro are the only people who you have to be concerned with the bluff - if this is a bluff as is indicated by the Minister of Finance (Dr. Collins) because I asked him, "Okay, have you got the money in place? Have you been down to see the financial people? Are you going to buy them out?". And

MR. STIRLING: the Finance Minister (Dr. Collins) says, "Oh, this is years away. You do not need to worry about getting the money in place now, that is years away, not a problem now!" I mean, I do not know who they are trying to kid. Or maybe it is again the Premier getting a reading, 'BOY, look the people really do not care what we do as long as we do something. Let us bring in a piece of legislation and let us get tough and let us tell them, boy, you know, if we got the authority somewhere ten years down the road, and we stamp and bang our heads and all that kind of stuff, we may be able to pull the switch on you fellows, you crowd up in Quebec trying to take our resources.

MR. NEARY: He was low on interviews that week.

MR. STIRLING: Now, is this what it is all about? Because, Mr. Speaker, this government is establishing itself quite a record of creating false expectations, of building people up. You just heard the Premier. I could not believe it. I think we should get it out of Hansard and run it through whatever propaganda machine is pumping out those misleading advertisements, the full page ads. Did you hear the Premier - I may have misunderstood him and maybe he is going to be back tomorrow saying, 'Well, that was only for the benefit of the mainlanders up there' - but what he said is that if we get back the Upper Churchill and if we get Hibernia, in about fifty years down the road Newfoundland will be number seven.

SOME HON. MEMBERS: Maybe.

MR. NEARY: Will we still get the equalization?

MR. STIRLING: After creating the impression in the minds of every Newfoundlander that we do not know what he is up to but let us trust him, let us trust the Premier because he acts a little bit like Joe Smallwood and we found we could trust Joe Smallwood, so let us trust him. Let us trust him now to do something and we will follow him. Let us see what he is going to do.



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MR. NEARY:

finger.

Joey got more of a man in his little

MR. STIRLING:

Let us see him now produce.

MR. L. STIRLING: Like the fishermen last Summer, the fishermen who were expecting last Summer that this Premier, this aggressive, forceful Premier, who fights with everybody - 'Give me more responsibility, give me more jurisdiction', off to London, wants more jurisdiction from Zurich or Switzerland or anybody who he can get jurisdiction from, anybody he can meet with; take on Ottawa, take on Quebec - but this little fisheries strike, having to do with the only thing under their jurisdiction, the control of the fish plants, what did he do with it? He waited and waited and waited and then finally when the fish all swam back to wherever they come from, he agreed to do what the fishermen wanted done two months before the strike - set up a Royal Commission.

Now, Mr. Speaker, in doing some of the research on this whole question of the energy, if we take it serious, if we say, 'Yes, the Province is not just running a bluff, not just trying to do a motherhood thing,' trying not to just say, 'Okay, is every Newfoundlander in favour of Newfoundland getting a fair deal', and every Newfoundlander and every Labradorian is, but, Mr. Speaker, in checking it over, doing some of the research on this total concept, it is very obvious that Newfoundland does not have a nickel! Newfoundland, for all of our great and exciting promises of the future - it says that Newfoundland, 'even an indirect exposure of Newfoundland's credit to a risk of this magnitude, would result in Newfoundland itself being unable to issue any further debt for its ongoing requirements.' In other words, Mr. Speaker, that this is such a massive total concept, the business of bringing that energy to the Island of Newfoundland, to developing it in Labrador, we are only kidding ourselves. And the Premier is being most unfair to people if he does not admit what the Lower Churchill Development Corporation

MR. I. STIRLING: admits, and that is the only way that this can be developed, the only way that the total energy concept, the transmission to the Island of Newfoundland, the only way that that can be done - even for the smelter - the only way that that can be done is with a guarantee from Canada.

It does not really make any difference, Mr. Speaker, The Premier should admit, because people are trying to believe in what he is saying, the Premier should admit that unless Ottawa is prepared to introduce special legislation to give the kinds of guarantees that are required for the Lower Churchill, either of the Lower Churchill developments, either Gull Island or Muskrat Falls, neither one of those developments can go ahead, Mr. Speaker, without the absolute guarantee of Ottawa. I am not very proud as a Newfoundlander to have to admit it, but it is phony to try to pretend that it is not true. And no wonder the Premier walks out and cannot sit and take it anymore because the reality of what he is saying to people in creating these unreal expectations is unfair to those people. It is unfair because in a moment as an aside he tells us the truth, is that even with Hibernia, and even with the Upper Churchill, and even with the Lower Churchill, that Newfoundland is not going to blossom tomorrow into a great have province as he has been promising, just give it to him and he can guarantee it.

Because the truth of the matter, Mr. Speaker, is that we have to get away from this high-faluting dreaming that is going on and level with the people of Newfoundland, and get on to creating some jobs and get on to the developing of the fishery and get on to further processing in the fishery, and get on to, for example, starting this transmission line. That can create 2,000 or 3,000 jobs

MR. L. STIRLING: within the next twelve months. So either, Mr. Speaker -

AN HON. MEMBER: It is the same difference.

