

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY

FOR THE PERIOD:

3:00 p.m. - 6:00 p.m.

TUESDAY, NOVEMBER 25, 1980

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER (Simms): Order, please!

On behalf of all hon. members, I

would like to welcome to the Speaker's Gallery today the Federal Minister of Supply and Services, the Hon. Jean-Jacques Blais. Welcome, Sir. Bienvenu.

SOME HON. MEMBERS: Hear, hear!

STATEMENTS BY MINISTERS

MR. SPEAKER: The hon. Minister of Finance.

DR. J. COLLINS: Mr. Speaker, hon. members are aware that on March 25th. of this year Petro-Canada Exploration Incorporated entered into a letter of intent with Peat Marwick Limited, the Receiver and manager of Provincial Refining Company Limited, for the purpose of negotiating and finalizing a contract for the purchase and sale of the oil refinery at Come By Chance.

One of the obligations in the letter of intent stipulated that Petro-Canada should perform an inspection of the refinery in order to determine the feasibility of repairing and starting up the refinery, but they were not necessarily obliged to do so.

On the same date, the Government of Newfoundland and Labrador exchanged a letter of agreement with Petro-Canada in which was pointed out Government's understanding that if feasibility studies produce favourable results, Petro-Canada intended to purchase the refinery and thereafter proceed with such repairs as were considered necessary or appropriate in the circumstances. The provincial government indicated its support for this initiative on the part of Petro-Canada, whereupon the two parties undertook an agreement on certain items of mutual concern which would bind Petro-Canada if it purchased the refinery and would also bind any affiliates or successor to Petro-Canada as owner.

DR. J. COLLINS: Subsequently, Petro-Canada entered into an agreement of purchase and sale on July 28th., 1980 with Peat, Marwick Limited and Kleinwort, Benson Limited, representing the interests of the first mortgage.

Clause 7 (2) of that agreement states as follows: 'Right of termination - refinery not viable . If Petro-Canada, in its sole and absolute discretion, determines that it is not technically, economically or otherwise feasible or adviseable for Petro-Canada to repair the refinery and to achieve commercial production, Petro-Canada may terminate this agreement provided that notice of termination for such reason is given on or prior to November 26th., 1980,' that is Wednesday of this week.

Since March, Petro-Canada has undertaken a number of studies with respect to the refinery, including a comprehensive technical inspection of the refinery carried out by Fenco (Nfld.) Limited at a cost of approximately \$1 million and a market study conducted by Arthur D. Little of Canada, Limited. Pursuant to previous arrangements, a meeting took place yesterday between representatives of government and Mr. Wilbur Hopper, President, and Mr. David O'Brien, Vice-President of Petro-Canada for the purpose of discussing the decision of the Board of Directors of Petro-Canada based on reports arising out of those studies and on various in-house studies carried out by Petro-Canada itself.

DR. J. COLLINS:

Mr. Speaker, neither of those reports precludes the possibility of a commercial feasible rehabilitation of the refinery and I am happy to announce that because of this Petro-Canada has decided to waive its rights to back out of the contract of sale pursuant to clause 7(2), which I have just read out. What this means, Mr. Speaker, is that while another major milestone has been passed, a number of aspects of this highly complex matter remain to be resolved.

Hon. members will recall in particular that at the time of the bankruptcy a consent order was made which required that any agreement for sale of the refinery should not be completed until the purchase price and all other terms and conditions of the contract had been approved by final order of the Supreme Court of Newfoundland. On October 17th. such approval was given by the Trial Division of the Supreme Court, An appeal from that decision remains to be decided by the courts.

At this stage, Petro-Canada has indicated that it cannot state with assurance that they will be able to structure an adequate commercial plan for the rehabilitation and start-up of the refinery. However, Petro-Canada has waived its right of termination of its agreement with the receiver and the first mortgagee and will continue to work towards fulfilling all conditions precedent to closing a contract for purchase and sale of the refinery. What this means, Mr. Speaker, is that if all such conditions are fulfilled, and provided final court approval is obtained, Petro-Canada will purchase the refinery.

Mr. Speaker, although certain arrangements relating to crude supply and marketing remain to be concluded, those matters are being actively pursued and

DR. J. COLLINS: Petro-Canada remains committed to rehabilitate the refinery if it is commercially possible to do so.

I should point out, Mr. Speaker, that if at the time of Petro-Canada's purchase of the refinery is final approved by the courts, a commercially viable plan for rehabilitation is not in place, then Petro-Canada will mothball the refinery and in consultation with the Government of Newfoundland will continue to attempt to structure a commercial rehabilitation plan acceptable to their board of directors.

MR. NEARY: What a bluff! What a bluff!

DR. COLLINS: If within a reasonable period of time Petro-Canada has still not succeeded in creating a commercial rehabilitation plan, and they have no other feasible commercial use for the refinery property, Petro-Canada will offer the plant for sale to third parties. This will only be done after full prior consultation with the Government of Newfoundland. In the event they are unable to sell the refinery within a reasonable period of time, Petro-Canada will take such course of action as they consider advisable in the circumstances to recover their investment, but again only after consultation with the Government of Newfoundland.

MR. NEARY: In other words, scrap the -

DR. COLLINS: Mr. Speaker, the government fully supports Petro-Canada's current role in the rehabilitation of the Come By Chance refinery, and looks forward to a continuation of the current co-operation between Petro-Canada and the Province to that end.

Mr. Speaker, I would like here now to table

DR. COLLINS: certain correspondence that has passed between the Government of Newfoundland and Petro-Canada to this effect.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

The hon. the Leader of the Opposition.

MR. STIRLING: Thank you very much, Mr. Speaker. I think it is appropriate that a federal minister is in the gallery today when the Minister of Finance (Dr. Collins) is outlining the final effort to attempt to keep that plant from being scrapped. This is the same government, of course, that supported the federal position that Petro-Canada itself should have been scrapped and would have been scrapped if they had been re-elected. So I think it is appropriate that the minister is making a statement with a federal minister in attendance. However, I think that I have to reserve full comment until I read what is in the two letters, because the Minister of Finance was very careful not to read the letters. And the wording of this statement - and I would urge the press to look closely at the wording of this statement, because I believe what has actually happened is that I believe that the Newfoundland Government has successfully dumped the problem on to Petro-Canada; that Petro-Canada, I believe in these letters, if I had had a chance to read them, and the minister did apologize for the fact that he just had a chance to pass them out to me a minute before - but it sounds, Mr. Speaker, as if we have a new deal. The impression that we were given is that if Petro-Canada did not back out by tomorrow then it would be a go proposition, that they would rehabilitate the refinery and they would reopen and they would repair and we would have a full operation. It appears from this - to use a Newfoundland expression - weasel-worded statement, that you have to pay

MR. STIRLING: very close attention, that it has been very negatively worded in that it says, 'Mr. Speaker, neither of these reports precludes the possibility of a commercially feasible rehabilitation.' In other words, it is stated in the negative. The hopes of the people in the district of Bellevue once again put off. This is the same government, by the way -

MR. HODDER: Shame!

MR. STIRLING: - who was going to have this thing operating within ninety days if the Premier was elected Premier back in the leadership days, ninety days of May, 1979, I think it was.

MR. WARREN: They cannot count.

MR. STIRLING: Now they are saying in a negative -

MR. NEARY: Four hundred days overdue.

MR. STIRLING: - 'neither of these reports precludes the possibility,' but it is not stated in the positive, which says that these reports indicate or confirm the economic feasibility. Now, Mr. Speaker, I am going to put the Minister of Finance (Dr. Collins) on notice that if we actually see the rest of this - and I presume since he has quoted parts of the agreement, the minister will table all previous agreements and not just these two or three letters. Because I believe my first reaction - and if it is a wrong reaction then, of course, I will eventually apologize to the Minister of Finance - my first reaction is that Petro-Canada has really extended their option. Now, what has really happened is that they have not made the decision to proceed, they have made the decision to continue their studies and I believe the government has let them off the hook and I believe what is now going to happen is that they have dumped on to Petro-Canada so Petro-Canada will become the villain.

MR. NEARY: Ottawa.

MR. STIRLING:                   When it becomes a chance for this  
decision to finally either mothball it or scrap it, that  
the government will have found



MR. STIRLING:

another way out and it will be Petro-Canada who has to make the final decision to scrap it. Now, Mr. Speaker, I may be unduly suspicious and if I had had these letters in time I would have gone through them but I will now go through them and maybe before Question Period is over I may be able to ask the minister a question.

Thank you Mr. Speaker.

MR. SPEAKER (Simms):

Further statements?

ORAL QUESTIONS

MR. SPEAKER:

The hon. member for LaPoile.

MR. NEARY:

Mr. Speaker, ever since the Premier made his historic statement in the House the other day concerning the repeal of the water rights to the Churchill Falls Corporation to generate electricity for the province or to sell to Quebec Hydro, a lot of people have been trying to put a price tag on how much this will cost Newfoundland and Labrador. Now as near as I can ascertain it will be about \$7 billion, but in order to help me arrive at a figure I wonder if the Minister of Finance (Dr. Collins) could answer a few questions in connection with the cost of this repealing the water rights? For instance, could the Minister of Finance (Dr. Collins) tell the House how much it would cost to pay off the bond holders, the people who financed Churchill Falls? How much would it cost to pay off the bond holders if they had to be paid off?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, the hon. member, I think, is asking in some respects a theoretical question -

SOME HON. MEMBERS:

Oh, oh!

DR. COLLINS:

- because it is not by any means certain that all the bond holders would want to be paid off. In our conversations with the bond holders, that was not a definite message we got from them, that if such-and-such happens

DR. COLLINS: we want to be paid off on the barrel head. That was not a definite response on their part. Assuming though that theoretically we did have to pay them all off, it has been determined that it would be in the order of \$550 to \$600 million, something in that range. Now that may sound a little bit broad but the reason for it is this, that we undertook that we would pay off the bonds if required, if requested at their face value plus any premium, if applicable, plus any accrued interests; in other words all amounts owing under the debt instruments to the bond holders. And it would take some little calculation to really bring that amount down to a fine point but I feel I am quite within the range when I say between \$550 and \$600 million.

MR. NEARY: A supplementary.

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

MR. NEARY: I assume from the minister's answer, Mr. Speaker, that he did not include the amount that it cost the people of this Province to nationalize Churchill Falls Corporation. That amount is not included in that \$600 million. How much would that be? Does the hon. gentleman have any idea of what the total cost would be? That is \$600 million we have gotten out of the minister now, but how much is involved in the nationalization of the Churchill Falls Corporation?

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

DR. J. COLLINS: Mr. Speaker, the hon. member's expression 'nationalization' is his not mine and I think that the hon. Minister of Mines and Energy (Mr. L. Barry) yesterday gave him an amount that the Province expended at a previous time in order to achieve its presence or to add to its holdings in the corporation at that time, as well as to buy out certain other rights such as the water rights on the Lower Churchill. And if I remember correctly, the hon. Minister of Mines and Energy said, at that time, something in the order of \$160 million was expended.

MR. S. NEARY: Well that is \$860 million -

MR. SPEAKER: Supplementary, the hon. member for LaPoile.

MR. S. NEARY: A supplementary, Would the hon. gentleman tell the House how much it will cost the taxpayers of this Province to pay-off the shareholders of Churchill Falls Corporation? I believe the big shareholder in Churchill Falls is Quebec Hydro, the other shares belong to the people of this Province. How much will that cost the taxpayers?

