

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
THURSDAY, NOVEMBER 13, 1980

The House met at 3:00 p.m.

Mr. Speaker in the Chair

MR. SPEAKER (Simms):

Order, please!

Before proceeding with routine business, I would like to advise all hon. members of some new staff appointments that have been made since we last sat. Miss Elizabeth Murphy has been appointed as Clerk Assistant, Clerk of Committees. We also have two part-time pages, Mr. Bruce Hanlon and Mr. David Janes, who will be on duty tomorrow. Also in the Chamber is Mr. Cyril Kirby who is the understudy for the Sergeant-at-Arms. I am sure all hon. members would like to welcome these staff members and wish them well in their new careers.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, I would like to stand before Statements by Ministers, if I may be allowed. On behalf of the members on this side of the House, I would like to congratulate the new Leader of the Opposition on his recent election to the head of his party and wish him well here in the House as we get into the matters of state which will undoubtedly interest us over the next couple of weeks and in the years ahead. I welcome him to the Chamber in his new position and wish him well.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. Leader of the Opposition.

MR. L. STIRLING:

Mr. Speaker, I would like to thank the Premier for his kind words. I must say I am glad that he chose today to give me a grand welcome and I am sure we will have an interesting kickoff to the rest of this session. Thank you very much.

STATEMENTS BY MINISTERS

MR. SPEAKER (Simms):

The hon. the Premier.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD: If I can get one of the pages, Mr. Speaker, to get one of those tables I would appreciate it. I am sorry I did not do it beforehand.

Mr. Speaker, I have what I consider to be a very important statement to make on behalf of the government and the people of the Province on a matter that the government has been working on for some time. I have copies here for all hon. members.

Mr. Speaker, this government has always had as its cornerstone the sound management of our natural resources. Our economic well-being is linked directly to the degree of our control over, and the amount of revenues extracted from our natural resources. This Province's future prosperity, then, depends on our maximizing these two factors in all our natural resource developments. It is in this vein that I promised the people of our Province upon becoming Premier in March of 1979, and again in the general election of June 1979, that I would seek to renegotiate the ERCO contract.

As we are aware, my government has had a number of discussions during the past eighteen months with representatives of ERCO Industries Limited in a concerted effort to arrive at a more equitable power contract with that company. Our main bargaining position from the outset has been on cost benefit analysis. That is to say that we were firm that any new deal would have to be of net benefit to this Province. In this light, it gives me great pleasure to announce today that my government has just concluded a successful renegotiation of the ERCO power contract.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: The new power rates to ERCO beginning January 1st, 1981 will be 8 mils per kilowatt hour, over three times the existing 2.5 mils per kilowatt hour,

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: Perhaps more importantly, Mr. Speaker, these power rates then escalate each year thereafter up to 1993 when they will reach 30.13 mils per kilowatt hour, twelve times -

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: - the 2.5 mil rate which would otherwise prevail at the time.

With these new rates, the Newfoundland government will save \$146,000,000 of our taxpayers' money.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: Our calculations indicate, on a present value basis, that our benefits from ERCO will now exceed our cost by \$19,000,000, compared previously to costs exceeding benefits by some \$42,000,000 annually. That is to say, ERCO is now a net contributor to the Province.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: The Minister of Mines and Energy (Mr. Barry) will be tabling in this hon. House today an Act To Authorize The Lieutenant-Governor In Council To Enter Into An Agreement With ERCO Industries Limited on this matter. Members will find attached to the bill a revised agreement between the government and ERCO. The proposed revised power contract between Newfoundland and Labrador Hydro and ERCO will also be distributed to the members of this hon. House.

The take-or-pay provision of the existing power contract will remain without change

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PREMIER PECKFORD: in the new power contract. We would like to have increased ERCO's take-or-pay obligations and ERCO tried very hard to have them eliminated entirely. However, despite strenuous efforts on both sides, the original take-or-pay provision will continue under the new power contract up to the end of 1993.

My government wishes to make it abundantly clear that we view the power rates and other provisions in the new power contract with ERCO as a positive and praiseworthy step. My government believes that ERCO Industries Limited has now established itself

PREMIER PECKFORD:

as a corporate citizen in good standing with this Province. The members of this hon. House, the people of this Province and, in particular, the employees and families dependent on the ERCO facilities at Long Harbour for their livelihood, should applaud ERCO for its new commitment to the future well-being of this Province.

My government has agreed that for the remaining thirteen years of the ERCO revised contract, no new major industrial user contract on the Island would contain incentive rates which are lower than those specified in the revised contract. In the unlikely possibility that such a situation would arise, my government has agreed that the ERCO rate would be reduced accordingly.

My government has given ERCO a release from the consent required from the Province to pay interest and repay principal on the \$8 million loan owing to Albright and Wilson by ERCO. We have agreed that as long as the bondholders are satisfied that the financial position of ERCO is not seriously impaired by servicing this debt, then we would have no objection to removing the present restrictive clauses allowing ERCO to repay the \$8 million to Albright and Wilson.

As I stated earlier, the present power contract with ERCO expires in 1993. Government has agreed to give ERCO a further ten year option to buy power at that time, but at the then prevailing industrial rates. Consistent with this government's policy on new sales of industrial power, it should be stressed that there will be no special power price for ERCO during that ten year period.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

The new ERCO power contract then, represents a \$146,400,000 saving to the Provincial Treasury over the next thirteen years, and a net positive contribution to Newfoundland and Labrador's economy.