MR. L. STIRLING: - at the moment it is. Even, Mr. Speaker, if we were to get the okay tomorrow, if Quebec came out tomorrow and said, 'Okay, you can have your 800 megawatts', it is not clear from this legislation is that what we really want. Because it seems to be saying on one hand that we want to exercise our rights under the water lease, and if we are saying that we are now going to take back that lease what we are in fact saying to Quebec is that we are tearing up the original deal. It is true CFLCo and Hydro Quebec have a one-third interest; it is saying, 'It is true that CFLCo that we did give you a lease and we are now taking it back.'

We have to be very careful. No wonder the Premier is concerned about his reputation, and I do not know if the Finance Minister (Dr. Collins) is still in New York -

AN HON. MEMBER: He is gone. He is gone.

MR. STIRLING: - but the problem, Mr. Speaker, is that unless this Province is very careful - it is not just a legal problem, we are going to submit it to the courts for a decision as to whether or not we have the right to tear up an agreement that we made a few years ago. The question is, what is going to be the effect on the financial community? Will anyone ever make a deal with Newfoundland again? And I am sure that the Minister of Energy (Mr. Barry) was very very concerned about this. Will anyone ever make a deal with Newfoundland again because if we do not like the deal three years or twenty years or fifty years later, are we going to tear it up again?

So, Mr. Speaker, the Premier has referred to a number of other alternatives but he has not presented those alternatives. He said that there were other

MR. STIRLING: things, maybe not as dramatic, maybe not as drastic. And now with the federal government prepared to give us the right to indirect taxation, maybe that is another alternative that should be looked at. And when the next speaker gets up for the government side, I hope that they will answer some of the questions. Some of the questions that we need to ask are; What are the alternatives? Did the lawyers really recommend this? Did they say, well, look, go ahead with it but your chances of success are 50/50, 80/20, 20/80? I think that those figures, that kind of information, this House should have. Also from the financial community, do we have letters from the financial houses that say, 'Well, it really is not going to affect your credit rating?' Do we have a guarantee from the bondholders that they are not upset about it? So far we only had it verbally that there was no need to be concerned.

Mr. Speaker, everybody on this side of the House would like to see that Upper Churchill renegotiated, but more important, Mr. Speaker, we would like to see the total energy needs of this Province over the next ten, twenty years brought into some kind of rational basis. Let there be no doubt on this side of the House, Mr. Speaker, the first priority should be for the development of industry and jobs in Labrador. We have made a commitment to the people in Labrador.

SOME HON. MEMBERS: Hear, hear.

MR. G. WARREN: That is more than this government is doing.

MR. STIRLING: No, but this government did. When I say 'we', this House of Assembly, because on both sides we did. We passed a joint resolution a long time ago and this government started off by saying, 'There will not be', and I can remember the Minister of Energy (Mr. Barry) in the discussions that we had first when I came into this House

MR. STIRLING: saying that we are not talking about exporting anything from Newfoundland and Labrador, our total commitment is to get all of this energy used to develop and create the jobs in Newfoundland and Labrador.

And now, Mr. Speaker, we are talking about an option in which we are trying to force Quebec to send all of this power not only out of Newfoundland, not only out of Labrador, not only out of Canada, just completely across the border into New York. So where are our priorities? What happened to the priorities of creating jobs?

MR. NEARY: We are back in the Joey days now, right back to 1963-64. We have turned full circle now.

MR. STIRLING: Mr. Speaker, I think there is a lot of information that we do not have.

MR. STIRLING: We have an indication today that the decision to proceed on either Muskrat or Gull Island has been postponed for another six months, whereas the documents from the Lower Churchill Development Corporation say that a decision on our next energy source must be made by the end of 1980. Now, does that mean that that decision has already been made? Does it really mean that that decision we have not been told about yet, but that that decision has been made and we are going to spend more money on expanding Holyrood because that has not been decided?

Mr. Speaker, I think that there are more questions left unanswered by the Premier in his introduction, many more questions left unanswered than have been answered. There is reference to a Newfoundland Task Force. I think that this House should see the report of that Newfoundland Task Force. We do not know who was on it. We do not know what the time period is for this present legislation. We do not know if they are talking about a year, two years, five years or, in fact, any period of time. The basic question has not been dealt with about whether we are just trying to force Quebec to negotiate or are we, in fact, going back to the original concept of the lease. And the original concept of the lease, Mr. Speaker, was that this hydro-electric development would be for the benefit of Newfoundland and Labrador when it became economically viable. Those questions have not been answered. What is the effect and what will the effect be next year and the following years if this drags slowly through the courts? Does it mean that we do not establish any more credit or we cannot improve our credit system and we are left in the clutches of Alberta? Because, Mr. Speaker, I received a call today from another legislature where they are very much

MR. STIRLING: concerned that we saw here ten days or two weeks ago, with Alberta having a stranglehold on this Province, is already true in Nova Scotia and New Brunswick and other provinces, that Alberta has become the banker for all of the provinces and Alberta is now in a position where no one dares to question anything that they want done, and that we are going to see a question of whether or not the Premier and some of the other premiers were really in a position where they had to take the position they took on the constitution because their banker, Alberta, did not give them any other choice because they now have to come back looking for more money and in order to get it at the preferred rate they have to follow Alberta's lead. That has not been discussed. We have had no answers on why we cannot get on with the transmission facility. We do not know why this government refuses to talk to Ottawa. Their own documentation says that the only way that any of these energy developments, the only way the transmission system can go into place, the only way that the Strait's crossing can take place is with a guarantee from Ottawa. Whichever government is in Ottawa, it has to have a guarantee, otherwise Newfoundland just does not have the possibility to do anything with it.