MR. SPEAKER: The hon. Minister of Finance.

DR. J. COLLINS: Mr. Speaker, I cannot give you that figure because that is going to be a very difficult thing to determine. I can give an upper limit and I can give a lower limit.

MR. S. NEARY: Give me an upper limit.

DR. J. COLLINS: The upper limit is of the order of \$50 million; the lower limit is zero. It could be that no expenditure will be required to take care of the shareholders because the shares had to be evaluated. It may well be that at a certain point in time, taking certain things into consideration, that there is in effect no value to the shares as such. But as I say, it is not an easy thing to do, it is not an easy calculation to make and we gave an undertaking that although we undertook to compensate for any loss in value that a shareholder

DR. J. COLLINS: feels he may have substained, that that will be open to appeal; so that if a certain value is put on a share and the loss in value was considered by the shareholder to something different than we put on it, he may appeal to the courts for adjudication.

MR. S. NEARY: Final supplementary.

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

MR. S. NEARY: Fine, Mr. Speaker, we are almost hitting a billion now and we have not even scratched the surface yet, Mr. Speaker.

MR. W. MARSHALL: You gave it away.

SOME HON. MEMBERS: Oh, oh.

MR. S. NEARY: Almost a billion -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Now, would the hon. gentleman -

MR. SPEAKER: Order, please!

MR. S. NEARY: - would the hon. Minister of Finance (Dr. J. Collins) -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

AN HON. MEMBER: The minister did not say that.

MR. S. NEARY: That is not bad money -

SOME HON. MEMBERS: Oh, oh!

MR. S. NEARY: - a billion dollars for little old Newfoundland. Would the minister tell the House now how much - could he put a price tag on it? - how much the government have allowed for lawsuits, for suits for damages and so forth by Quebec Hydro and by the State of New York that buys the power from Quebec Hydro, how much has the government allowed for lawsuits, damages, etc., for the cost of building the transmission line across Quebec from Churchill Falls to tie into the Quebec power grid? What price tag has the minister put on that, if any? Because my understanding, Mr. Speaker, is that

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MR. S. NEARY:                   the court is only asked to decide  
on whether or not this Legislature has the jurisdiction to  
pass this

MR. NEARY:

kind of legislation and not adjudicate on damage so the government must have put a pricetag on it. About how much? Could the minister give us a ballpark figure?

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

DR. COLLINS: Mr. Speaker, if the hon. member can lay out what court cases he has in mind and detail these, what the claim will be and so on and so forth, I am sure that- not being a lawyer myself, I would not dare attempt to answer it-but I can get someone in Justice to have a look at it, but as he states it now there is absolutely no certainty that there will be any law suit, what there will be, what he has got in his mind. In other words, a totally hypothetical situation he is putting up at the present time.

MR. SPEAKER: The hon. member for Lewisporte.

MR. WHITE: Mr. Speaker, my question is for the Government House Leader, the President of the Council, and it relates to the position of Auditor General for the Province. The post has been vacant now for a few months, a selection committee was named and I wonder if the Government House Leader could tell the House what the procedure is that is being followed at the moment with respect to getting a new Auditor General for Newfoundland.

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

MR. MARSHALL: Mr. Speaker, the matter is under consideration. The Committee is meeting and, in the reasonable near future, we would hope that a decision will be made. The government puts a very high priority on the office of the Auditor General, as the hon. member knows, being chairman of

MR. MARSHALL: the Public Accounts Committee, that we put a very high priority on the office of the Auditor General and the examination of the accounts and the actions of government over a period of time as contrasted with the position taken by the hon. gentlemen when they were over here.

MR. WHITE: A supplementary, the hon. member for Lewisporte.

MR. WHITE: Mr. Speaker, I wonder if the Government House Leader could tell us whether or not this selection committee will be making a number of recommendations to government and whether the Cabinet will be picking from among those recommendations or whether the Committee has the terms of reference to decide the Auditor General?

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

MR. MARSHALL: Mr. Speaker, the relevant legislation provides that the selection would be made by the Lieutenant-Governor in Council and then he would become a servant of the House. I would imagine that the Committee is now screening applications and I would imagine that what the Committee would be doing if there is only one that they think is capable of handling the job properly, there would be one recommendation but if there are more then we will be given a number of names.

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

MR. STIRLING: Yes, Mr. Speaker, I have now read the letters which were attached and I presume are

MR. STIRLING:                   being released to the press  
and there is no question, Mr. Speaker, that this statement  
by the minister is definitely in keeping with the kinds of  
advertisements being run in the newspapers. They are con-  
taining half truths and they do contain some of the in-  
formation but they have intentionally left out a state-  
ment in the letter and I would like to ask a question  
dealing with the statement.

      'Such a rehabilitation still  
depends on the obtaining of a secure source of crude supply  
and adequate markets which the products produced by the  
refinery may be sold.."



MR. L. STIRLING: "At this stage we cannot state with any assurance that we will be able to structure an adequate commercial plan." And this statement is a misrepresentation of the letters which are attached. My question to the minister is does he intend to table all the agreements and all the correspondence dealing with this whole matter between Petro-Canada and the Province? Maybe I will ask that as the first question.

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

DR. J. COLLINS: Mr. Speaker, it would seem odd for me to misrepresent in a statement and at the same time as I misrepresent in the statement to table the letter that points out the misrepresentation. I do not think that I would normally do that and I really do not think I have done it. I think that one can put whatever interpretation one wants on certain remarks, I suppose, but I think a reasonable person reading those letters-and those letters are now tabled and will be available therefore not only to hon. members of this House but to members of the public and otherwise - I think any reasonable person reading those letters and reading my statement will see that the two are constant one with the other.

In regard to making public other documents and so on, I might point out that the letter of agreement between Petro-Canada and the province has been made public. To my knowledge, the letter of intent between Petro-Canada and the receiver and the first mortgagee has been made public. I believe the contract for sale and purchase has been made public, but I cannot be held to that because it is a document that has been drawn up between Petro-Canada itself and the receiver and the first mortgagee, but I do believe that that has already been tabled.

DR. J. COLLINS: In addition to that, we have made quite a number of statements both in the House and by press release and otherwise about negotiations all along. I honestly do not believe, Mr. Speaker, that I have any documentation in my possession of any substance the information contained therein has not been made public.

MR. L. STIRLING: A supplementary, Mr. Speaker.

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

MR. L. STIRLING: Mr. Speaker, in questioning in this House the minister has never indicated before, does he now accept, in fact, based on this letter - and I accept him at his word that he will table everything including the agreement of July 28th. - does the minister now agree that Petro-Canada has not indicated that they have a secure supply of crude or adequate markets?

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

DR. J. COLLINS: Mr. Speaker, a correction there: I did not say I would table anything. I said as far as I am aware all information that is of any substance has already been either tabled or made public. But if there is anything - I will review my files and if there is anything that I see is of substance that should be tabled, I will be glad to do so. Insofar as the July 28th. agreement for purchase and sale, I think

DR. COLLINS: that it is a public document, but I will have to check to be absolutely certain on that because it is not one of our documents, it is a document between Petro-Canada and the receiver and the vendor. But I will check and if that is a public document, and it for some reason has not been made available to the hon. Leader of the Opposition (Mr. Stirling), I will make it available. But I cannot at this time give a commitment in that regard.

In regard to the question raised, whether Petro-Canada has at this time a secure source of crude and a marketing strategy firmly in place, I can only refer the hon. Leader of the Opposition to the statement I have made and to the letters, which says that there are certain arrangements yet to be completed in that regard.

Mr. Speaker, I might point out that the rehabilitation and the reactivation of the Come By Chance refinery is an extremely difficult, extremely complex job. If it was easy to do, if it was even just difficult to do, it would have been done long before this. It is incredibly difficult to put into place for any number of reasons, not least of which was the fact that it exists in the first place. I think that no person in his right mind if it did not exist at this time would put it there where it is and make the arrangements that are attached thereto.

It is extremely difficult to right this situation. Many, many things have to be taken into consideration. The whole oil situation in the world is changing almost day by day and to get where we are, and to get where we are with such a credible corporation, such a credible organization as Petro-Canada, I think is very heartening indeed.

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

MR. STIRLING: Yes, Mr. Speaker, see again the  
minister backs off from a commitment to table a full  
agreement. Now there was nothing in this exchange of letter  
to indicate they were public letters. This was an exchange  
of letters between Petro-Canada and the Province, and the  
Province decided to table the letters and it makes reference  
to one clause, clause 7(2), and we do not have the rest  
of it. It may have been tabled and I thought that the minister  
made a commitment, he has now made a commitment that he is  
going to look at it and if in his judgement there is anything  
that we should take a look at he may table it.

I would like to ask the  
minister a final question, Mr. Speaker, and that is does  
he now accept, since he has all the information which I  
do not have, does he now accept that in fact the agreement  
of July 28th. has been changed so that Petro-Canada has  
been given what is entirely a different deal, the right  
to continue to examine-to pay their \$10 million only  
and then if all else fails that they will be able to sell  
this for scrap, does he now accept the fact that that is  
a change from the July 28th. agreement?

MR. SPEAKER: The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, I have to reiterate  
that the July 28th. agreement is not between the

DR. COLLINS:

Province of Newfoundland and any other party. The July 28th agreement is between Petro-Canada and the receiver and Kleinwort Benson. I have no knowledge of this change. If the hon. the Leader of the Opposition feels it has been changed in some way, I would be glad to hear from him. As far as I know - and I am sure I would have heard to the contrary - that agreement which is between the two parties directly involved, Petro-Canada and Kleinwort Benson and Peat Marwick, if that has been changed I do not know about it and I would highly suspect that it is not changed.

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

MR. FLIGHT: Mr. Speaker, my question is for the Minister of Development (Mr. Windsor). He is aware that the Province announced a programme sometime last year, during the sitting of the House anyway, that the Province intended to reduce the cost of certain building lots in certain communities in Newfoundland that Newfoundland and Labrador Housing had financed and that were not selling, and in an effort to sell those lots, make them more attractive to the general public or whatever, that the department or government - and he made the announcement as Minister of Municipal Affairs. Recently, as Minister of Development, I think he has announced that indeed some reductions have taken place in certain areas. In Wabush, for instance, the cost of lots that were owned by Newfoundland and Labrador Housing was reduced by 50 per cent and in other areas they were reduced by 10 per cent. Would the minister confirm whether that is indeed the situation?

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

MR. WINDSOR: Mr. Speaker, I am not sure exactly what the hon. gentleman is asking. I am not sure if he is either.

SOME HON. MEMBERS: Oh, oh!

MR. WINDSOR: First of all, let me correct him a little bit. I announced as Minister of Housing that I would be recommending certain reductions and have now announced, also as minister responsible for housing, that indeed the reductions have been put in place. The hon. gentleman is obviously concerned with Windsor. I had also announced that reductions were in place for Windsor subject to budgetary funding, of course, since the funding is not available. We announced that subject to funding being approved by the House of Assembly in the 1981 - 1982 Budget that certain reductions would be in place. If he wants to be a little more specific with his question, I will try to answer it.

MR. FLIGHT: Mr. Speaker, a supplementary.

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

MR. FLIGHT: Would the minister confirm that the reduction set and offered to the town of Wabush was 50 per cent to 60 per cent reduction in the cost of building lots in the project we are talking about in Wabush, and that Windsor has been told that their reduction for the lots in Windsor, the eighty-one lots that have been sitting there for five years, that not one lot has been yet sold, that the reduction in the price of those lots is 10 per cent as opposed to the 50 per cent in Wabush? And if that is a fact as announced by the minister, would he give me the criteria for setting those areas reductions?