PREMIER PECKFORD: I want to congratulate ERCO on the businesslike manner in which it has conducted the recent negotiations and this government wishes the company and its employees in Long Harbour every success in the future.

I would also like to congratulate the Minister of Mines and Energy (Mr. L. Barry) -

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: - I guess the member for this district in which we are now residing,

MR. NEARY: Do not forget to congratulate the Liberals for bringing the industry in here.

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: Shame! Shame!

PREMIER PECKFORD: - and Minister of Mines and Energy -

AN HON. MEMBER: It cost us money every year.

PREMIER PECKFORD: - and officials of his department, officials of the Development Department and officials

PREMIER PECKFORD:

of the Newfoundland and Labrador Hydro Corporation for their long and diligent efforts on behalf of the people of our Province to bring about this change.

In conclusion, Mr. Speaker, I think it worthy to note that we have proven today - it was only signed yesterday; or we have proven yesterday if you want to be chronologically correct - that a contract is not necessarily always a contract. When time and circumstances change, it is not unreasonable to expect or demand changes in the terms of a given long term contract to reflect the new realities of life. In reaching this new agreement with ERCO we have crossed a threshold, in a particular sense with ERCO, but in a more general sense as well, especially as regards to attitudes.

We have shown that reasonable men can dare to do better, and if reasonable in their approach, we can succeed.

We will in a few minutes be circulating the Act after the Minister of Mines and Energy (Mr. L. Barry) gives notice of it. And we have indicated to the House Leader (Mr. J. Hodder) on the opposite side of the House that we wish, because of this measure and another one to come very shortly after this one this afternoon, that the House would close for Friday and Monday so that the Opposition would have time to examine this statement, the agreement itself and the impending resolution in addition to this initiative so that on Tuesday we can intelligently debate it after giving the Opposition due notice and time to fully assess and prepare their arguments.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear.

MR. SPEAKER (Simms):

The hon. the Leader of the Opposition.

MR. L. STIRLING: Thank you very much, Mr. Speaker.
I was wondering - I made all of these notes and I was wondering and it was not really until the end that we got the answer who really negotiated this contract and who deserves the thanks and it was the Minister of Mines and Energy (Mr. L. Barry). And I think that the Premier should take this as a good example; I should hope that the minister would pass along to the Premier his technique for how you can negotiate on a reasonable sound basis -

MR. WARREN: Right on.

SOME HON. MEMBERS: Hear, hear.

MR. L. STIRLING: - that there are decent people in the world, that there are reasonable approaches to take, that you do not need to declare war on ERCO in order to get them to sit down and work out a reasonable negotiation. And I want to compliment the Minister of Mines and

MR. STIRLING:

Energy (L. Barry) although he could not take the credit today, he could not share the limelight, he could not be the one to get up and make this wonderful statement that he had re-negotiated the deal. But I would hope that the Premier can see and learn from this lesson that using reason and logic and discussion, that you can then have the joy of being reasonable men and delivering a reasonable contract. And I would certainly hope that he can take this as a lesson to be learned for the future.

You cannot really give him full marks though because in his anxiety he again could not find the time to get the statement to me prior to his announcing it in the House. And if he wants to get our co-operation I would hope that he would do a little bit more about giving us a little advance notice because, as he knows, a Ministerial Statement is not capable of being debated.

Now, as to the actual contract itself, I think we would need to reserve comment on that to see whether or not it really was as good a deal as they could have made. There is no question that they made a good start and on this side of the House I can tell you that we will certainly support anything that is done in any way that will benefit the future of the people of the Province of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): Any further statements?

MR. YOUNG: Mr. Speaker.

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

MR. YOUNG: Mr. Speaker, I wish to announce

MR. YOUNG: a change in the Office of Queen's Printer for the Province of Newfoundland. I refer to the resignation of Mr. Ralph Davis and the appointment of Mr. David Dawe as his replacement. Mr. Davis has resigned as Queen's Printer after eleven years of service. It will be known that Mr. Davis recently assumed duties as administrator of Coughlan College, and may I take this opportunity to recognize Mr. Davis' contribution to the Province and to thank him for his eleven years of service.

Mr. Dawe's appointment represents a new direction in the appointment of the Queen's Printer in the Province. Up to the present time, Newfoundland is the only province in Canada where the Queen's Printer is from outside the Public Service. I am therefore taking

MR. SPEAKER (Simms): Before proceeding to Oral Questions I would like to welcome to the galleries a former member of this hon. House and a former Minister of the Crown, Mr. Harold Collins.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: I regretfully have to make a further request, and I would hope that hon. members would be supportive, that a message of sympathy and condolences be sent to the family of the late Hilda Dinn. Hilda was an employee of a Department of the Legislature who died recently in a tragic automobile accident. She was employed as a secretary in the Government Members Office and discharged her duties extremely efficiently. And I would ask hon. members to indicate their support of the request. Those in favour, 'aye', contrary, 'nay', carried.

ORAL QUESTIONS

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

MR. L. STIRLING: Thank you, Mr. Speaker. I have a question for the Premier. Mr. Premier, you have not indicated when we will be debating the Five Year Plan, Managing our Resources. Do you intend to deal with that in this session?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, the intent last Spring when we adjourned - we made it clear at that time - was to try to get through as much legislation as we could when we sat in the Fall. That means, therefore, that we have a very

PREMIER PECKFORD: important resolution dealing with the new power contract at ERCO coming forward later on today; that we have another resolution dealing with the constitution, which I gave to the Opposition, I think, a couple of hours ago, which will be coming up for debate. We have a number of pieces of legislation dealing with freedom of information, the Privacy Act and so on, to debate and to try to pass. That was the whole intent, I think, by both sides of the House when we adjourned in the Spring, to deal with these legislative matters.