The five year plan, Mr. Speaker, the five year plan shows that this Province is in debt up to its ears, that it cannot expand any of the public services and that we will be under severe constraints until 1985. Mr. Speaker, that information all comes out of the documentation that the Premier has available and, still, he tries to present to the people of the Province the expectation that this legislation is something that is going to cause Quebec to fall over and play dead and we are going to have 800 megawatts tomorrow and we are going to become filthy rich and we are



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MR. STIRLING: going to be a 'have' Province, and we are going to be able to thumb our noses at the rest of Canada. He is off on an ego trip, Mr. Speaker, and it is time now to be brought back to reality and I hope that the next speaker on the government's side will attempt to do that.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (MR. BUTT): The hon. Minister of Rural, Agricultural and Northern Development.

SOME HON. MEMBERS: Hear, hear!

MR. GOUDIE: Thank you, Mr. Speaker. I want to add my support today to this bill and to congratulate the people associated with all of the work involved in putting the information together, the information which government considered in making its decision leading up to the drafting and the introduction now today of this bill to this hon. House of Assembly. There has been a tremendous amount of work gone into this. The implications, obviously, as the Premier and the Leader of the Opposition (Mr. Stirling) have both indicated, are tremendous implications for the future of this Province and, if I can be a little selfish, parochial, whatever you want to call it today, for the people of my district in particular.

The Churchill River flows through my district, cuts it in half, and holds the future not only to the development of my district, the other resources there for potential development, but for all aspects of life and development, be it social or economic, in Labrador and I would suggest for many parts of the Island part of the Province as well. And that is why I want to lend my support to this bill. It is the key to the resource development of our part of the country. People referred to aluminum smelters, some hon. members referred to aluminum smelters in this debate and in other debates so far, and suggested two possible locations for such an aluminum smelter, the Bay of Islands area of the West Coast or the Lake Melville area of Labrador. And I think someone suggested just a few moments ago, some hon. member, or perhaps two, that the decision had already been made, that the aluminum smelter as it is proposed presently would go to the Bay of Islands area. I do not know where the hon. gentlemen get their information but certainly that decision has not been made by government, it has not -

MR. NEARY: The smelter is not going in channel.

MR. GOUDIE: Well, the hon. member for LaPoile (Mr. Neary) has his channels and government has other channels. And the channels which I have access to indicate that there is no decision at this point in time on the location of the proposed aluminum smelter. There may be the possibility of two or three aluminum smelters. I do not know what the end result is going to be for the Province. But I would suggest that contrary to the type of development rationale which has been used by some former governments in the past, if or when the decision is made to locate an aluminum smelter or some other industry in this Province, it will be based on very rational planning and certainly consultation with the people in the areas to be affected, consultation processes such as are used by this government in funding groups such as the Labrador Resources Advisory Council, who do have a chance to have an input into the development plans of this Province. And that is the way it will continue to operate. As a matter of fact I believe in the five year plan the Premier has indicated point blank that the Labrador Resources Advisory Council will play a very important role in plans formulated by this government for future development in that part of our Province.

MR. NEARY: They are finished, boy, not try to prop them up.

MR. GOUDIE: I am not trying to prop up anyone, Mr. Speaker. They are very capable and do so prop up themselves on various occasions. But there is also a moral obligation in my mind, Mr. Speaker, to change the terms of the present agreement. The people, residents of Labrador and other parts of the Province, are in the news everyday calling for additional services. The hon. member for Eagle River (Mr. Hiscock), although he is not in his seat right now, attended a meeting this weekend in the Strait of Belle Isle area, the Labrador side of the Strait of Belle Isle, discussing the need for \$30 million to upgrade and pave that fifty mile section of road which is on the Labrador side of the Strait of Belle Isle. He was there

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MR. GOUDIE: in company with Mr. Rompkey,  
the member for Grand Falls-White Bay-Labrador. As the  
Premier indicated earlier in the House today, I had tried  
to get to that meeting myself along with some of the staff  
of my department, and went on an incorrect assumption in this  
particular case that the

MR. GOUDIE:

weather in Labrador would be better than it would be on the Island part of the Province, and as it turned out that is not the way it was and as a result I was storm bound in Labrador for two days. However, I will get there and present our side of the story and present some facts which we have tabulated in writing at the moment for the consideration of the people on the Strait of Belle Isle. But services in Labrador are being sought by every community, water and sewer services, roads, bridges and so on. I had the opportunity, by the way, of driving across the bridge at North West River on Saturday, the bridge which has just recently been completed, through joint funding of the federal-provincial governments 90/10 cost sharing, I might add, and this particular bridge will be a very valuable asset to that community. It may very well in the future, if BRINEX can prove certain facts, it may very well lead to another very valuable resource development eighty-five or ninety miles North East of North West River and that is the uranium resources of the Kitts-Michelin deposits and other deposits which are being located in that part of Labrador. Air transportation, Mr. Speaker, a very vital element in the development at Labrador, presently we are serviced on the Coast of Labrador by single engine fixed-wing aircraft, Beaver and Otter of 1958 and earlier vintage, hardly safe in some ways, mechanically safe for transportation although Labrador Airways is doing a commendable job in providing that service, but it would seem to me that an alternate and very viable practical type of transportation on the Coast of Labrador would be by the Sikorsky or larger helicopter aircraft to provide