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

MR. WINDSOR: Mr. Speaker, we have announced reductions in funding for a number of sub-divisions and various municipalities around the Province, Windsor being one of them. In a similar category with Windsor, you would find

MR. WINDSOR: Deer Lake, Stephenville, Glovertown, Daniel's Harbour and several others, perhaps. There were a number that we said we would not reduce at this time because we have identified a high potential for development relating to offshore oil and gas and these are areas where the Province has taken measures already to freeze land for developments that are either proposed or possible or potential.

As it relates to Wabush, this is a subject of a completely separate decision that was not one of the ones that was lumped in with the number of ones that were reduced in the amount that Windsor was. It was looked on as a special case and treated as a special case as an industrial incentive moreso than as a housing incentive since we are not sure that, even with reducing it that amount, it will bring housing within Wabush within a reasonable cost level.

MR. FLIGHT: A supplementary, Mr. Speaker.

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

MR. FLIGHT: Would the minister tell the House, Mr. Speaker, why Wabush was not dumped in with the rest of it? It is a housing development we are talking about. It is residential building lots we are talking about in Wabush. The reduction is fifty per cent. What makes Wabush different from Windsor - where apparently, by the minister's own admission the lots have been there for five years, not one lot sold - why did Wabush get a fifty per cent reduction in building lots and Windsor and the other towns the minister referred to only get a ten per cent? Why the difference in the reductions?



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

MR. WINDSOR: I will try again, Mr. Speaker.

MR. FLIGHT: Do a better job.

SOME HON. MEMBERS: Oh, oh!

MR. WINDSOR: Let me give the hon. gentleman a little bit of history of how we came upon the level of reduction for certain sub-divisions and not for others. Now, I have already mentioned that some of the ones that we identified as being probably suitable for reduction we did not reduce because there was perceived development extensions. There were other categories, Mr. Speaker, that when we analyzed the market conditions in a particular municipality that we found that the price of the lots was competitive and that it was not the fact that the price was too high that lots were not selling, it was simply a matter that there was no demand at the moment for the lots and that by reducing the price of those lots there would be no stimulant to create housing there so it would be of no benefit in fact, it would simply be a waste of taxpayers' money so we chose not to do that.

In the case of Wabush, it was treated totally differently. In fact Wabush, as I tried to indicate a moment ago, even with the reductions we got, we have put in place, probably will not in itself be the stimulant to construct housing in Wabush.

MR. FLIGHT: Why not?

MR. WINDSOR: Because the amount that we could normally, that we were reducing all the other lots would still be far in excess of what would be market as it relates

MR. WINDSOR: to Wabush.

MR. FLIGHT: Fifty per cent reduction?

MR. WINDSOR: Yes.

MR. FLIGHT: Did you consider giving them away?

MR. WINDSOR: So Wabush is a special case.

The rationale for Wabush is not based on a market study as all the other sub-divisions are, Wabush -

MR. FLIGHT: Give us the rationale. Give us the rationale for Wabush.

MR. SPEAKER (Simms): Order, please!

MR. WINDSOR: Mr. Speaker, I will try for the fourth time to tell the hon. gentleman that it is an industrial incentive because we have a situation in Wabush, an economic situation which needs a stimulant. We are working with the iron ore companies up there -

MR. FLIGHT: For (inaudible) times.

MR. WINDSOR: - to create secondary employment.

We are trying to get some industries attracted into the industrial park, and as a part of an overall programme, Mr. Speaker, we reduced the price of the housing lots.

SOME HON. MEMBERS:

Oh, oh.

MR. SPEAKER (Simms):

Order, please!

The hon. member for Torngat Mountains.

MR. G. WARREN:

Mr. Speaker, my question to to the Minister of Fisheries (Mr. J. Morgan). Some time ago I wrote to the Minister of Fisheries concerning the price paid for salmon and char in Northern Labrador and the minister advised me at that time if markets for the salmon would improve that probably there could be an increase in the price per pound of salmon. Could the minister advise if markets have improved to sell salmon and char?

MR. SPEAKER:

The hon. Minister of Fisheries.

MR. J. MORGAN:

Mr. Speaker, the prices paid last year and this year are comparable, the difference being this year's prices for salmon over five pounds came to five cents more per pound - \$1.85 per pound. And as the hon. gentleman knows from that area of Labrador that last year we paid a bonus at the end of the market season, when all the fish was sold, of fifteen cents per pound to the fishermen, an additional fifteen cents. All the fish have not yet been sold, all the salmon in particular, and we are hoping, and I guess all I can say now at this time, is we are hoping to be able to pay a bonus again this year, but the price for salmon over five pounds is five cents more than last year.

I would like to mention to the hon. gentleman that we are trying to find better markets for these products from Labrador, Arctic char and salmon in particular from our government owned fish plants. And recently in Europe we arranged a display at the exhibition in Paris, France, of these products - smoked char, smoked salmon from Labrador - and there were quite a few inquiries and we are hoping that next year we can get better markets and therefore better prices for these products.

MR. G. WARREN: Supplementary, Mr. Speaker.

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

MR. G. WARREN: Mr. Speaker, as you may know, the fishermen in Northern Labrador are getting the least per pound per salmon of any other fisherman in any part of this Province. I would like to ask the minister a supplementary question concerning the two fish plants that his department operates. Could the minister advise what is the status of those two fish plants for the coming year or are there any plans in progress?

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

MR. J. MORGAN: In answering the question, Mr. Speaker, the fish plants that are now owned by government at Nain and Makkovik and the feeder plants at Hopedale and Davis Inlet and Postville, we are looking at the possibility of getting out of the processing business as government. I think it is a wrong place for us to be, period. If we can find industries to take over the processing in these plants, fine. However, because of the initiative taken by the Labrador people, in this case I understand a vote was taken in all the communities along the Labrador Coast, they are requesting government to consider the possibility of a Labrador co-operative with the people of Labrador involved and for them to operate these fish plants. I am not convinced that we will be in a position to do that before next year's fishing season; however, tomorrow, in reply to the question, Mr. Speaker, there will be a meeting take place involving my colleague the minister from the Labrador portion of the Province and Mr. Bill Flowers and others connected with this movement to form a co-operative and we are hoping that we can get some kind of a co-ordinated effort in the next year's fishing season involving the new co-operative working with government and phase it in that way.

MR. G. WARREN: Final supplementary, Mr. Speaker.

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

MR. G. WARREN: Mr. Speaker, my supplementary, I would like to know from the minister, last year a United States firm which went bankrupt owed this government \$39,000, The minister reported that in the House several months ago. I am just wondering - this was on the purchase of fish from the provincial government - how much of this \$39,000 has been collected by the government to date?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. J. MORGAN: Well, Mr. Speaker, we found that in dealing with that company last year when they did declare bankruptcy under the Bankruptcy Act of the US, they were operating in New York, that they owed us \$35,000. We found that it was impossible to get back at that time that amount so we worked out with them a process whereby we would get back the \$35,000 on a condition they would carry on marketing fish for this year. So we arranged for the company to be bonded with us in a way that we would collect through the means of them selling fish for us the \$35,000 owed us

MR. MORGAN: from last year and I am pleased to inform the hon. gentleman that that fund is practically all now returned, or it will be by the end of this calendar year. The amount of money owed by that company in New York, W.B. Frank, will be repaid by means of the selling of, again, products like artic char in particular in the marketplace this year.

MR. SPEAKER (Simms): The hon. member for Fogo. We have time for one final question and answer.

MR. TULK: Mr. Speaker, my question is for the Minister of Lands and Forests (Mr. Power). On October 25th. Mr. William Rompkey, the Minister of National Revenue, announced the federal government was ready to sign the \$47 million agreement with the provincial government. Would the minister now indicate whether in fact that agreement has been signed and if not when can we expect it to be signed?

MR. SPEAKER: The hon. Minister of Lands and Forests.

MR. POWER: Mr. Speaker, there have been many announcements made since, I guess, the Fall of 1979 that a DREE agreement is to be signed. As everyone in this House knows, there was an additional DREE agreement for five years that covered the period from 1975 to 1979 and there was supposed to be a secondary DREE agreement signed from 1979 to 1984 or from 1980 to 1985. That agreement has not been signed. In spite of many announcements being made, the most recent being made by the Minister of Revenue (Mr. Rompkey) and shortly before that, I think, by Mr. Simmons, the member for -

MR. WARREN: Why?

MR. POWER: Why has the agreement not been signed?

MR. SPEAKER: Order, please!

MR. MORGAN: Ask your friend in Ottawa.

MR. POWER: The main reason, Mr. Speaker, the agreement has not been signed is because there are too many people in Ottawa simply playing politics with the agreement.

MR. MORGAN: Influential Rompkey, that is the reason why.

MR. SPEAKER (Simms): Order, please!

MR. MORGAN: Influential, so-called.

MR. POWER: Every bit of detail that is required by this government has been done, every bit of funding being required by this government is in place. The only thing that is not in place is either the decision-making process in Ottawa which allows the agreement to be signed or a genuine interest on the behalf of those persons to sign the agreement.

MR. MORGAN: An ineffective minister in Ottawa who wants to audit the fishermen every day.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The time for oral Questions has expired.

NOTICES OF MOTION

MR. SPEAKER: The hon. Minister of Fisheries.

MR. MORGAN: Mr. Speaker, I wish to give notice that I will on tomorrow ask leave to introduce a bill entitled; "An Act To Amend The Fishing Ships(Bounties) Act."

MR. SPEAKER: Could we have a page pick up the notice or perhaps a clerk from the table?

Any further notices?

Answers To Questions For Which

Notice Has Been Given.

MR. NEARY: A point of order.

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

MR. NEARY: I asked the Minister of Mines

MR. NEARY: and Energy (Mr. Barry) a question yesterday and he was going to get me the information. Does the hon. gentleman have it?

MR. BARRY: It is on the way and I should have it for you tomorrow.

MR. SPEAKER (Simms): Order, please! That is not a point of order.

PRESENTING PETITIONS

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

MR. WARREN: Yes, Mr. Speaker. I rise to present a petition signed by eighty-seven residents from the community of Rigolet in the district of Torngat Mountains. The prayer of the petition reads, "We, the undersigned, residents of the community of Rigolet in the electoral district of the Torngat Mountains demand that immediate action be taken to open a caribou hunting season in the Mealy Mountain zone for the residents of Rigolet."

Now, Mr. Speaker, as we know, some years ago, because of decline in the caribou population in the Mealy Mountains, the government had decided to close that zone to caribou hunters. Now at that time, I believe, the decision that was made was a proper decision. However, at the same time consideration for the people who depend on the caribou for their main food was not taken into consideration. Mr. Speaker, there is quite a lengthy summary here of why the residents of Rigolet say that they wish for the Mealy Mountain caribou zone to be opened. However, I am going to take the conclusion part of it and read what they said in the conclusion. They say, "In concluding, we certainly hope we have given you some idea of the situation for getting caribou in Rigolet." Now Rigolet is about ninety miles out the bay, we will say, from Happy Valley-Goose Bay and if they are obliged to go



MR. WARREN: North of Nain to hunt caribou, it means the cost factor is going to be much, much greater than the return even if they do get their caribou. The people in Rigolet for many, many years have hunted consistently in the Mealy Mountain zone and they have said here in this brief that

MR. WARREN:

at no time were they just going hunting for sport, they went hunting caribou and every part of that caribou was used in some way or other. Caribou has always been taken for food only, and there have been no reasons in past years for us to stop using the meat for food and to hunt the animal for sport, as it was understood, the caribou regulations were made to prevent indiscriminate killing, presumably by sport hunters.