 Obviously the plan, which has been given a fair amount of coverage and notice so that the Opposition has had a chance to examine it and study it before the House opened, is another matter, a government measure which undoubtedly the Opposition will want to discuss and debate. Of course, the Opposition has their own day on Wednesday in which they can use that day to debate the Five Year Plan or any other measure that they want to debate, but that was the intent.

 Now, if it is the wish of all sides of the House to change that, not to debate the Resolution on the Constitution, not to debate the new power contract, but to get into the Managing all our Resources document, then we would have to debate whether in fact that is the way it should be done. I would think that we should get through those major pieces of legislation dealing with the constitution and the ERCO power contract first and then look to see whether there is time to provide a few hours to debate, specifically, the Five Year Plan, given also that there are a number of other pieces of legislation that I think all members want to see get through this House as it relates to freedom of information and the Act of Privacy, which we

PREMIER PECKFORD: have all more or less supported over the last year or two.

MR. SPEAKER (Simms): A supplementary. The hon. the Leader of the Opposition.

MR. STIRLING: Yes, Mr. Speaker. If we have a choice as to what should be dealt with, people throughout this Province would like to get on to the real issues of the Province, having to do with unemployment, provision of jobs, negotiations with Ottawa. Those are the things that, if we have a choice, and if by agreement we can suspend the rest of the business and deal with the Five Year Plan, then the wish on this side of the House is that we do suspend the rest of the business and get on with the Five Year Plan.

I would ask the Premier, then, has he negotiated with Ottawa? Since the conclusion reached in this Five Year Plan is that without Ottawa's support very little can be done over the next five years, has this been discussed with Ottawa and specifically with our minister, Mr. Rompkey?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, I do not know if the Leader of the Opposition (Mr. Stirling), because he is new, does not recognize the implicit and inherent bread and butter issues that exist as it relates to the constitution and the rights of Newfoundlanders and Labradorians. Now, if he says 900 jobs offshore are not important and therefore he wants to forget about debating the constitution, if he wants to consider that the right of education, if he wants to consider that our boundary, if he wants to consider that offshore oil and gas resources, if he wants to consider that the transmission of hydro-electricity, if he wants to

PREMIER PECKFORD: consider the fishery as not being important, then let the word go forth from here today, Mr. Speaker, that the new Leader of the Opposition (Mr. Stirling) has closed his eyes to the bread and butter issues of this Province and wants to rather take a document and go through it rather than to deal with those rights and privileges and job opportunities which are inherent in the constitutional proposals. But that will be a decision that the Leader of the Opposition will make and I would suggest to you, Mr. Speaker, that he will make it on his own, he will be the only person in Newfoundland standing for that kind of position.

We have to respond to the Leader of the Opposition directly to the question at the end of his preamble; We tried to negotiate and put forward to the government in Ottawa a number of proposals dealing with transportation, which are awaiting signing. We have our share of the money; we wait upon our federal minister, and the federal government, to come across with their share of the money.

Most of the proposals contained in here - where federal funds are needed - proposals have already been put before the federal government. There is only one area really where there has not been a proposal put forward yet and that is on the revitalization of the railway. And next week we shall be announcing what we believe is a fair and reasonable plan for the revitalization of the Newfoundland Railway and then we will be presenting that to Ottawa. I have already spoken to Mr. Pepin about that and indicated that it was forthcoming. On all the other items there have been proposals put forward to Ottawa.

Thirdly, let me say that all of this Five Year Plan is not contingent upon the federal government. We have a very, very comprehensive health care plan which has no involvement with the federal government at all. Hospitals will

PREMIER PECKFORD: be built and extensions to hospitals will be made in the places said so in this plan.

We have also demonstrated in the back here under the appendices the 40,000 job projection which we are above right now. We have examined our aims and objectives for forestry, our aims and objectives for agriculture, for mining, and the development targets are there. So the large part of this Five Year Plan is not contingent upon the federal government at all, where it is, we have made proposals to them.

MR. STIRLING: A supplementary.

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

MR. STIRLING: Yes, I presume though that the Premier does agree that this is his document, it is not an Opposition document, and that presumably the basis of whatever negotiations you are going to have, in the spirit in which Mines and Energy properly negotiated, are on the basis of your Five Year Plan. And just let me quote for the Premier, since he is so fond of quoting it, "Outlook and Summary of Policies," on page 148. It says that, "The Province simply does not have the fiscal capacity to deliver the desired level of public services and will not within the five year period. For any substantial improvement we will have to look beyond 1984." Does the Premier accept the fact that since this is his document, and since he does not

MR. STIRLING: wish to debate it in a proper manner, does he accept the fact that in that document, by his own words, that we have to look beyond the term of this government, which will expire in June of 1984, and in his own words, nothing can be done until the term of this government expires in 1984?

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

PREMIER PECKFORD: Mr. Speaker, the hon. the Leader of the Opposition has not read the Plan, obviously, and has just picked a number of phrases out of it.

SOME HON. MEMBERS: Oh, oh!

PREMIER PECKFORD: We have indicated what we plan to do in the five year period. Now, if the Leader of the Opposition is asking me whether Newfoundland has a future economically, or not, and where we are going to get the fiscal wherewithal to remain -

MR. STIRLING: I am saying, when are we going to debate it?