MR. J. GOUDIE: the service to the people of Labrador who are isolated from each other by communities through lack of an adequate air transportation system. And, of course, the Trans-Labrador Highway, the proposed Trans-Labrador Highway, already suggested by this government in a proposed DREE agreement, which has not been dealt with to any great extent yet by the federal government but hopefully will be soon because it is something that is badly needed. The efforts under way initiated by my colleague the Minister of Mines and Energy (Mr. Barry) when he was Minister of Industrial Development in relation to year around shipping in and out of Labrador via Lake Melville as one of the possible locations for what has been referred to as Port Labrador, another great, vital component to the development of Labrador in its future. All of these things, Mr. Speaker, require massive inputs of money. Just as an example, three years ago the price tag attached to the Trans-Labrador Highway when it becomes a reality was in the vicinity of \$530 million. This Province right now obviously cannot afford to do that it would have to be a joint project of the federal-provincial governments. So that this type of effort being made through this bill to recall or to get back control of the hydro resource, the 5,225 megawatts of power coming out of the Upper Churchill presently combining it with the power which will come from Gull Island and Muskrat Falls in the future is the key or the pivot around which the economic and social future of Labrador will revolve. That is why it is so vitally important to this Province, I think, that this step it being taken at this time. For those reasons I support the bill in its present form, I would commend the bill to all hon. members of this House of Assembly and hopefully the introduction and

MR. J. GOUDIE: future passage of this bill will bring about the desired results of this Province once again gaining control of the Upper Churchill and the resources in terms of finances which control of that electrical facility will provide to this Province.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

MR. G. WARREN: Yes, Mr. Speaker, I rise also in support of this bill. Like my colleague from Naskaupi (Mr. Goudie), I also represent a district in Labrador that is looking forward, if this is where all the mass of money is going to come from to alleviate many, many problems that we have in Labrador, by all means I will definitely support this bill. However, Mr. Speaker, the minister just spoke. I am just wondering what ramifications that this bill has to go through it could be one, two, three, four, five, six, seven or probably ten years down the road by the time it passes through the courts. Does that mean that the people in my district will not receive any literature in the translation of their native tongue? Does that mean that the highway between Churchill Falls and Goose Bay will not be upgraded?

MR. G. WARREN: Does that mean that the highway between Churchill Falls and Goose Bay will not be upgraded? Does that mean the water and sewerage for the many communities along the Labrador coast because this mass of money is not coming in next year or the year after, that the people along the coast will not have water and sewerage?

Mr. Speaker, it is fine and dandy, it is fine and dandy to talk about all the potentials in Labrador, but if this government does not get off their fat behinds and look at Labrador as a part of this Province, and not just say what we can get out of Labrador, not just saying about the 800 megawatts of power that will flow probably down to the Eastern United States or flow across the Quebec border or what will come down through Labrador and down through Newfoundland, let us look at not what we are going to take out of Labrador but what this government plans to put back in Labrador. I think that is the number one concern.

Mr. Speaker, I will be surprised when this government announces where the aluminum smelting plant will be established. If it is not established in Labrador, I would like to see the Minister of Rural, Agricultural and Northern Development (Mr. Goudie) get up and stand behind his government for reasons that he believes it was put in some other place of this Province. And it may be the rationale for all industries that government are approaching - you have to look at the rationale of it, but already, Mr. Speaker, there have been something like 5,000 to 7,000 people left the district of Naskaupi alone in the last three or four years. So that is basically because of the lack of action by this government.



MR. G. WARREN: Mr. Speaker, the minister also spoke about the new DREE bridge in Northwest River. The minister did not mention about the eight people who were laid off and whether they had some other employment. I do not know whether the eight people are going to have some other employment or not.

MR. BRETT: You can have one or the other.  
MR. G. WARREN: So, Mr. Speaker, we can either have the bridge or just lay off all the people.

MR. BRETT: You can have the bridge or the cable car whichever do you want?

MR. G. WARREN: Well, Mr. Speaker, the cable cars would be a good tourist attraction. Mr. Speaker, again I suppose it is like the previous minister said, the mass of money will pay for everything that we are asking for. The Labrador Airways, as we call it, the airlines going to Labrador, the lack of suitable airstrips. Now this is a federal responsibility. We already have three or four airstrips along the coast and there are more coming. There are more airstrips coming on the coast today, Mr. Speaker, than there are roads being built. There are more airstrips, and airstrips cost much more money than roads.

Mr. Speaker, I do not believe the people in Labrador can wait for this bill to be implemented. I think it is too long. This government has to come up with some action and the action is upgrading the roads. When you saw down in the Straits area over the past weekend, the second story on national television last night, right across the Dominion showing the lack of this government's concern towards Labrador. I believe the Minister of Transportation and Communications (Mr. Brett) and the Premier and all other ministers should be ashamed to sit in their seats and see this happening.

MR. G. WARREN: The year-round shipping - it has already been proven that an ice-breaker can enter Lake Melville any time of the year and if this is the big cause of why there are some suggestion that the aluminum smelting plant may go into the Corner Brook area of the Province, then again this government is not getting their priorities straight.