Mr. Speaker, I believe this is maybe why some of our regulations are made this day, to protect the sport hunters while we are depriving a group of people the right to have their main meat.

Mr. Speaker, it costs roughly two dollars a gallon for gasoline in the community of Rigolet. And if we take that into consideration, and a person has to go 400 or 500 miles in order to get caribou, then we can see that it far outweighs the returns.

The biologists tell us that there are somewhere between 400 and 500 caribou presently in the Mealy Mountain zone, and, according to the biologists, those caribou are moving from zone to zone and we have no way to determine where they are going to be next year. So the residents are saying, 'Look, you have the zone closed, but at least give us the opportunity - have the regulation in place.' They are not saying they do not want the regulations. 'Put the regulations in place so that residents who have to depend on a source of food will be given the opportunity to hunt, but not to slaughter.' They only want the opportunity to hunt the caribou. We are only talking about thirty-five or forty families, and I would think, according to the biologists, that thirty-five or forty families, or fifty

MR. WARREN: families would not  
destroy a caribou herd if it is done properly.

Mr. Speaker, I would like  
to place this petition on the table of the House and  
refer it to the department to which it relates.

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

MR. GOUDIE: Mr. Speaker, just a couple  
of words on the petition as presented by the hon. member  
for Torngat Mountains (Mr. Warren).

I think if we were to  
examine this document right through - and I thank the member  
for sending a copy over in advance of his presentation in  
the House just a moment ago - one will realize that there  
are implications for the residents of Rigolet when you  
talk about opening a caribou season in the Mealy Mountains  
area of Labrador.

I am somewhat familiar with  
that area, having hunted there myself, but prior to that,  
fifteen or twenty years ago, the main source of protein  
for residents of Lake Melville was provided by that herd.  
And the gentleman referred to, I think, thirty-five  
families who would be taking animals from that herd. Now,  
I do not know, perhaps my colleague, the minister responsible  
for wildlife in the Province can provide some additional  
figures, but the last count I heard was that about two  
years ago there were something like 256 animals in the  
Mealy Mountains and each family, if they are a typical  
Labrador family, and I would suggest they are when they  
live in the community of Rigolet, will consume three or  
four animals a year. With thirty-five families, that would  
pretty well deplete the stock from that herd in one  
hunting season. And I am not suggesting that in a derogatory  
manner, it is just a fact of life, simple multiplication.

MR. GOUDIE: I support the concept of what the gentleman is saying, it obviously is an excellent idea, but with the figures with which we have to deal, with the animal population, it is not practical at this point in time, I do not think. But as I understand it, there is consideration being given to some other methods of harvesting caribou in Labrador,

MR. GOUDIE: through some form or other which would make available to as many families in Labrador who wish protein from caribou and that would be addressed somewhere further down the road. More details on that I do not know, but in theory at least I would like to support the petition.

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

MR. STIRLING: Mr. Speaker, I think there is a lesson for all of us to learn in the way that members on both sides of the House from Labrador tend to support the concerns of Labrador, and in this day when we are talking about keeping Canada together as one Canada we also have to be concerned about keeping the Province of Newfoundland and Labrador together as one province.

Mr. Speaker, it seems to me that in this particular petition we have the opportunity in this House to recognize the unique situation that occurs on the Coast of Labrador, and since members from both sides of the House have supported the concept, and since we certainly have an adequate supply of animals on the Island, that with proper management it has been brought up to a state where there can be a sustainable yield, it would seem to me that a commitment can be made by the minister today that this can be looked into. And since we are only dealing with thirty-five or forty families that we can have a situation in which this will be a very small indication to a group of people on the coast that this House of Assembly really cares about the people in Labrador and cares about the problems, and in a day when we can talk about the untold wealth off our coast in Hybernia and the Upper Churchill and all of the millions and millions of dollars, certainly it is very important for this House of Assembly to be unanimous in the intent that this will get top priority for the people on the Coast of Labrador. We get many petitions that may not get the attention

MR. STIRLING: from ministers that they deserve, but certainly this one should be given a first level priority because it is something that can be done immediately and it can be done with the approval of both sides of the House, Mr. Speaker.

MR. WARREN: Right on.

MR. SPEAKER (Simms): The hon. minister -

MR. DAWE: Mr. Speaker.

MR. SPEAKER: Order, please!

The rules of the House do not permit another speaker on the petition. It only permits the person who presents the petition and one from each side, unless there is agreement of the House. Do you wish to agree?

Is there unanimous agreement?

SOME HON. MEMBERS: Yes.

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

MR. DAWE: Mr. Speaker, I would like to thank the House for the opportunity.

There are a number of things; one is the fact that the Wildlife Division has for some time now been very concerned about the populations of caribou in the Labrador region of the Province. We have an unusual situation in Labrador in that the caribou operate on both sides of the border, in the Province of Quebec and the Province of Newfoundland. It becomes a difficult, even at the best of times, management technique to ensure that the herd is at sufficient numbers for harvesting. It becomes even more difficult when the situation is aggravated by the fact that you have to deal inter-provincially. It becomes even more difficult when the other Province that you are dealing with refuses to recognize

MR. DAWE: that there is indeed a border separating the two provinces. It becomes even more difficult when the minister of that other province responsible for wildlife refuses continuously to meet with me to discuss a management technique for those herds.

AN HON. MEMBER: Shame! Shame!

MR. DAWE: And it becomes increasingly frustrating and difficult when residents from that other province come into areas of Labrador and harvest animals that should be for the benefit of the residents of Labrador.

I would like to clarify another point as it relates to sports hunting. The hunting in Labrador is specifically for Labrador residents.

MR. WARREN: Right on.

MR. DAWE: Residents of the Island portion of Newfoundland are not permitted to hunt in Labrador for big game, only the residents of Labrador are. The prime concern and the foremost concern of this government and my department is that the animals be preserved for the subsistence hunt of the Labrador residents.

MR. R. DAWE: The fact of matter is in that Mealy Mountain herd is that there are, as the Minister of Rural, Northern and Agricultural Development (Mr. Goudie) indicated just not enough animals in that particular herd. The best we have been able to do over the past number of years has been maintain that herd at existing levels. They have not increased to sufficient numbers to allow hunting.

My department requested a couple of years ago part of the Labrador subsidiary agreement, DREE agreement, to allow us to do a research project into the herds in Labrador, remembering that before you start managing the Caribou herd, or that kind of a resource, the first thing you need to know are numbers, some data about that herd, predation, what their habitat is like, whether, in fact, the food supply is sufficient. In an area the size of Labrador that becomes a very costly thing and has been going on over a long period of time. It is necessary to get that data as quickly as possible, so we asked the federal government to enter into an agreement. The agreement has four stages to it. The first part of the stage is to do an actual count, a significant count of the animals. The second stage was to do a pathological study just to check on the health conditions of the animals. The third stage was to do a wolf predation study on the animals to see how many they were taking. And the fourth stage was to do an economic viability study into whether in fact protein could be supplied by use of the Caribou herds in Labrador to the residents of Labrador without, in fact, having them to travel great distances at great expense. Now that study is underway, it is being done; it will not be completed until next Spring due to the fact that it is impossible to do the wolf predation study until this present Winter. When



MR. R. DAWE: that is completed a report will be done, an assessment will be made of the herd and regulations will be formulated accordingly. Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): Any further petitions?

ORDERS OF THE DAY

MR. SPEAKER: Motion one. At the conclusion of yesterday's sitting we were debating the amendment to the resolution as proposed by the hon. the Leader of the Opposition (Mr. Stirling) and the hon. member for Torngat Mountains (Mr. Warren) had adjourned the debate.

The hon. member for Torngat Mountains.

MR. G. WARREN: Mr. Speaker, yesterday when I rose, I rose in support of the resolution ably put forward by the Leader of the Opposition. Now since I went home last night I took the opportunity of reading The Evening Telegram in which Mr. Clark attended the P.C. convention in St. John's. I would like to quote what Mr. Clark says about the boundary and under the headline, 'Majority counts - what would that do for boundaries', Clark says, 'over 90 per cent of the Newfoundland voters could vote against the area of boundary change

but it would have no effect if the majority of the people in the Atlantic region voted for it.'

Now, is Mr. Clark telling 700 or 800 P.C. supports that, 'Look, Newfoundland, you fellows can vote 100 per cent for no change in your border but Nova Scotia is going to vote against it, P.E.I. is going to vote against, New Brunswick is going to vote against it.' Now, are Newfoundlanders, and I mean P.C. Newfoundlanders too, are they so dumb that we have no faith at all in the rest of Canada, the rest of Canadians. Those people in Nova

MR. G. WARREN: Scotia, those people in New Brunswick and P.E.I. are also Canadians like ourselves. And surely goodness I would not want to be a Canadian, I would not want to be a Newfoundlander if I felt that my fellow Canadians were going to pull the rug out from under my feet.

MR. TULK: Our resolution does away with that.

MR. G. WARREN: Mr. Speaker, with this resolution that we have put forward, we are taking away all the doubt, we are taking all the doubt away! We are saying, 'Look, we want it in the constitution.' And all we are saying is we are asking the P.C. Administration of this Province, the government of this Province to support us.

MR. TULK: They cannot even support their own leader.

MR. G. WARREN: Mr. Speaker, the hon. Minister of Finance (Dr. Collins) when speaking yesterday used the word right throughout his speech about 'concern'. I not too long ago took another exert from the paper called The Labradorian. And this paper said, 'The space below represents what the Premier of Newfoundland and Labrador offered the Lake Melville area' and here we have a half a page with nothing on it. Now that is concern. Absolutely nothing there. And that was signed by the concerned group, that was the concerned people, the concerned people of Labrador.

Mr. Speaker, we are talking about the Constitution. I want to read what Senator Forsey, a strong, staunch Liberal in the Senate who said, and I will repeat what he said and I will use the name of our Premier, 'Mr. Peckford says that under the new

MR. WARREN:

constitutional proposal it will be possible to change the Labrador boundary without Newfoundland's consent.' What did Senator Forsey say? 'This is not true. The present Constitution or the British North America Act of 1871 provides that the boundaries of the provinces can be changed only with the consent of that province's own Legislature.' That is us members in here.

'Section 47 of the new Constitution Act continues this provision. The Labrador boundary could be changed only with the consent of the Newfoundland Legislature.' Section 47 in the constitution says it.

'Mr. Peckford also says ' - this is Senator Forsey's statements I am using - 'Mr. Peckford also says that the provision for freedom of religion in a Charter of Rights threatens the present constitutional guarantee for denominational schools in Newfoundland.' What does Senator Forsey say? 'This is nonsense, pure nonsense! Section 43 of the new Constitution Act says that constitutional changes in relation to any provision that applies to only one province, can be changed only with the consent of the province's Legislature. Newfoundland's denominational school system, guaranteed by the Terms of Union, can only be changed with the consent of the Newfoundland Legislature.'

Now, Mr. Speaker, in short, both the boundary and the school system are perfectly safe and the Newfoundland Legislature can veto absolutely any change in either of them.