MR. SPEAKER: Order, please!

PREMIER PECKFORD: - to remain solvent as a Province, we have indicated in this document that we must have shared jurisdiction in the fishery, that we must have transmission rights through Quebec and that we must have ownership of oil and gas. And that is the whole bottom line of this document.

MR. STIRLING: Well, when are we going to debate it?

PREMIER PECKFORD: We are debating it now, Mr. Speaker, and on Private Members' Day.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: And if I can be allowed to continue to debate it, Mr. Speaker, uninterrupted -

SOME HON. MEMBERS: This is Question Period.

SOME HON. MEMBERS: Oh, oh!

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

MR. SPEAKER (Simms): I would presume the hon. members to my right wish to have an answer to their question. I would ask the hon. the Premier to answer the question and to recall also that the rules do not permit debate on questions nor answers.

The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, so the plans that are outlined in this document remain. We are committed to them and we will live up to them. The expenditures - the \$700 million or \$800 million capital expenditure in the five years will be spent in the five years, it is not contingent of what comes after; however, if the Leader of the Opposition is asking me, How are we going to extend -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

PREMIER PECKFORD: If the Leader of the Opposition is asking me how we are going to extend services beyond that period so that we will eventually be equal to the national average, then we must have major changes in federal/provincial relations to allow for offshore oil and gas to be owned by the Province the same way as Alberta and Ontario now have it, that we are able to transmit our electricity the same way, now, as gas is transmitted and that we have some say in our fishery. With those three things going on beyond 1984, then our future looks bright. Without those, we will continue to rob Peter to pay Paul and we will continue to have the kind of acrimony politically and economically in this Province which has been a part of our history for the last 100 or 150 years.

SOME HON. MEMBERS: Hear, hear!

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

MR. NEARY: Mr. Speaker, my question is for the Minister of Transportation (Mr. Brett), Sir. The hon. Mr. Pepin, the federal Minister of Transport, came down to Newfoundland approximately a month ago and told the Premier at a meeting that they held in connection with trying to set up a committee of officials,

MR. NEARY: provincial officials and federal officials, to work out transportation priorities in this Province, that there was \$70 million available to the Province. Mr. Pepin indicated that they are now going into an envelope system. Would the hon. the Minister of Transportation (Mr. Brett) tell us if the committee of provincial/federal officials

MR. NEARY:

has been established yet and if it is not established why has it not been established?

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

MR. BRETT: Mr. Speaker, that committee was due to meet yesterday and the day before and as everybody knows, you could not get in or out of the city. I think they got in this morning, and if they did it is possible that the meeting is going on today.

MR. NEARY: A supplementary.

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

MR. NEARY: Do I understand from the hon. gentleman that the committee of provincial officials has been established and that the federal officials are now travelling to Newfoundland to meet with the minister's officials? Is that the answer the hon. gentleman gave me?

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

MR. BRETT: Mr. Speaker, there has been a provincial committee for years and my understanding is that the existing committee is to meet with the federal committee. And I just advised the hon. member that they are probably meeting today if they got in this morning on the flight. But while I am on my feet, Mr. Speaker, the hon. member mentioned a figure of \$70,000,000 and that is the first time that I have heard that.

MR. NEARY: Mr. Speaker, it is not the first time -

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

MR. NEARY: - the hon. the Premier heard it. Well, let me ask the hon. gentleman if - the hon. gentleman just heard the answer the hon. Premier gave my colleague the Leader of the Opposition in connection with proposals that are now in Ottawa in connection with transportation. Would it not have been better for the government, for the hon. the Premier to wait until these officials met and worked out transportation priorities in this Province before going off half-cocked on their own and making proposals to the Government of Canada? Is that not the purpose of setting up the joint committee, to work out the transportation priorities in this Province?

SOME HON. MEMBERS: Hear, hear!

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

MR. BRETT: Mr. Speaker, no one has gone off half-cocked, to quote the hon. member.

MR. MORGAN: The hon. gentleman is gone way in the back though.

MR. BRETT: But I notice that the hon. member has been moved into the back. We have had proposals in Ottawa for months and the hon. member is aware of it.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

MR. BRETT: Yes, in fact for years. Everybody in Ottawa was aware that the DREE agreements terminated this year, the Trans-Canada Highway agreements terminated this year, and we have been after the federal government four years to have new agreements ready to start when the old agreements terminated. And up to this point in time no one in Ottawa has moved, not one single soul. There have been all kinds of quotes coming out from certain federal ministers and certain backbenchers, but absolutely nothing has been done. Mr. Pepin was in the Province, he

MR. BRETT: met with the Premier and myself, he gave no indication of what was in the envelope, none whatsoever, whether it was \$1 million or \$10 million or \$70 million. There was some rumor somewhere along the line that it was as little as thirty. Now, I would like for somebody in Ottawa or somebody in this House to tell me what this Province is going to do with \$30 million in new funds. How far is it going to go when you consider that almost two-thirds of the Trans Canada Highway is below standard, that the Trans-Labrador Highway is not started, that the Southern Labrador Highway is not started, and not only not started but it is washed out -

MR. SPEAKER (Simms): Order, please!

MR. BRETT: - to a point where you cannot get over it? So they are going to have to come up with an awful lot more than \$30 million or even \$70 million. And there have been no offers, no suggestions, nothing from Ottawa to this date, absolutely nothing.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: I indicated a final supplementary. If the hon. member has a new question I will permit his question.