So let us not try to hood-wink the people of Labrador. Let us not try to say this is going to be a big deal for Labrador. I think, as the hon. Leader of the Opposition (Mr. Stirling) said over the weekend, that, 'Why should this government wait for this bill to be proclaimed? Why not take immediate action in getting the wheels in motion to build a transmission line?' The transmission line has to be built; power cannot flow on the ground, it has to flow through lines. Transmission lines have to be built. And how are we going to get the power down through Labrador and into the Straits area where it is

MR. WARREN:

badly needed, down through Newfoundland if we do not start the transmission lines first. And as one minister said earlier today, it is almost like putting the horse before the cart. Mr. Speaker, that means that this government has not got too much confidence.

AN HON. MEMBER:

The cart before the horse.

MR. WARREN:

Putting the cart before the horse, right, yes. Thank you very much. It is like putting the cart before the horse. So, Mr. Speaker, this government has not got that much confidence if they do not think that this bill is going to be proclaimed, number one; if they do not think that we are going to have the hydro power coming out of our ears down through Labrador and onto the Island; if they do not think that why not start immediately with the construction of the transmission line? It is a logical explanation, a logical answer to our unemployment woes in this Province.

Mr. Speaker, with that in mind, I support the bill but I am not at all excited, torn up about seeing projects beginning within a few days. I believe if we have to trust to this bill to be proclaimed it is going to be a long, long time down the road.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (SIMMS):

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

MR. J. CARTER:

Mr. -

MR. L. THOMS:

Nobody wants to listen to him.

MR. J. CARTER:

- Mr. Speaker, on an occasion like this it becomes more than one's moral duty to speak one's mind. It becomes a pleasure. I certainly -

MR. L. THOMS:

If one had a mind to speak.

MR. NEARY:

If you only had a mind. If you only had a mind.

MR. J. CARTER:

I understand that there are 800 megawatts of power that we are looking for. And I do not know if many people realize just how much power there is in 800 megawatts, but I think that it is enough that if it were plugged

MR. J. CARTER: into the hon. member for LaPoile (Mr. Neary) it might be sufficient to change his mind. That is some estimate of the awesome power that we are trying to recall

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: (Inaudible) there for you.

MR. J. CARTER: The megafool is over there, Mr. Speaker. Mr. Speaker, the problem here is that there has been a complete absence of good will from the Province of Quebec. Now I have been informed by my legal friends on this side that every possible procedural barrier has been put in the way -

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

MR. SPEAKER (SIMMS): A point of order. The hon. member for LaPoile.

MR. NEARY: It is a matter of curiosity more than anything else because nobody is paying any attention to the hon. gentleman anyway, but he did use a term there that I believe is unparliamentary, Mr. Speaker, and I ask Your Honour to ask the hon. gentleman to withdraw it just for the sake of keeping the record straight, for no other reason.

MR. J. CARTER: For the record, Mr. Speaker, to that point of order.

MR. SPEAKER: To the point of order, the hon. member for St. John's North.

MR. J. CARTER: I would like to know what the term that the hon. member objects to is. If he wishes to mention the term then I will certainly assess it for its -

MR. NEARY: It was something about somebody being a bunch of fools or something like that.

AN HON. MEMBER: 'Megafool', he said.

MR. NEARY: Well, it does not make any difference.

MR. SPEAKER: With respect to the point of order, I did not hear the comment made directly so I would like to reserve a ruling on it at this point in time until I get a

MR. SPEAKER (SIMMS): chance to check Hansard. And I will be prepared to make a ruling on it later on as to whether or not it was unparliamentary.

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

MR. J. CARTER: Thank you, Mr. Speaker. Obviously the second Daniel. I was speaking about the absence of good will on the part of the Province of Quebec. My legal colleagues on this side of the House have explained to me that every possible procedural barrier has been put in the way of an early court decision or an early court hearing. And I am sure that when they speak they will be able to illustrate far better than I can. So there is an absolute absence of good will.

A point that should be made and has yet to be made in this debate is that even if this power, this 800 megawatts that we are looking for at the moment were available, the transmission difficulties are extreme. First of all, it has to be brought across the Straits and then it has to be brought down the Great Northern Peninsula, and it is a toss up which is the more difficult technologically to effect. The climate on the Great Northern Peninsula severe, especially in the Winter time, and I am told that it is not going to be sufficient to have one corridor, it is going to be necessary to have a second backup route in order to look after any power breakdowns.

So the problems that are working against us are extremely great.

December 8, 1980

Tape No. 2753

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MR. J. CARTER: I wonder, Mr. Speaker, if we had been in a position to bring back the power very gradually whether this situation would have developed.

MR. NEARY: The only power you are going to bring back is the Liberal power.

MR. CARTER: Mr. Speaker.

MR. SPEAKER (Baird): Order, please!

MR. CARTER: Speaking of industrialization, I would like to draw the House's attention to the fact that last Wednesday was the fifteenth anniversary of the announcement of the fourth mill for the third time.

SOME HON. MEMBERS: Hear, hear!

MR. CARTER: I wonder if we should -

MR. S. NEARY: (Inaudible)

MR. CARTER: The representatives of the rubber plant and the chocolate factory would do very well to keep quite.

So, Mr. Speaker, I certainly support this bill and I look forward to the more technical debate on it given by the legal members of the House and with that I can assure you and assure this House that I will be supporting this bill.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER (Simms): Is the House ready for the question?