Now, we want to make sure - and this is why we are bringing this resolution in today - to make sure that this House will unanimously support - bring into

MR. WARREN: the constitution that our denominational education system cannot be changed and our border will not be moved.

Mr. Speaker, the hon. the Minister of Tourism (Mr. Dawe) spoke a few minutes ago and he said there is no dispute between the Newfoundland border and the Labrador border as such.

Only a few days ago, the Southern Labrador Chamber of Commerce sent an invitation to René Levesque to come out and speak to them. Do you know what reason they gave? Because they said they can get better results from René Levesque than they can from this government.

Mr. Speaker, yesterday, the hon. the Minister of Finance (Dr. Collins) said, 'Why do you not support our main resolution?' And in particular concerning the transmission of power across the two borders. Here is what Mr. Rompkey said: 'Our commitment is crystal clear and the Prime Minister has personally given his support of Newfoundland to transmit power through Quebec to the market.' That is a press release of November 5th from the Minister of National Revenue (Mr. Rompkey).

MR. TULK: I already got it (inaudible).

MR. WARREN: Mr. Speaker, there are parts of this resolution that I would support. I will not support the shared fisheries jurisdiction because this government has not said what kind of share, how much they want or what share is it?

Provincial ownership of offshore oil and gas, yes, I will support that, and the free transmission of electrical energy across neighbouring provinces, which is vital to the development of this and other provinces, I will also support that from the main resolution. I will support that. The Prime Minister has said it, the Minister of National

MR. WARREN: Revenue (Mr. Rompkey) has said it, every one of us in this House has said it, and I will support it. However, Mr. Speaker, I cannot support putting that resolution with the resources tied into our sacred rights of denominational education and our Labrador-Newfoundland border.

Mr. Speaker, my remarks are coming to an end; however, I want to finish off by saying

MR. WARREN: to the government members, and I use the last sentiments that the Premier of this Province used on television. The Premier of this Province said, he said, 'Newfoundland needs you, do not let her down.' Now, I will repeat what the Premier said. The Premier said to all of Newfoundland and Labrador that 'Newfoundland needs you, do not let her down! And I will tell you now that Newfoundland needs you people now to stand up again, to stand up and make sure that this is enshrined into our constitution, so Newfoundland needs you people. Why, are you going to go back on what your Premier said? Your Premier asked for help, he asked you, he said he needs you, so now stand up and be counted, -

MR. TULK: And vote for the amendment.

MR. WARREN: -and vote for the amendment because this amendment will guarantee and will make sure that the Newfoundland educational denominational system and the Quebec-Labrador border would not be changed without our consent. So, government members, I suggest strongly that you seriously consider this resolution. This resolution is a most important part, forgetting about the political part of it, it is very, very important.

It is important to the district of Ferryland as well as it is to the district of Harbour Main-Bell Island, or Torngat Mountains or Humber West or any district, because all those people out there are waiting, are anxiously waiting. They have their fingers crossed, hoping and praying that at least the government members now, after the Premier saying to us, 'Why, stand up and be

MR. WARREN: counted, Now, I suggest that the members on that side of the House stand up and be counted. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Butt): Order, please! Before recognizing the hon. the Minister of Justice (G. Ottenheimer) I would like to welcome to the House, on behalf of all hon. members, Mayor Peach of Carbonear; two councillors, Joseph Noel and Art Thomas, and the Town Clerk, Mr. Jim Walsh.

SOME HON. MEMBERS: Hear, hear!

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

MR. OTTENHEIMER: Mr. Speaker, I would like to speak briefly on the resolution and the amendment which are before the House, and not at great length. A lot has been said about it by hon. members and indeed during the past number of months these matters have been debated and discussed a great deal.

I just want to say that one of the essential differences, well, in my opinion probably the essential difference between the resolution and the amendment is that the amendment requires a change in the resolution presently before Ottawa to give adequate protection for territorial integrity and the denominational system. It requires a change in that resolution. The motion introduced by the government, the original resolution, while opposing the possible consequences for the education system and for the border adds other matters, such as offshore, the fishery, but it is opposed to the process of unilateral change, not patriation but the unilateral change on behalf of the

MR. OTTENHEIMER:  
amending formula.

Federal Government to the

There is a basic opposition to the Federal Government's present unilateral course of action. And that is certainly an essential difference. I would like to put my remarks under two headings; one, on the process and, secondly, on the substance.

In terms of the process, our opposition, as I just stated, to the Federal Government's resolution and to their stated intention to ask the British Parliament not only to patriate but to change the constitution before patriating it. Nobody can be opposed to patriation. It means taking the document from London and locating it in Canada. We object to the fact that the Federal Government is, without the agreement of the Provinces,

asking the United Kingdom parliament to make basic changes in the relationships between the governments in Canada, basic changes in the relationships between the Federal Government on the one hand and the ten provincial governments on the other hand. That we are opposed to.

Now hon. members, certainly some on the opposite side will be familiar the document called the Amendment of the Constitution of Canada, it is sometimes referred to as the White Paper



MR. OTTENHEIMER: which came out under Mr. Guy Favreau when he was Minister of Justice in 1965. And it goes through various changes to the British North America Act historically and then it identifies what it considers to be four general principles with respect to the Canadian Constitution and amendments thereto, four general principles. And it is the fourth one which I wish to zero in on but I will identify the others.

I should say as well that this document was regarded, and these principles specifically, were regarded as reflecting the constitutional position, were so regarded as reflecting the constitutional position by the federal government, it is their document, but also by the ten provinces at that time in 1965. I do not think there was ever any dispute of that.

Now the four principles which are stated there are; the first general principle that emerges in the foregoing resume, and that is historical, is that "Although an enactment by the United Kingdom is necessary to amend the British North America Act, such action is taken only upon formal request from Canada." In other words the UK will not act without a formal request from Canada. There certainly can be no disagreement there. And that first general principle is observed by the federal government's present action. There is no doubt about that.

The second general principle is that, "The sanction of Parliament is required for a request to the British Parliament for an amendment to the BNA Act." There can be no doubt about that. That must mean that it will not be done merely by the Canadian executive, that it will result from the Canadian Parliament. There is no doubt about that, that is being observed.

The third general principle, I will just read it for purposes of inclusion but here it is not relevant, the third general principle is that,

MR. OTTENHEIMER: "No amendment to Canada's constitution will be made by the British Parliament merely upon the request of the Canadian province." Obviously that is true. It is not operative here.

So the first two have been observed.

The fourth general principle is that, "The Canadian Parliament will not request an amendment directly affecting federal/provincial relationships without prior consultation and agreement with the provinces." I will read it all so I will not be accused of leaving anything out of context. "This principle did not emerge as early as others but since 1907, and particularly since 1930, has gained increasing recognition and acceptance. The nature and the degree of provincial participation in the amending process, however, have not lent themselves to easy definition."

The operative part of that fourth principle is that the Canadian Government will not request an amendment - not any amendment, an amendment directly affecting federal/provincial relationships - without prior consultation and agreement with the provinces. And it said 'this principle did not emerge as early as the others but since 1907, and particularly since 1930, has gained increasing recognition and acceptance.'

Now this document put out in 1965 did not purport to create a constitutional requirement. It is not constitutive or creative but purports to be declaratory and it does not say with precision when, in Mr. Favreau's opinion, or in the opinion of all those who agreed that this was an accurate statement of the constitutional position, it does not purport to say, "as of this writing of it in 1965 this is a constitutional" - I will use the exact term he says, "a general principle," a constitutional general principle. It does not pretend to be creative but to declare what the situation is and has been for some time, arguably

MR. OTTENHEIMER: to 1907, certainly as of 1930. But what is important is that the federal government and the ten provinces agreed that this was an accurate statement of what these general principles are. They agreed to that in 1965. So one could say, "Well, what has happened since this declaration, agreed to by the eleven governments in 1965, what has transpired since '65 and '80 whereby this principle is no longer operative?"

I point out to hon. members that in 1979 the Supreme Court of Canada in the Senate reference case

MR. OTTENHEIMER: incorporated that principle into its judgement, and that was the case about the competence of the federal government to unilaterally abolish the Senate and to put in some other chamber. And that fourth principle was reaffirmed by the Supreme Court of Canada, that the Canadian Parliament would not request an amendment directly affecting federal/provincial relationships without prior consultation and agreement with the provinces. And that is one of the reasons, and, indeed, perhaps the essential reason why that initiative by the federal government was found to be ultra vires, beyond the competence of the Canadian Parliament, because the Canadian Parliament cannot do everything.

The concept of parliamentary supremacy in a federal system is quite different than in a, if you wish, unitary system. The federal parliament cannot go against those constitutional requirements which protect the provinces and, obviously, the provinces cannot go against those constitutional requirements which protect the federal government.

So in 1965 this was agreed, this statement was agreed to by the federal government and by the ten provinces as an accurate statement of what the situation was and had been for some time. The Supreme Court of Canada reiterated it, approved it, incorporated into its judgement no later than 1979. So it is the unilateral nature of having a change which affects federal/provincial relations which is at the core of it, and if we are to ignore what has generally been agreed upon to be one of the principles of our constitution, then I would suggest that we do it at our peril.

Newfoundland's position throughout the Summer is stated quite concisely in the

MR. OTTENHEIMER: White Paper which the government made available with respect to the constitution. It states, "The Government of Newfoundland believes that unilateral action by any one of the partners in the federation is totally unacceptable. To succumb to the temptation of unilateral action would have the effect of creating greater divisions within the nation than now exist, and of frustrating the aspirations of all Canadians who look to the process of constitutional reform as a means of strengthening and unifying the nation." I think that has been proven out to be quite true, that this unilateral action has certainly created very great divisions in our country.

What Newfoundland supported throughout the Summer, and still does as an amending formula, is what, for want of a better term, or for shorthand, has come to be called the Vancouver Consensus; because at a meeting in Vancouver in August, I believe, there was general agreement on it. I want to be perfectly frank here, there was general agreement in this sense, nine provinces were in agreement. There may well have had to be some refinements, some modifications in drafting etc., but in its essence nine provinces were in agreement.

Quebec reserved. Quebec reserved! The federal government, when it came to discussion on the amending formula, really merely listened and asked for clarifications and did not take any particular stand. And at least my recollection and interpretation of it was that if there could have been a formula which everybody agreed to, and it was reasonable to their point of view, they would probably go along with it; they never put out any counterproposal. But the closest we have ever

MR. OTTENHEIMER:                    come was this Vancouver Consensus, agreed to by nine province and not opposed by Quebec, but in which Quebec reserved, reserved its opinions.

Without going through that Vancouver Consensus document in its totality, it does provide, for example, not all changes would have to be unanimous. There are provisions for certain constitutional changes which could happen upon the agreement of two-thirds of the provinces - that is seven - containing at least fifty per cent of the population. But there are certain specific areas where no matter how many provinces agreed, or the federal government agreed, these changes could not become operative in a province unless it specifically wished them to, and that would include the powers of the legislature and the rights and privileges of the legislature and government. That is the whole area of legislative and governmental competence of a province and obviously would include education, including the restrictive aspects which come in in Term 17, the assets, property, natural resources of a province, the borders of a province and the amending formula itself. The amending formula could not be changed without unanimity and there could be no change with respect to the legislative competence of a province or a government, its property, its resources or its border without the agreement of that province. Other provinces could agree, but they could not effect that province.

Now that we regarded as giving quite adequate assurance.