MR. NEARY: No, it is the same question, Mr. Speaker.

MR. SPEAKER: A new question?

MR. NEARY: A supplementary. No, I have a supplementary.

MR. SPEAKER: I indicated a final supplementary.

MR. NEARY: But I have another supplementary, Mr. Speaker.

MR. SPEAKER: Order, please! I indicated a final supplementary on the question you just asked. If the hon. member wishes to pose a new question then I will permit it.

MR. NEARY: Well, then, I will pose a new question.

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

MR. NEARY: Will the hon. gentleman tell the House - I would like to get the ruling on that Your Honour. Since when do we have a limit to the number of -

MR. SPEAKER: Order, please! I just gave a ruling on it. The hon. member for LaPoile is allowed to ask another question if he would like to ask a question.

MR. NEARY: Is there a standing rule on that?

MR. MARSHALL: A point of order.

MR. SPEAKER: A point of order.

The hon. President of the Council.

MR. MARSHALL: Mr. Speaker, since the hon. gentleman has been in this House a fair period of time he could refer to the Standing Orders. He could refer to Standing Order 31B and I quote, "In the discretion of Mr. Speaker, a reasonable number of supplementary questions arising out of a Minister's reply to an oral question may be asked by any Members." Now Your Honour -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MARSHALL: Now Your Honour has made a ruling. There is another one that supervenes all of these rules, that one pays respect to the Chair and to the Speaker, otherwise a parliamentary system breaks down.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: I suggest the hon. member govern himself accordingly.

SOME HON. MEMBERS: Hear, hear!

MR. HODDER: To the point of order.

MR. SPEAKER: To the point of order. The hon. member for Port au Port.

MR. HODDER: To that point of order,
Mr. Speaker. First of all no one was questioning the Chair
here. And, Mr. Speaker, it has been tradition in this
House, generally, that the first questioner and the second
questioner, as I understand, in the last sitting of the House,
was allowed by the Chair

MR. HODDER: by the Chair to have more than two
supplementaries. So I submit, Mr. Speaker, that the hon.
member from LaPoile (S. Neary) was quite in order.

AN HON. MEMBER: Nobody else can.

MR. SPEAKER (Simms): A final -

MR. MARSHALL: Mr. Speaker, if I may just (inaudible)
this is a matter, Mr. Speaker, -

MR. SPEAKER: The hon. the President of the Council.

MR. MARSHALL: - for the respect of the Chair and
Your Honour's authority in this House.

SOME HON. MEMBERS: Oh, oh!

MR. MARSHALL: It is very clearly stated in the
Standing Orders that a reasonable number of supplementary
questions in -

AN HON. MEMBER: There was a ruling -

MR. MARSHALL: - the discretion, Mr. Speaker, of
Your Honour, may be asked. The hon. member has asked two or
three supplementary questions -

SOME HON. MEMBERS: Two, two.

MR. MARSHALL: - two supplementary questions -

PREMIER PECKFORD: That is not the point. We want a
ruling.

MR. MARSHALL: It is not the point. The point of
the matter is supplementary questions, the number then may
be asked in relation to the discretion of Your Honour. Your
Honour has exercised his discretion and this is the whole
point of my point of order.

MR. SPEAKER (Simms): With respect to the point of order, hon. members will also be aware that debate on points of order during Question Period comes out of the time of Question Period and I do not particularly wish to do that. The points as raised by the hon. the President of the Council (W. Marshall) are very clear in the Standing Orders. I have used my discretion and allowed the hon. member two supplementaries. If the hon. the member for LaPoile (S. Neary) wishes to pose a new question I will allow him to pose a new question.

The hon. member for LaPoile.

MR. NEARY: Well, Mr. Speaker, I would like to ask the hon. Minister of Transportation (C. Brett) if he would tell the House how much provincial money will be going into the Newfoundland Railway, the Coastal Boat Service, the Trans-Labrador Highway, the Trans-Canada Highway? We know there is \$70,000,000 forthcoming from Ottawa in an envelope - how much provincial money? Will the Province match that dollar for dollar? Or what percentage, what proportion will the Province be putting in to these transportation projects?

MR. SPEAKER: The hon. Minister of Transportation.

MR. BRETT: Mr. Speaker, the hon. member knows very well that that is - the subject, that is the subject of negotiation. Obviously, we will be trying to get as much as we can out of the Federal Government. We would like to see, and not only would we like to see but we feel very strongly that the Trans-Canada Highway agreement -

AN HON. MEMBER: We are entitled to it.

MR. BRETT: Yes, we are entitled to it, it should be ninety-ten -

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: We are entitled to it.

MR. BRETT: - but this, I mean, the whole matter is one of negotiation and up to this point in time there has been no negotiation whatsoever. The only thing that we got from Mr. Pepin was trade-off. That was the message that he brought to us, trade off.

SOME HON. MEMBERS: Oh, oh!

MR. BRETT: You have so many dollars, he was not prepared to tell that to the Premier or myself, how many dollars, but trade off; trade off the Trans-Canada for the railway, trade off Gander Terminal for something else. And we are not prepared to do that, we feel that we are as entitled to a railway and a Trans-Canada Highway as any other Province in Canada.

SOME HON. MEMBERS: Hear, hear!