On motion, a bill, "An Act To Provide For The Repeal Of The Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961 And The Lease And Amendments Thereto Executed Under That Act And The Reversion To The Province Of The Rights And Liberties Leased Or Granted To The Lessee Under The Lease", read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 85).

MR. S. NEARY: Mr. Speaker, I move that the House adjourn.

AN HON. MEMBER: Nay.

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

MR. W. MARSHALL: The House will not adjourn, Mr. Speaker, we have other business to do. I am looking up the Order, I did not realize, I thought the hon. members might have wanted to debate more fully a momentous bill like the one that was put before us But we will go now, Mr. Speaker, to the Juries Act which is -

MR. SPEAKER: Order 33.

MR. MARSHALL: Thank you, Mr. Speaker, yes, Order 33, Bill No. 67.

Motion, second reading of 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". (Bill No. 67).

MR. SPEAKER (Simms): The hon. Minister of Justice.

MR. OTTENHEIMER: Mr. Speaker, this is a bill which is intended to establish a very progressive and necessary advance in the administration of justice and that is to establish in statute an equality between men and women from the point of view of the right to serve on a jury and indeed the obligation to serve on a jury.

SOME HON. MEMBERS: Hear, hear.

MR. OTTEHNEIMER: When this legislation is passed there will be established by law an equality between men and women to exercise what is essentially a right but also is, from another point of view, an obligation, a duty to serve on a jury. Because under the legislation operating at present there is an inequality between men and women in that a woman may merely request an exemption and then she will have one. I suppose the reasons for that particular procedure are largely historical, largely due to a chauvinistic and patronizing and ill-informed opinion that women did not want or did not deserve this

MR. G. OTTENHEIMER: equality, that they did not deserve either the right or they did not want the obligation. And based historically, I suppose, on a different cultural situation, but anyone who maintains that today is, I would suggest, making an exercise in chauvinism and being very patronizing. What is important is to grasp the essential principle of the bill and that is legal equality, both men and women, in terms of exercising the right and fulfilling the obligation of jury duty.

I should point out that under the legislation no person will have to serve more frequently, and indeed nobody will have to serve more than once every three years; for nobody will there be a requirement to serve more frequently than every three years. There will be a jurors list compiled and once every three years is as often as a person will have to serve.

There are, as in all provinces and, indeed, throughout the British system, certain exemptions and they are people who pass the laws in the first place, members of Parliament, members of the Legislature, members of the judiciary, officers of the court, barristers and solicitors, sheriffs, justices, people employed professionally in correctional institutions and spouses of those people to whom I have referred. Also, of course, people of blindness, deafness or of mental or physical incapacity which would not be compatible with or indeed allow them to discharge their duties as jurors. And other exemptions - disqualifications rather - are listed in the Act.



MR. G. OTTENHEIMER: So these are disqualifications. What I should point out is the distinction between disqualifications and exemptions. Disqualifications are automatic; certain people are automatically disqualified, such as those I have indicated, law enforcement officers, people working in the correctional institutions, members of Parliament and the Legislature, officers of the court. These are automatic disqualifications. Exemptions are something for which people must apply and it is in both areas that there are fundamental changes, that this legislation introduces fundamental changes. Because the legislation which is operative now and which will continue to be operative until this is passed has a much wider category of automatic disqualifications, and here the disqualifications are much more limited. It has a very broad category of automatic disqualifications by professions, doctors and large numbers of people are automatically disqualified. So in the area of automatic disqualifications here there is a much smaller group of people who come within the automatic disqualification. In the exemptions also is where there is a fundamental change because, as I mentioned, under the old legislation, and that is the legislation which will be operative until this legislation is passed, there is what could be put forward as well there is an exemption for women which may be fulfilled by more or less merely applying for it. This, I think, based on whatever its accuracy may have been years or decades ago - and I am not prepared to comment on that - seems to be based on the premise that women do not want to exercise the right that they have or that women are unwilling to exercise an obligation which they have. And what this bill will do is establish an equality between men and women in terms of this important right. There are naturally grounds for exemption. A person may apply for an exemption if serving jury duty is incompatible with his or her

MR. OTTENHEIMER:

religious convictions. If there is a matter where a person's religious convictions are involved, then such a person may apply for an exemption.

Another ground for exemption is a person who is under the age of seven and not in full-time attendance at a school - wait now, I had better go over that again. Okay, the first one in terms of religious conviction. Another one is when serving as a juror may cause serious hardship or loss to the person serving as a juror or to others. The operation of the serious hardship or loss is not limited to the person acting as a juror, but where such serving may cause serious hardship or loss to either the person serving as a juror or to others.

It is pointed out in the bill that service as a juror shall be deemed to cause serious hardship to a person who, for the purpose of that paragraph, where a person has the sole care during all or any part of the day on which the court is in session of a person who is under the age of seven years and not in full-time attendance at a school as defined by the Schools Act. In other words, without limiting or being the only - without circumscribing the case of serious hardship, it will be understood to be a serious hardship where a person has the sole charge of another who is under the age of seven which is the compulsory school attendance, age and not in attendance at a school as defined in the Schools Act. Also, a person who is infirm or aged, a person who is mentally incompetent. There is also, then, an exemption which may be applied for for a person of sixty-five if he or she wishes to apply for such an exemption. In other words, a person over the age of

MR. OTTENHEIMER: sixty-five may, on application, be exempted from serving as a juror. I think the reason for that is a good one, without having to go through the regular process for exemption application to a provincial judge. Obviously, cases of illness, of medical appointments, of taking medication, instances of that nature, are usually higher with people above sixty-five than people under it, which is not to say there are not some people at seventy-five who are healthier than those at twenty-five, but the general trend is, naturally, in that direction. Therefore, a person over the age of sixty-five may, on application, be exempted.