MR. G. OTTENHEIMER: So we are at the position where, after months of meeting, nine provinces in agreement, one reserving, no specific federal proposal ever put forward for an amending formula, Newfoundland, and the country, is now faced with a situation where the federal government unilaterally, without agreement of the provinces, is asking the United Kingdom not to patriate the Constitution but to change it before they bring it back. Now that I find, you know, quite objectionable. The people who will be voting on the changes in the relationships between the Canadian governments - that is the federal government and the ten provinces - the people who will be voting on that will be members of Parliament from England and Wales and Scotland and Northern Ireland. They are responsible to electorates across the Atlantic and they are the ones who, in this unilateral approach, will be voting on what will constitute the relationships between the federal and provincial governments conceivably for time immemorial.

I was dividing my remarks under two headings: one, the process and the other the substance. So on the process, essentially what we are opposed to is the unilateral nature of altering the relationships between governments in Canada. And going back to the Favreau Report, agreed to by the ten provinces and the federal government as being an accurate statement of what the fourth general principle of operative constitutional practices in Canada was, and reminding hon. members again that no later than 1979 this was recognized as a operative principle by the Supreme Court of Canada.

There are a couple of other matters on this heading which might be of interest to hon. members, and this is somewhat collateral but it is related to it. I would like to quote briefly from a proceedings of a constitutional First Ministers' Conference in 1950 held in Ottawa and the date is January 11th, 1950. And this is between Mr. Smallwood, who was then Premier, and Mr. St. Laurent, who was then

MR. OTTENHEIMER: Prime Minister. "Mr. Smallwood: I should like to ask a question concerning the Act bringing Newfoundland into the Union, Act No. 1 of 1949. Someone was saying here that it was not an Act amending the British North America Act but it was a separate Act. As I understood it, the British North America Act applied to Newfoundland, so does the British North America Act No. 1 of 1949 more specifically? In working out a formula to amend the British North America Act will that also mean a formula for amending the British North America Act No. 1 of 1949?" "Mr. St. Laurent: No. The British North America Act of 1949 was merely a confirmation of the Terms of Union agreed to and confirmed by Dominion statute. There I do not think anyone could have any doubts that it is a compact between Newfoundland and the Central Authority representing Canada as it was before union." I repeat what Mr. St. Laurent said, "It is compact between Newfoundland and Canada".

Mr. St. Laurent goes on, this is a direct quote, "The terms are contractual terms that were agreed upon". So the contractual nature of those Terms of Union certainly was realized, recognized by Mr. St. Laurent and also, in my opinion, by Mr. Smallwood.

I am not sure that they are realized by the present Minister of Justice, Mr. Chretien, who is quoted in the Globe and Mail November 13th of this year as saying, "If we wanted to change the Act of Union between Canada and Newfoundland, we could go to England and legally they could do it." There seems to be a change in attitude with respect to the Terms of Union and the contractual nature of the agreement or covenant between Newfoundland and Canada as the nature of that contract and covenant was recognized in 1950 by Mr. Smallwood and Mr. St. Laurent, who were much closer to it, who were there in 1949 when we became part of Canada



MR. OTTENHEIMER: and the attitude of Mr. Chretien  
no later than November 13, just a couple of weeks ago.

AN HON. MEMBER: Smallwood and St. Laurent.

MR. OTTENHEIMER: I am sure Mr. Chretien is well  
aware of it and, you know, these matters have been debated  
and discussed for months.

MR. HODDER: Surely the Terms of Union are a  
contract and any statements in the Globe and Mail by any  
minister do not change that contract.

MR. OTTENHEIMER: No, certainly Mr. Chretien's  
statements do not change the nature of the document; what  
they reflect is an attitude, that is

MR. G. OTTENHEIMER:

what I am using them for, to reflect an attitude that there seems to be a different attitude by, let us say, Mr. Chretien now in 1980 with respect to the nature of the Terms of Union and the contract or the covenant between Newfoundland and Canada, a difference in that attitude when you contrast it with that of former Premier Smallwood and former Prime Minister St. Laurent. And the conclusion that I am making from that, or drawing from that, is that Mr. Smallwood's and Prime Minister St. Laurent's as recorded in 1950 more accurately reflects the constitutional fact. That is the inference I want to draw. Now I will sum it up on the process - I am not sure how much more time I have, probably not a great deal.

I just want to say a few remarks with respect to the substance of the constitutional proposals. Our basic objection, and this has been repeated a number of times by hon. members on this side and I am just going to put it on the record and not to go into it and reiterate it, and that is where up to now and including now there are guarantees, with the enactment of the provisions referred to in this resolution, the guarantees will not exist. It can be argued it is highly improbable, it is highly unlikely, it is almost inconceivable that any government, the federal government, would act in a way contrary to what the guarantees used to be. My only reply there is when you have guarantees you are certainly a damn fool to settle for less than guarantees. And why, if it is so extremely unlikely that these powers will ever be used, why want them in the first place? My only final comment is that people in all sincerity can say today 'No, it is inconceivable it will ever be done, it will be quite unpolitical, it will be unacceptable'. Things change

MR. G. OTTENHEIMER: so fast and people's attitudes change so fast and political imperatives change so fast, and people's perceptions and values change so fast today - ten years today is like 100 years in recent history - so that there can be no such assurance. But essentially it comes down to when you have a guarantee, why settle for less? So that is on the question of guarantees.

Now we have heard a lot about mobility rights. This is the right of Canadians to live anywhere in Canada and then it goes on as well to the effective right of Canadians to gain a living anywhere in Canada. When this was discussed under the Charter of Rights, Newfoundland was among the minority of provinces who supported the government for a Charter of Rights; the majority were opposed. We were among the several provinces who supported the federal government with respect to the entrenchment of a Charter of Rights. When mobility was discussed, the position that we consistently put forward, and we were joined by other provinces in this, and I am not aware of any great opposition to it, and that was this; that when you have a province with at least double the national average in terms of unemployment, surely there must be recognized a principle of or analogous to affirmative action. Affirmative action in principle is one where in some cases minorities and in some cases people who have had an historic or linguistic or cultural or economic, or whatever it is disability, are given a certain impetus to get toward an equal position which has been denied because of historic or cultural or economic factors. And that as long as Newfoundland's rate of unemployment was approximately double the national average that

MR. OTTENHEIMER: an entrenched right of mobility should have an interpretative clause which would permit Newfoundland, and any other province in that kind of a position, to continue with local preference until the province got to the national average in terms of unemployment and this would be done by a recognition of the principle of affirmative action and that that principle would be operative in terms of local preference. That was brought out.

Now actually I think the Province has been subject to the most ill-informed, the most ill-informed criticism - we do not mind the informed criticism - but the most ill-informed criticism by some people across Canada in the media and some in political life. You know, they have zeroed in on Newfoundland as if we were mean, egotistical people who have received a great deal and are not willing to share anything at all, and that I would say it totally uninformed. No later than the 7th of June there was an agreement signed, a DREE agreement between Nova Scotia and the federal government with respect to Michelin - right, is it? - the Michelin Tire Company, was signed the 7th of June and it was signed, the Government of Canada by Mr. McEachen and I cannot read who it was for the government of the province of Nova Scotia. I cannot read the signature. Article thirteen, paragraph thirteen, (1) under the general heading, "Unemployment and Preference to Canadian Manufacturers." This was signed between Canada and Nova Scotia in June. 'It is a condition of the payment of a development incentive that the company shall, (a) undertake to train and employ to the maximum extent practical persons who are resident in Nova Scotia.'

SOME HON. MEMBERS: Now, now!

MR. OTTENHEIMER: More power to them. But we do not hear any across-Canada tirade against Nova Scotia or against the Government of Canada for in June including

MR. OTTENHEIMER: this local preference in their own agreement, but all we hear is criticism of Newfoundland because we have local preference in our offshore employment policies. So how inconsistent and how ill-informed - I am not saying hon. members opposite - but those journalists and other people in public life are, and what a lack of knowledge they show of the employment situation here and of the principle of affirmative action and of contemporary practice in Canada with this uninformed criticism of the Province.

MR. MARSHALL: That is because of the Uncle Toms and the Newfoundlanders purported to represent us on the Liberal side of the House in Ottawa.

MR. OTTENHEIMER: Now, one other matter with respect to the Charter of Rights. I recall that we were one of the minority of provinces supporting the government in terms of an entrenched charter, and one of the matters referred to there was freedom of religion and obviously, I mean, everybody agrees with freedom of religion. When this was discussed one of the matters Newfoundland brought forward and other provinces did too because in other provinces, I think, they call them confessionals schools or separate schools, whatever, but the principle is essentially the same, the point brought up by Newfoundland and joined by others was that, yes, of course we are in favour of freedom of religion but there should be an interpretative clause there to the effect - I am not a draftsman - to the effect that the entrenchment of freedom of religion will no way infringe upon the existing rights with respect to denominational, religious, confessional schools, however that is worded. And there seemed to be no objection to that, and yet the charter comes out without any such interpretative clause. Now I am not going to say that it is absolutely certain that the courts will interpret that provision without an interpretative clause as impeding or affecting denominational rights here. I am certainly not going to say either that it is impossible that that happen and that within five or six or ten years or two it

MR. OTTENHEIMER: cannot happen. I am not going to say it will. But I certainly could not say that it cannot happen. And it goes back to the old principle of when you have guarantees, why settle for less.

MR. FLIGHT: It is too bad the Premier was (inaudible) the minister (inaudible).

MR. OTTENHEIMER: Now, Mr. Speaker, the only other -

Mr. HODDER: Mr. Speaker, may I?

MR. OTTENHEIMER: Yes, go ahead.

MR. SPEAKER (Eutt): The hon. the member for Port au Port.

MR. HODDER: I want to go back to that question of the Michelin Tire, Clause 27 you were talking about. You read that particular section and you said that the company train their workers who are residents in Nova Scotia. But is that not quite a different thing? Are we not sort of comparing apples and oranges here?

MR. OTTENHEIMER: Wait until I find the clause again.

MR. HODDER: We would not be in conflict with the rest of Canada if we required that certain companies train Newfoundlanders. But when we say that we give preference to Newfoundlanders over other provinces when our people are so mobile -

MR. OTTENHEIMER: The hon. member is partially right in that it says 'train' but it says more than that. Let me read it. "It is a condition of a payment of a development incentive that the company shall undertake to train and employ to the maximum extent practicable persons who are resident in Nova Scotia." It is exactly the same, You do not train them - these companies are not universities, they are not philanthropic organizations, they are not going to train people out of the goodness of their souls. They are required to train and employ, and the principle is identical to the offshore local preference principle of this government. The principle is identical. In our case, it is something the Newfoundland government has imposed, in this case it is the agreement of the federal government and Nova Scotia. The principle is identical, the mechanism is different - one, it is a provincial regulation; the other, it is a condition in a federal - provincial agreement, but the effect is identical.

MR. OTTENHEIMER: Now, Mr. Speaker, I think I will probably end up there. I was going to get into the matters -

SOME HON. MEMBERS: By leave, by leave.

MR. OTTENHEIMER: I will go on for a few minutes anyway.

MR. SPEAKER (Butt): By leave? Is it agreed.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Agreed.

MR. OTTENHEIMER: I was going to get into a matter, basically, one - it is only going to be three or four minutes if hon. gentlemen agree -

SOME HON. MEMBERS: Agreed.