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

MR. WHITE: Mr. Speaker, my question is for the Minister of Development, and since it is the first opportunity for him to be in the House since he received that new job, I would like to congratulate him on it. And in that role I would like for the minister to tell the House why the government is delaying the announced project by the DAC group, one of the largest construction projects to be announced in this Province in many years, why the government is procrastinating and delaying that major construction project?

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

MR. WINDSOR: Mr. Speaker, let me say first of all that by no means is government delaying any development opportunity in this Province. Indeed we will be doing everything possible to stimulate economic development activity to

MR. WINDSOR: assist any developer or anybody who has any kind of a proposal that will be in the best interests of this Province.

AN HON. MEMBER: (Inaudible)

MR. WINDSOR: As it relates to the DAC proposal, we have some very preliminary information which we are looking at. Nevertheless, we have stated, the Premier in a very substantial press conference, not too long ago, stated very clearly our policies as they relate to offshore oil and gas developments. We are not prepared to entertain any major development until we are sure it is in the best interest of the Province, until we are sure it fits in with our overall plan and policy direction for this Province.

SOME HON. MEMBERS: Hear, hear!

MR. WHITE: A supplementary, Mr. Speaker.

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

MR. WHITE: Mr. Speaker, would the minister tell the House what site the company, DAC group, has asked for with respect to this project, and whether or not the government is trying to force additional other sites separate from the one they have proposed on this new company?

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

MR. WINDSOR: Mr. Speaker, I do not know that I should release the exact site, although it is probably fairly common knowledge, I leave that to the company at their discretion, when they are prepared to release publicly what they are proposing, then I will leave them to do that. And the second part of the question; When we say that we are looking at a number of sites, we have already identified a number of

MR. WINDSOR: sites in the preliminary manner which we see as preferred sites. We have left it open for companies, municipalities, any organization to nominate further sites in the Province. We have laid down very clearly the criteria for that. We have laid down very clearly the schedule in which we will be analyzing each of the proposals, looking at each of the sites, doing environmental

MR. N. WINDSOR:

and social impact studies, and then awarding sites to prospective developers. It may well be that only one site in the Province will be allowed for that kind of a major, macro project of that type, maybe that there will be several, but at any rate we will look at all the proposals that are put before us and we will choose the one that is in the best interest of the people of this Province.

AN HON. MEMBER:

Hear, hear.

MR. SPEAKER (Simms):

Final supplementary, the hon. member for Lewisporte.

MR. F. WHITE:

Mr. Speaker, would the minister tell the House whether or not he has been informed that there may be a possibility of this company going outside of Newfoundland to carry on this project if the government procrastinates to the extent that they have been doing in recent weeks?

SOME HON. MEMBERS:

Hear, hear.

MR. SPEAKER:

The hon. Minister of Industrial Development.

MR. N. WINDSOR:

Mr. Speaker, I find the gist of that to be a little distasteful and we simply say that it is not, as I said earlier, the intent of government to discourage any developer, or to cause a developer to take a major project elsewhere if that project is in the best interest of the Province. Neither are we prepared to approve a project until we have determined and we are satisfied that it is in the best interest of the Province, We have not done that yet, neither have we seen any firm contracts in relation to the DAC group, neither have we seen any firm commitments from them other than a proposal which was tabled at a press conference.

MR. SPEAKER:

The hon. member for Torngat Mountains.

MR. G. WARREN: Mr. Speaker, my question is to the Minister of Development (Mr. N. Windsor). I understand that for some time now there have been negotiations between the government and some foreign countries on setting up an aluminum smelting plant somewhere in Newfoundland. I would like for the minister to either confirm or deny that this aluminum smelting plant will be going on the Island portion of the Province.

MR. SPEAKER (Simms): The hon. Minister of Industrial Development.

MR. N. WINDSOR: Mr. Speaker, I can neither confirm nor deny, I will simply say that yes, we are having discussions with six or seven different companies who are interested. Any one of these, or two or three, probably three or four, will probably be forming a consortium, so there will not be any one particular company. And at the moment there is no firm consortium formed, but there may be two or three of these who we hope will form a consortium for the purpose of establishing a very large aluminum industry based on Gull Island power which, of course, is critical to that project. Where it will be located has not been determined, we are looking at sites both on Island and in Labrador, That decision is quite a ways down the road yet.

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

MR. G. FLIGHT: Mr. Speaker, my question is to the hon. Minister of Mines and Energy (Mr. L. Barry). As the minister knows, in July I think it was, the executive of LCDC recommended to government that the start be made on the Muskrat project, that they reported it was financially and technically feasible, the markets were on the Island, no problem with having to transport surplus power. Now in view of the fact, in view of the ever escalating cost of electricity generated by fossil fuel, in view of the minister making statements that we will face an energy shortage

MR. G. FLIGHT: sometime after 1984, and when you look at the long-term benefit of that project, which would be a stable energy supply for this Province, the short-term, of course, would be the jobs in the five-year construction period, would the minister indicate why there is no evidence to this point in time that the government is taking that report and that recommendation seriously?

MR. SPEAKER (Simms): The hon. Minister of Mines and Energy.

MR. L. BARRY: Mr. Speaker, the member opposite should also refer to the fact that that particular report indicated that it was recommending Muskrat only if Gull Island could not be assured of having a supply or a market for the surplus energy. In other words, the Task Force preferred to see a start on Gull Island if the transmission of electricity through Quebec - surplus electricity through Quebec - were possible or if a market were available for electricity on the Island from, for example, aluminum.