MR. STIRLING: Shall?

MR. OTTENHEIMER: Yes, shall, right. A person under the age of sixty-five shall, on application, be exempted, yes. A person is not automatically exempted but such a person may apply for an exemption and if they apply shall be granted an exemption.

As I pointed out, no person would be required to serve more frequently than once every three years. It is certainly difficult to see that this is imposing a great burden, an unreasonable burden, on the citizenry of the Province. As I say, the main principle or thrust of the bill is to establish an equality between men and women with respect to what is obviously a right and what is also regarded as an obligation and that is performing the important job as being a member of a jury and granting people the right to be judged by their peers and participating in that important process.

MR. OTTENHEIMER: Mr. Speaker, although in Committee there might be a number of detailed matters, I think the general principle of the bill is fairly clear cut and this will become operative, if passed, will become operative on July 1st. I think, yes, would come into effect July 1, 1981 because a certain period of time would be necessary to compile a new jurors list and that would have to be done periodically and, as I say, it would take close to that period of time to compile such a list.

So the basic differences between this and the previous are, number one, the area of automatic disqualification is much narrower in the new legislation; and also the grounds for exemption, the equality of men and women which was not as operative before is now fully operative. There is one other point I wanted to make, and that is that in Committee one of my colleagues will be moving an amendment, the effect of which, although it may be implied now but to make it perfectly clear, that is that costs incurred for day care by a juror would be reimburseable. That is a matter that will be moved in Committee.

So that essentially is the principle of the bill, Mr. Speaker, to provide equality for men and women with respect to jury service, to naturally indicate the grounds for exemption based on religious conviction where serving as a juror may cause serious hardship or loss to that person or to others making a specific reference to a person having sole charge or a child under seven not attending school, a person who is aged or infirm or mentally incompetent, and also if those citizens over sixty-five, if they wish an exemption, then they will be relieved of the necessity of making the application through the provincial court and if they so wish can be exempted from jury service.

MR. SPEAKER (SIMMS): The hon. member for Grand Bank.

SOME HON. MEMBERS: Hear, hear!

MR. THOMS: Mr. Speaker, in rising to have a few words to say about this particular Juries Act the first thing, Mr. Speaker, that jumps out at one in reading this particular act before the House right now - and it is as the minister stated, the purpose is to give a legal equality to both men and women. At the present time as I understand the law on it, a woman is automatically exempted - I do not like using the word by the mere fact - but by the mere fact that she is a woman, if she wishes to be. That is an automatic exemption under our present law, that all a woman has to do is to go into court and she is automatically given an exemption purely and simply because she is a woman. So this act, its prime purpose is to give legal equality to both men and women and now no longer will the woman be able to go into court and ask for an exemption and automatically be disqualified on that basis.

Mr. Speaker, what this particular act gives, one of the things that it cures as far as our society is concerned, on the one hand a woman does not now have this automatic exemption but on the other hand it discriminates very pointedly so towards the senior citizens in this Province.

MR. NEARY: Hear, hear!

MR. THOMS: Because, Mr. Speaker, as I say at the moment a woman by the mere fact that she is a woman does not now have to serve on a jury. Under this particular act a person by the simple fact that he is sixty-five years of age and one day can go in and purely and simply on the basis that he is sixty-five can get an exemption. This, Mr. Speaker, is as discriminatory towards the senior citizens of this Province

MR. THOMS: as the present law is on the subject. Mr. Speaker, it is passing strange that a senior citizen in this Province as in other provinces can be a judge until the man or woman -

MR. ROBERTS: Or a member of the House forever.

MR. THOMS: - is seventy-five years of age -

MR. NEARY: Right on!

MR. THOMS: - until he is seventy-five years of age but a senior citizen in this Province is now put in - they have taken women out of a special status position and what are we doing, we are putting senior citizens in their place and we are discriminating against the senior citizens.

MR. WARREN: Right on.

MR. THOMS: And, Mr. Speaker, that in my opinion should be changed.

MR. NEARY: It is against the Human Rights Code.

MR. THOMS: Senior citizens should not have an automatic exemption purely and simply because he goes in and he says, "I am sixty-five years of age". That same sixty-five year old person might be carrying on a very successful business, might be still employed, might be as active and hopefully more so than an awful lot of members of the House of Assembly.

AN HON. MEMBER: And the Senate.

MR. THOMS: Or the Senate or any other group of senior citizens that you want to talk about. But, Mr. Speaker, you know, if I were, which I will be someday hopefully if I live that long -

MR. NEARY: A judge?

MR. THOMS: - sixty-five years of age or over -

MR. NEARY: Oh, I thought you were going to say a judge.