MR. OTTENHEIMER: - and that was with respect to the offshore. I think too that there is some confusion in that respect. During the Summer, during those constitutional conferences, the same points would come up a number of times, and frequently put by Mr. Chretien, which has been put by hon. members opposite, and that is what Mr. Chretien would say - essentially, you know; I am not quoting him out of context. I am pretty sure he said the same thing publicly - 'Look, take it to court. If you own it, fine. Take it to court and let the courts resolve it. I will have nothing to do with this. Take it to court.'

I think what hon. members opposite say is not exactly the same, they say, 'We think the Province owns it, we support the Province's claim that they own it; let us get the matter settled. Take it to Court.' I think the second part is the same, but the first part - I want to be fair now, that is essentially what the Opposition, or at least, members of the Opposition have said: 'We agree it is Newfoundland. Newfoundland owns it and the only way to settle that is to have the Supreme Court adjudicate it.' That is essentially what the Opposition have said. What Mr. Chretien said did not have the first



MR. OTTENHEIMER: sentence, it just said, 'Take it to court.'

Now, our position has always been, Why should Newfoundland be an exception to the other provinces? Why, in terms of our resource ownership and our resource jurisdiction, should we have to go through a different process? Certainly - you know, there is no other way, maybe we will well have to do that one day, but why should we be different? In 1930 there were constitutional amendments for Manitoba, Saskatchewan and Alberta to identify without any doubt the ownership and jurisdiction or control they had over their resources. They were called the Resource Transfer Acts. And the very phrase that was used in there was, 'It is desirable that the province should be placed in a position of equality with the other provinces of Confederation with respect to the administration and control of its natural resources.'

SOME HON. MEMBERS: Hear, hear!

MR. OTTENHEIMER: Nobody then required Manitoba or Saskatchewan or Alberta to go to court. It was done in the area of negotiation and political agreement in the traditional Canadian way of resolving differences.

SOME HON. MEMBERS: Hear, hear!

MR. OTTENHEIMER: But now we are told, the federal government has told us, 'You have to go to court to have this decided.' But fifty years ago nobody required Manitoba or Saskatchewan or Alberta to go to court. But that is what the federal government keeps saying, 'You have to go to court.'

MR. STIRLING: Mr. Speaker.

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

MR. STIRLING: Just to get some consistency, why is it that we feel that we should not

MR. STIRLING: use the action of the court in this case and yet on the main issue, the constitution itself, we are the first ones to rush out with four or five other provinces and say, 'The way to treat it, the way to handle it is to go to court. We have no hesitation, we are going to court immediately.'

MR. OTTENHEIMER: I will tell the hon. gentleman why: We have no other option. There are no negotiations. The Federal Government has taken a unilateral action. There are no continuing meetings. If there were -

MR. STIRLING: Well, what is the difference?

MR. OTTENHEIMER: - continuing meetings, we would be glad to attend them.

MR. STIRLING: Well, what is the difference?

MR. OTTENHEIMER: We are willing to attend any continuing meetings but the Federal Government has cut it off.

MR. STIRLING: What is the difference?

MR. OTTENHEIMER: After the September 8th Constitutional Conference, they cut off any further meetings, they did not say 'Well, let us continue and let us set up further meetings,' they took the unilateral action. Newfoundland, and indeed the other five provinces who are seeking a reference in the Court of Appeal, have no other choice open to them because there is no negotiations. The Federal Government is acting unilaterally and that is the direct opposite of negotiations. They are acting on their own, unilaterally, so you cannot negotiate.

MR. STIRLING: Would you permit another question?

MR. OTTENHEIMER: Of course.

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

MR. STIRLING: We are using a technique, as I understand it in this latest piece of legislation on the Upper Churchill, in which we are going to make a reference to our court. As I understand, the Prime Minister suggested an uncontested reference to this issue. Why would we not consider an uncontested reference of this issue or are there no similarities in that kind of situation?

MR. OTTENHEIMER: Now, in the constitutional context what a number of provinces asked the Federal Government would be would they agree to a reference to the Supreme Court of Canada on the validity of the unilateral action that the Federal government have taken. The Federal Government refused.

MR. STIRLING: No, I am talking about our own situation with the legislation \_

MR. OTTENHEIMER: The Upper Churchill.

MR. STIRLING: - on the Upper Churchill. We are going to use the - we are going to refer it to the court for their judgement.

MR. OTTENHEIMER: Yes.

MR. STIRLING: As I understood what the Prime Minister said is 'Let us stop hassling about the ownership, let us have an uncontested reference.' Now, bearing in mind that this side of the House is in complete agreement with you on the offshore ownership, in complete agreement on the offshore ownership and that what we are trying to do

MR. OTTENHEIMER: Why not have the reference, okay. I see your point.

MR. STIRLING: What we are trying to find out is what is the best technique that we can use so that what you want and what we want is done.

MR. OTTENHEIMER: Okay, I understand the question. What the hon. the Leader of the Opposition is saying is, you know, why not agree to have the matter adjudicated, in the Supreme Court of Canada and then it will be over with. Yes.

MR. TULK: I disagree with you on your fishery policy.

MR. OTTENHEIMER: And our basic answer there is this that that puts us in a position of inequality with other provinces. Granted, the resources were on land in Manitoba Saskatchewan and Alberta, they were under the land rather than under the sea bed. The resources we are talking about are the same, hydro-carbon resources, and because in our case they are covered by salt water and on the Continental Shelf, is not reason that we should be treated differently. There is no question of Manitoba or Saskatchewan or Alberta going to court at all. That was done in the constitutional method of agreement, and the same is true in Ontario. Since 1913, the first underwater offshore, the first offshore drilling operation was in 1913 under Lake Erie, on the Canadian side of Lake Erie in Ontario. Lake Erie has international waters, granted not as extensive as the North Atlantic upper Continental Shelf but it is water, it is fresh instead of salt, and what is under it is called a lake bed instead of a sea bed. It is an international body of water. There are all kinds of international obligations with respect to pollution and surveillance and some in fishery and some in transportation, and yet

MR. OTTENHEIMER: Ontario never had to go to court to have its ownership and its jurisdiction over those hydrocarbon resources of the lake bed of Lake Erie recognized. So, Ontario - so we have a situation where three provinces had this recognized by the Federal Government.

What case was that?

MR. OTTENHEIMER: It was not a case, it was never adjudicated, it never went to court.

MR. HODDER: No, but -

MR. OTTENHEIMER: It was agreed upon in the traditional Canadian manner. It was agreed upon between the province and Ottawa back in 1913?

MR. STIRLING: Yes, but it was within the boundary of Ontario.

MR. OTTENHEIMER: Pardon?

MR. STIRLING: Within the boundary of Ontario.

MR. OTTENHEIMER: It is on the Ontario side; if you draw a median line or a halfway line, I think it is on the Ontario side but -

MR. STIRLING: But within in the Ontario boundary.

MR. OTTENHEIMER: - it is an international lake, it is an international body of water

MR. STIRLING: No, but within the boundary of Ontario.

MR. OTTENHEIMER: Well, no, it is an international waterway. It is not within the boundary of Ontario in the traditional concept of land a territory.

MR. HODDER: What were they drilling for?

MR. G. OTTENHEIMER: Now, Manitoba, Saskatchewan and Alberta are, that is different. But here we have two -

MR. OTTENHEIMER: Just look at the way it is going. The same resources in the three Prairie Provinces, under land but not under water, those same resources, the federal government agrees without adjudication -

MR. STIRLING: Within their boundaries.

MR. OTTENHEIMER: - after negotiation for provincial ownership and provincial jurisdiction.

In Ontario, under water, fresh rather than salt, but still international waterways, international waterways, agreement between Ontario and Ottawa without any court reference -

MR. HODDER: On what? Was it oil?

MR. OTTENHEIMER: It is natural gas and - there is natural gas and I believe there is exploration going on for oil, and there may well be some oil being recovered. I know there is natural gas and this is going on since 1913.

MR. STIRLING: Has that been included in our case that we presented?

MR. OTTENHEIMER: Yes. Yes. I am tired of making that point at the five or six meetings we had during the Summer, until I am blue in the face. As a matter of fact -

MR. STIRLING: We should get together on it.

MR. OTTENHEIMER: - I believe it was the first time the Ontario delegation realized that it was going on. But this is a much closer analogy, so we have to ask ourselves why should Newfoundland be put in a different position of not getting the recognition of its resources through the traditional Canadian historically valid way of doing things? Why should we be the ones who

MR. OTTENHEIMER: are required to go to court. It is not that one is afraid of one's court case, it is the question of a different standard being applied for Newfoundland's resources, for the resources off the Continental Shelf of Newfoundland. And the different standard being applied: 'You, Newfoundland, you have to go to court'. But not Ontario in 1913, not Manitoba, Alberta or Saskatchewan in 1930, so that is the reason we object to a different standard being applied to Newfoundland than to the other province with respect to the same resources. The resources are the same, they are hydro-carbon resources, their locality is different. Their locality is different.

MR. STIRLING: It is within -

MR. OTTENHEIMER: So basically I do not want to take advantage of the leaway hon. gentlemen opposite have give me to extend the thirty minutes, and just let me say in summary that our objections are essentially two: One, the process, because we feel that it is against Canadian constitutional practice, unconstitutional, and we will attempt to justify in court therefore, illegal, improper for an action of this nature, for the federal government to unilaterally alter the constitution in a matter which affects federal/provincial relations, as pointed out in the Favreau document, agreed to by Ottawa and the ten provinces and reiterated as an operative factor in 1979 by the Supreme Court of Canada. That is on the process.

Then on the substance, I have gone through a number of these matters. I just want to -

MR. STIRLING: Why do you not vote for our amendment with just the two things in it?

MR. OTTENHEIMER: Pardon?

MR. STIRLING: Why can you not vote for our amendment with the two things and then come back to that?

MR. OTTENHEIMER: Because it is insufficient. It is insufficient because we have a very fundamental disagreement with the right of the federal government to unilaterally change any of these matters without the consent of the Province, and that has been recognized as a valid constitutional principle by all the governments in Canada, and we are not going to by our silence acquiesce in the destruction of that principle which is an important safeguard for us.

I just want to close on one other point, and it is a bit unrelated to these. Hon. gentlemen quoted Senator Forsey, and I was going to quote some of Senator Cook, but I am not going to do that, but I do recommend to hon. members to read Senator Cook's participation in the Senate Tuesday, October 14, 1980, very worthwhile! But the point I wanted to make is this - I am not selling Hansards for Senator Cook or anybody else - historically, constitutionally, the Upper House, the Senate has been appointed to preserve regional interests. I quote Sir John A. Macdonald: "To the Upper House is to be confided the protection of sectional interests". And to quote the Supreme Court, this is the same thing, and the same reference case and they are talking about the Senate, "A primary purpose of the creation of the Senate as a part of the federal legislative process was therefore to afford protection to the various sectional interests in Canada in relation to the enactment of federal legislation". All I want to do is this, to point out that the historic and constitutional reason for being of the Senate is to protect regional interests, to protect, if you wish, minorities. Part of its constitutional reason for being is it is a counter-



MR. OTTENHEIMER: - balance to the  
exclusively numerical approach which is taken in the House  
of Commons.

MR. LUSH: Not necessarily minorities.

MR. OTTENHEIMER: No, but it is part of that  
sectional interests, minorities of various kinds.