 We have had discussions with the federal government, Mr. Speaker, A decision will have to be made as to whether it is Muskrat Falls or Gull Island early in 1981. I have had discussions with federal ministers, our government has had discussions with the federal government, and we have urged the federal government to exercise its constitutional authority to ensure that

MR. BARRY:

electricity can move from Labrador, across Quebec, to wherever the markets are, so that we may see a start on Gull Island, which is the best project to proceed with.

SOME HON. MEMBERS:

Hear, hear!

MR. FLIGHT:

A supplementary, Mr. Speaker.

MR. SPEAKER (Simms):

A supplementary, the hon. member for Windsor-Buchans.

MR. FLIGHT:

Mr. Speaker, this report is very clear, very simple and a report to me from the Hydro people responsible indicates that their recommendation was not tied to develop - the recommendation to develop Muskrat Falls was not tied to the development of Gull Island. Gull Island has got all the problems that the minister referred to, the transportation of surplus power. I was very quick, Mr. Speaker, to read the recommendation on Muskrat, that there is no surplus to worry about, that the Province will - that Muskrat gives us the reason to develop the tunnel, to bring the power from Muskrat into the Island and that it can be done quite apart from Gull Island. And the question still stands, Mr. Speaker - better put, my question is this, if Newfoundland Hydro and the Government of Newfoundland are not capable of negotiating an agreement with either Ottawa, Quebec, whoever they might have to negotiate with, on the development of Gull, will Muskrat be put on hold? Will we see a development of Muskrat regardless of what the outcome of the minister's negotiations on Gull are?

MR. DINN:

We can develop it and give it away, if you want.

MR. SPEAKER:

The hon. Minister of Mines and Energy.

MR. BARRY:

Mr. Speaker, on the first part of that question I refer the hon. member to that same report he is holding

MR. BARRY: up there. He will see there the cost figures set out and the cost per kilowatt hour for both Muskrat Falls and Gull, showing a lower unit cost for Gull Island power, and also he will see a reference there that in the light of no market having, at the time that that report was brought in, no market having been firmly established for the sale of surplus energy from Gull Island, that the recommendation is for Muskrat Falls.

It is clear, Mr. Speaker, from that task force report, it is clear and it should be clear from any discussions the member opposite has had with any officials involved in that report, and I challenge him on that point, it should be totally clear that Gull Island is the best project for this Province. I have had, Mr. Speaker, some encouraging discussions with federal ministers who have responsibilities here and, Mr. Speaker, we have had encouraging responses and before -

AN HON. MEMBER: A year and a half.

MR. BARRY: - Mr. Speaker, before the time for decision is here the hon. member will receive an answer to that question.

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

MR. FLIGHT: I would direct this question also to the Minister of Mines and Energy (Mr. Barry), Mr. Speaker. When the recent federal budget came down the Premier went on record the next day suggesting that it was a nothing budget for Newfoundland, there was no economic stimulus there, that it would do nothing for this Province by way of jobs or by way of increasing the well-being of Newfoundlanders. He had nothing good to say about the budget. Yet a few days after, the chief executive officer of CFLCo. said that he welcomed the budget; inasfar as resource development was concerned it was the

MR. FLIGHT: best budget that ever came out of
Ottawa, that it would give -

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: - that it would give credibility
to the development of the Lower Churchill.

MR. HODDER: \$200 million.

MR. FLIGHT: Now, Mr. Speaker, I ask the minister
to tell this House of Assembly who was right? Is it the
Premier of the Province or is it the chief operating officer
of CFLCo? Who is right, Mr. Speaker?

MR. SPEAKER (Simms): The hon. Minister of Mines and
Energy.

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: Be careful.

MR. SPEAKER: Order, please!

MR. BARRY: Mr. Speaker, the hon. member has
been doing the same thing that this hon. Texan down - who said
he is going to claim the Grand Banks is doing. I think his
name is Mr. Grim, and there we have a case of another Grimm's
fairy tales. Well here the hon. member opposite is setting up
another Grimm's fairy tale.

MR. BRETT: That is a good answer.

MR. FLIGHT: Tell us who is right?

MR. BARRY: Mr. Speaker, the Premier pointed
out and pointed out quite correctly that it was disappointing -

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: that it was disappointing -

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: that it was disappointing -

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: that it was disappointing

to our government, Mr. Speaker, not to see -

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: One second.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

MR. BARRY: It was disappointing to our

government -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

Hon. members, I presume, to

my right, again, would like to have an answer to the

question.

MR. BARRY: No, Mr. Speaker, no they do

not.

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: They are scared silly of

answers.

MR. SPEAKER: I assure you the Chair is having

difficulty hearing the answer. The hon. minister has

about fifteen or twenty seconds to answer the question.

MR. BARRY: Mr. Speaker, the Premier

quite rightly pointed out that our government was

disappointed not to have a firm commitment spelled out in

the budget -

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: - from the federal government

with respect to the transmission of electricity across

Quebec -

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: - which it is the obligation of the federal government to ensure, Mr. Speaker.

AN HON. MEMBER: Hear, hear!

MR. MORGAN: That is the law.

MR. R. MOORES: Answer the question.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

MR. BARRY: Mr. Speaker, I humbly ask that if members opposite want answers to questions - and I must say I am terribly disappointed that the new Leader, having had all Summer, could only come up with two questions -

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

MR. BARRY: - to put to the Premier after a full Summer adjournment. Now, Mr. Speaker, I will be glad to answer any questions any hon. member wants to set forth provided they give me the courtesy of listening to the reply.