MR. THOMS: - then I would like to have the same status in society, the same status in this Province as we are today giving the women of this Province. Surely the Minister of Municipal Affairs (Mrs. Newhook) must agree with this argument that we should not put senior citizens -

MR. NEARY: She is not sixty-five, she only looks sixty-five.

MR. THOMS: - in a different status than the women or the other men of this Province.

MR. NEARY: She is not sixty-five.

MR. THOMS: I mean, you could serve in this House, as my friend from the Strait of Belle Isle (Mr. Roberts) mentioned a little while ago, until you are 100 years old or really until you die.

MR. ROBERTS: Until you are as old as the President of the Council (Mr. Marshall) even.

MR. THOMS: You could serve in the House of Assembly.

Mr. Speaker, that particular provision should not be there. It just simply should not be there.

MR. ROBERTS: Soon it will be unconstitutional.

MR. THOMS: If I were a senior citizen of this Province I would be very disappointed, Mr. Speaker -

MR. ROBERTS: We will have it struck down under the Charter of Rights.

MR. THOMS: - very disappointed that I am being taken out of a class that I am in now, a class like everybody else, and put in the class that we did not think was fit for women of this Province. And that is exactly what we are doing.

MR. ROBERTS: That is right. Grave power will get you, fellows.

AN HON. MEMBER: Powerful point that is, powerful point.

MR. THOMS: And, Mr. Speaker, that is an amendment that I would ask the government and the Minister of Justice (Mr. Ottenheimer) to consider making. Mr. Speaker, you know, for a bill that the sole justification for it is to rid ourselves of discrimination against women, what is the bill doing?

MR. ROBERTS: I always thought  
(inaudible).

MR. THOMS: It is creating discrimination. Mr. Speaker, I see no good reason unless the minister can tell me one, persuade me, I see no good reason why the minister's secretary should be excluded, an automatic disqualification -

MR. ROBERTS: And her husband.

MR. THOMS: And not only that, the Minister of Health (House), the Minister of Lands and Forests (Mr. Power), why should an employee of the Department of Justice, no matter how low that person might be on the totem pole, why should that person be denied the right to do their civic duty? And this is what this act is doing.

Mr. Speaker, why should my wife, for that matter, have to be given an automatic disqualification? She is not allowed to serve on a jury because she is a spouse of a member of the House of Assembly.

AN HON. MEMBER: My wife is allowed.



MR. THOMS: Your wife is not allowed.

AN HON. MEMBER: That is not right, now Bill, you know darned well that is not right, what is going on.

MR. THOMS: We are creating - the Minister of Municipal Affairs (Mrs. Newhook) - her husband is not permitted to serve on a jury under this particular act.

MR. ROBERTS: Call it six o'clock and we will (inaudible) them again tomorrow.

MR. THOMS: Yes, Mr. Speaker, let us call it six and adjourn the House?

MR. ROBERTS: Maybe they will withdraw the bill overnight.

MR. THOMS: I have a few more salient points I would like to make.

MR. SPEAKER (Simms): The hon. member is adjourning the debate, I understand.

The hon. President of the Council.

MR. MARSHALL: Mr. Speaker, I move that the House at its rising do adjourn - before I move the adjournment, Mr. Speaker, I might inform the Opposition that tomorrow if we get through the Juries Act, and I have to be very plaintive when I say these things, but we will go into the St. John's Assessment Act, then into the Municipalities Act, if - and they are all couched with 'if'.

AN HON. MEMBER: (Inaudible).

MR. MARSHALL: The Municipalities Act, very minor housekeeping-like amendments. They will be -

MR. ROBERTS: Beware of (inaudible).

MR. MARSHALL: - they will be circulated tomorrow and if the hon. gentleman would like a day or two to consider we can put it over to Thursday. That is the Municipalities Act, but we will get onto the Assessment Act tomorrow.

December 8, 1980

Tape No. 2758

GH-2

MR. MARSHALL: Now, Mr. Speaker, having said that I move that the House at its rising do adjourn until tomorrow, Tuesday, at 3:00 P.M. and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow, Tuesday, at three o'clock.

INDEX

ANSWERS TO QUESTIONS

TABLED

DECEMBER 8, 1980

ANSWER TO QUESTION ASKED BY THE MEMBER FROM LAPOILLE

ORDER PAPER 71/80 - DECEMBER 4, 1980

QUESTION - NO. 43

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QUESTION - TO ASK THE HONOURABLE THE MINISTER OF PUBLIC  
WORKS & SERVICES TO LAY UPON THE TABLE OF THE  
HOUSE THE FOLLOWING INFORMATION.

(A) TOTAL COST TO DATE OF THE HANGING COLORED  
PHOTOGRAPHS TAKEN BY ROSTOTSKI WHICH ARE  
IN PUBLIC BUILDINGS AND OFFICES AND OTHER  
PUBLIC PLACES THROUGHOUT THE PROVINCE.

ANSWER

(A) ONE - MY OWN WAITING ROOM OUTSIDE MY  
OFFICE.  
TOTAL COST INCLUDING LABOUR & MATERIALS  
\$35.00

QUESTION

(B) WERE PUBLIC TENDERS CALLED FOR THESE  
PHOTOGRAPHS? IF NOT, WHY NOT?

ANSWER

*ND*  
(B) THE DEPARTMENT OF PUBLIC WORKS & SERVICES  
HAD NO REASON TO ORDER PHOTOGRAPHS.