I pointed out on the same day, Mr. Speaker, that the budget was released, which was apparently days before the ante statement - I did not see it - that was attributed to the Chief of CFLCo., I pointed out on the same day that despite our disappointment that there was no firm commitment for the movement of electricity across Quebec, it was very significant that in the budget there was not just the \$200 million equity committed, but also the commitment to provide credit support for the financing of the Lower Churchill project.

MR. FLIGHT: The Premier did not (inaudible) that.

AN HON. MEMBER: What is that then?

MR. BARRY: Mr. Speaker, the Premier was busy enough pointing out the shocking -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

MR. BARRY: - shameful way in which -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

I must ask the hon. minister to conclude his answer, the time is up.

MR. BARRY: Mr. Speaker, the Premier was busy enough pointing out the shocking and shameful way that the federal government had engaged in a deceptive budget to try and pull the wool over the eyes of the people of Canada in putting forth what they called an energy budget but is really a lack of energy budget. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

The time for Oral Questions has expired.

NOTICES OF MOTION

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, in line with what I had said earlier I give notice that I will on tomorrow ask leave to introduce the following resolution: WHEREAS the proposed Constitutional Resolution currently before the House of Commons and Senate of Canada will, if implemented unilaterally adversely affect the rights of this Province as now enshrined in our Terms of Union as agreed to with Canada in 1949; AND WHEREAS the proposed Resolution does not address the areas of shared jurisdiction for the fisheries, provincial ownership of offshore oil and gas, and the free transmission

PREMIER PECKFORD: of electrical energy across neighbouring provinces which are vital to the development of this and other provinces;

BE IT RESOLVED THAT this House supports the patriation of the Constitution of Canada but strenuously objects to the present intent of the Federal Government to unilaterally request the Government of the United Kingdom to first cause the British North America Act to be altered and in particular to have imposed a new amending formula; - which, by the way I might say off the record, an hour and a half ago Mr. Chretien admitted. And it is the first time that a federal minister has ever admitted that it can change anything under that formula, all guarantees are gone, he admitted that a few minutes ago -

BE IT FURTHER RESOLVED THAT this House urges the Federal Government -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER(Simms): Order, please!

PREMIER PECKFORD: - to recognize the established Canadian practice of determining internal Canadian relationships by consultation and agreement with all Canadian governments and immediately reinstitute federal/provincial constitutional discussions with the aim of altering the constitution

PREMIER PECKFORD: to provide amongst other things for recognition of shared jurisdiction in the fisheries, confirmation of provincial rights to offshore resources and confirmation of the right to transmit hydro power across neighbouring provinces; and

BE IT FURTHER RESOLVED THAT this House urges the Parliament of the United Kingdom not to enact amendments to the British North America Act that affect Federal/Provincial relationships without the Federal Government having first consulted with and obtained the agreement of the provinces.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): Further Notices of Motion?
The hon. the President of the Council.

MR. MARSHALL: Mr. Speaker, in consequence of the resignation from the Public Accounts Committee of the hon. the Leader of the Opposition which occurred since we last sat, I move, and I might explain that this is a motion where you appoint an Opposition member on the Public Accounts Committee to replace the hon. the Leader of the Opposition, and it is really the nomination of the Opposition, I move that the hon. the member for Windsor - Buchans (Mr. Flight) be a member of the Public Accounts Committee.

SOME HON. MEMBERS: Hear, hear!

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

MR. STIRLING: I take great pleasure in seconding that motion. The new addition to the Public Accounts Committee I am sure will do an exceptionally good job, and I would like to compliment members on both sides of the House who are serving on the Public Accounts Committee. I think they are a credit to this House of Assembly. They have conducted themselves in a manner

MR. STIRLING: that we can all be proud of. And I think that we could, maybe, take a lesson from the Public Accounts Committee and invite the television cameras and the radio cameras in to observe what is happening in this hon. House.

MR. WARREN: Right on! Right on!

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER (Simms): You have heard the motion.

MR. MARSHALL: Mr. Speaker.

MR. SPEAKER: The hon. the President of the Council.

MR. MARSHALL: I think, perhaps, even though it was a Notice of Motion, with the consent of the House that motion may now be put so that the member can become a member of the Committee.

MR. SPEAKER: Is it agreed?

SOME HON. MEMBERS: Agreed!

MR. SPEAKER: You have heard the motion.

Those in favour 'aye', contrary 'nay', carried.

Any further Notices?

The hon. the minister of Mines and Energy.

MR. BARRY: Mr. Speaker. I give notice, with great pleasure, that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Authorize The Lieutenant-Governor In Council To Enter Into An Agreement With ERCO Industries Limited". (Bill No. 83).

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: And, Mr. Speaker, I might add that since the agreement was finalized yesterday, the Bill is not yet up to the Queen's Printers; it will be sometime this afternoon. But I have photostatic copies of both the proposed Bill and the proposed new agreement

MR. BARRY: which will be distributed
to all members and to the press right away.

MR. SPEAKER(Simms): Futher Notices?

ORDERS OF THE DAY

MR. SPEAKER: The hon. the President of
the Council.

MR. MARSHALL: Mr. Speaker, in view of
the fact that we will be asking the House to adjourn
until Tuesday next to enable all members of the House to
have adequate time to engross and absorb the Constitutional
Resolution and the agreement, an Act with respect to ERCO,
I feel that it does not serve any real purpose for the
continuity of the House to get into a matter at this
particular time so I would move that this 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, November
18, 1980, at 3:00 p.m.