MR. OTTENHEIMER: And I think that the Senate of Canada today, and we know that it has a large majority government and a smaller minority in opposition, but all I want to suggest is that this is a time when the historic reasons for the Senate's creation in the first place come into play. And I think that the Senate could provide a real service to the people of Canada by using the undoubted legal right it has to vote against this resolution and to say, 'Get back to the bargaining table, try us again in a year but this is too important and we might incur a lot of displeasure . But we have the power to do it and the historical and constitutional reason," certainly one of them among the most important in the Senate, is protection of sectional interest and that can often be minority interest and this is a case where I think they can and indeed should take an action which could be interpreted as a protection against what can be a tyranny of the majority. The majority are not always right, that is why there are certain entrenched rights; there can be a tyranny of the majority and when a covenant or contractual situations are made that is the reason for getting these agreements. So I would certainly hope that the Senators will give strong thought to performing a very unique and necessary task which is in their power to do.

I thank hon. members for allowing me to go on.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER (Butt): Order, please! Before recognizing the next speaker, I would like to welcome to the House today on behalf of all hon. members Mayor Lyola Sullivan and Deputy Mayor Jerome Kenny from the Community Council of Fermeuse, Kingman's Cove.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER: The hon. member for Twillingate.

SOME HON. MEMBERS: Hear, hear.

MR. W. ROWE: Mr. Speaker, I, unlike the hon. Minister of Justice (Mr. G. Ottenheimer), not only will say that I will be brief, I hope to be brief as well. But let me, before I make my few remarks, congratulate the hon. Minister of Justice. To my mind, in the fourteen years or so that I have been associated with this hon. House, I think the hon. minister is, by far, the best speaker in terms of exposition and analysis of a problem and a clear statement of the problems involved and possible solutions that I have ever heard in this House.

SOME HON. MEMBERS: Hear, hear.

MR. LUSH: That is the kind of fellow who goes on television.

MR. W. ROWE: The hon. minister is clear thinking and speaks clearly, makes his ideas very clear indeed, and I add, Mr. Speaker, without hesitation that much that he has said today I am in 100 per cent agreement with. I will not be speaking on the main motion today or the substantive matters raised by the main motion or even about the Constitution itself. I intend to have some words to say and to express some strong views on that matter when it comes before the hon. House and in so saying I am not casting any aspersions at all on the amendment which has been presented to the House, a simple numerical majority will out-vote us every time and the indication has been that the hon. government side of the House is going to defeat this amendment, so I doubt that I should have any fears about having an opportunity to speak on the main motion.

I am supporting the amendment, Mr. Speaker, primarily because these were the two basic fears which were raised by the Premier of this Province when he spoke to the people of the Province by way of television a couple of weeks ago. These fears raised their ugly head, these emotional matters were raised, and the people of the Province, I would say

MR. W. ROWE: of those who are interested in the issues, the Constitution, the people of the Province who do have fears would focus their attention on these two matters - the border between Labrador and Quebec and the question of denominational education. And it is the Premier, I believe, who has focused the attention on these two matters, perhaps to the exclusion of all else in much of the public mind.

The amendment which is being put forward by the Party to which I belong meets these fears head on. We make the case that we should have these fears laid aside, allayed by a change in the constitutional document which would make it clear to all people in the Province and in Canada that there is no possibility whatsoever over the border being changed, no possibility that the border between Labrador and Quebec can be changed in any way without the consent of this Province, no matter how many referendums are held or how many people are in favour in Canada or Quebec of changing that border.

We make the point, Sir, that denominational education is an entrenched right in this Province, I will not use the words 'sacred right' - to my mind it is a

MR. W. ROWE:

much overworked term. It is a right, an entrenched right, a vested interest in this Province, the whole idea of denominational education. And in saying that I am not saying that I support denominational education or that I am against denominational education; that is an irrelevancy, that matter does not arise. All I am saying is that historically and politically and constitutionally, denominational education is a part of the fabric of this Province and can not and should not be changed by any process -

SOME HON. MEMBERS:

Hear, hear!

MR. W. ROWE:

- by any process, Sir, which does not include the consent of this Province, certainly the consent of members of this honourable House. Denominational education, Mr. Speaker; I am like the member for Terra Nova (Mr. Lush) I hate to see it raise its head in a political forum in this Province. People do not realize, few people realize, that it was the wisdom, the foresight, I suppose the prescience of political and religious leaders in this Province a hundred years ago and more who prevented in this Province by the institution of denominational education the sectarian Northern Ireland type of violence that we see today. People do not realize that there were pitched battles, there were military confrontations, there was civil unrest and even conflict going on in this Province. And the wisdom of our leaders, our political and religious leaders, was such that it was able to come up with a formula, a compromise, an idea whereby state contribution to education and religious contribution to education would be wed together, and this in one fell swoop, so to speak, removed much of the animosities, religious and sectarian animosities, which were raising

MR. W. ROWE: their heads in those days. Now, Mr. Speaker, I mentioned that for the critics of denominational education, persons, of course, can say that that is no longer relevant in this day and age or they can say it is relevant in this day and age. All I am saying is that a people such as us has operated under a particular system for the general good for scores and scores of years, for decades, then I do not care how remote the possibility, I do not care how airy-fairy the possibility of such a system being changed without our consent may be, the fact of the matter is that it should not be allowed, no possibility should be permitted to allow our system to change without the consent of the people's representatives, and the people themselves for that matter, in this honourable House. Now, Mr. Speaker, I said I will be brief and I will be brief: I am voting for this amendment because it meets these fears. I intend to express some strong views on the constitutional proposals that is proposed by my own party up in Ottawa, and when that time comes in a day or two, or this week or next week, I intend to say and I say quite candidly that I will be stating my reasons why I find a great deal, if not all, but a great deal of these proposals obnoxious, objectionable -

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: - and distasteful. As to the position I will be assuming on the resolution, that will have to await the event. But I say quite clearly that I will be making my strong views known for whoever is interested, that I find a great deal, if not all then a vast majority of the proposals, both the process, as mentioned by the hon. minister of Justice (Mr. Ottenheimer), and the substantive provisions of these constitutional proposals objective and obnoxious. I will be voting for this amendment, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

November 25, 1980

Tape No. 2408

RA - 3

MR. SPEAKER (BAIRD)

The hon. member for Exploits.

MR. H. TWOMEY:

Mr. Speaker, I have risen to express a few of my views on your amendment to our motion. I admit that different people at different times seem to see the same subject matter through different lights. However, looking back in the view of history, I can only find that we have many historical references to think of what has occurred and to hopefully procrastinate what can happen in the future.

DR. TWOMEY: When Newfoundland was first attempted to be colonized there were restrictions and edicts issued in England. Afterwards the control of this Province was frequently given to the first fishing admiral who arrived in the Port of St. John's. This went on as people began to disperse around the Province and organized their own bailiwicks. Very frequently the merchant was a law and order sheriff of that particular community. Generally speaking, he was the one who organized all the commerce of these communities and until very recently, even in my time, these merchants had unusual power and control over the economies of these communities. It was purely a barter system, and I remember in '49 being down on the Southwest coast of Newfoundland, being called to see an old individual whose life was coming slowly to an end. She had fully realized that there was very little that medicine could offer her; she was biding her time, and the one and only prescription that she asked of me on that particular occasion was a script to take to the merchant to buy one pound of butter. The only money that that family had during the whole year was money to pay the cottage hospital system at that time, to pay the minister and a few dollars to buy drugs. Everything else was in barter. I thought of poems and traditions in history that have said back over the years, "In bondage she bore me". That poor old lady died in bondage, and because I had given that prescription at that particular time I was frequently asked for it thereafter.

At the time of Confederation I looked to a new era of being a part of the motherland of Canada. I suppose I was pregnant with hope and anticipation of what would happen to this Province, a Province that became closer and closer to me as I lived.



DR. TWOMEY: I felt that we would at least reach an average standard of living that would be comparable to the whole of this great land. However, even to this very day and this very time I find we are the lowest on the totem pole. For every hundred dollars that we earn in this Province they earn \$205 in the Province of Ontario and, I believe, the average for Canada is \$188, so they are all that much above us. Nevertheless, a good day dawns, and as we looked into the future we felt, with the economic zone, things would go great. We, at least, could develop our fishery. We would have employment for the people who lived in all these communities. (Inaudible) there was oil and natural gas off our coast, we were elated at the prospects of a bonanza, a bonanza (inaudible) of our forests, our fisheries. These were the things I had hoped for. And then, again, I look back at the little time, that even with a government here we had had our problems and our mistakes in the past. These problems and these mistakes were due to lack of foresight. It could be none other, but none of us are born with a crystal ball to look into the future and the distant future. The most that each and any one of us can do is to learn by the mistakes of our confreres and our predecessors, and it is only by doing so that we become intelligent and aware of the problems that face us in the future.

I admit that Churchill Falls - it was one of the fiascos, the accidents of life. I admit that ERCO was - but there was one other that many of us

DR. TWOMEY: have forgotten, a part of Labrador disappeared from our grasp. Not too many, many years ago it was called the Liechtenstein Affair. So, by a lesson of history, recent and remote, I become suspicious. And when Mr. Trudeau felt he and he alone - of course backed by his government - wanted to bring in a new constitution for Canada, I was elated. But when he spelled out the terms of his concept of a constitution I was more than disturbed, disturbed that he should ignore two of the main peoples of Canada, one, the aborigines, the Indians, the Eskimos and the Inuit, and the other its newest settlers, the Newfoundlanders. He did not recognize the aborigines, neither did he recognize us as an equal partner in this Confederation. He, I would not say with molvolence, but certainly with a degree of unconcern he has shrugged his shoulders and said at different times, 'Let us take it to the courts'. But why do you not settle this with Quebec when we talk about our power? Why does he say, 'nonsense' on our traditional education rights, our boundary rights? I would expect that a man of his stature and a great nation would have the courage and the courtesy to write in a paragraph in his constitution that would make us all equal, that would share the family, a family of provinces in the great nation of Canada. I ask that if you read down through the precise words of his Bill of Rights and bill of freedom and look very deeply, perhaps I with more suspicion than others find that a lot of the principles for which we espoused in this Province and I hoped that will be espoused across the rest of Canada would be included. I do not want to see us as the under-privileged individual fighting in the courts, be they in the Appeals Court in Newfoundland or in the Supreme Court of Canada. I want to see us not as the foot soldiers

DR. TWOMEY: of an elite brigade for the rest of Canada; I want to see us proud and faithful to the ideals and to feel that at last we can emerge from rather torturous and unpleasant growing pains. It is with these ideas that I have gotten up to speak. I know the various ministers at different times have said 'Nonsense, you have our assurance'. I feel they are the blossoms, only the blossoms, and blossoms can only breed bees, the pre-curse of fruit. They are not the fruit. So, hon. members, beware before you pick them.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear.

MR. SPEAKER (Baird):

The hon. member for Trinity-

Bay de Verde.

SOME HON. MEMBERS:

Hear, hear.

MR. F. ROWE:

Mr. Speaker, before speaking

in support of the amendment moved by my colleague the Leader of the Opposition (Mr. Stirling) -

MR. J. CARTER:

Call it six o'clock.

MR. F. ROWE:

Mr. Speaker, I realize that

the hon. member for St. John's North (Mr. Carter) dined after a Public Accounts meeting this morning; if he wishes to take a nap he does not have to request an hon. member opposite to call it six.

Mr. Speaker, before speaking

in support of the amendment -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. F. ROWE:

- I might say that if the hon.

the Premier of this Province could only speak with the eloquence displayed by the member for Exploits (Dr. Twomey) this afternoon -

SOME HON. MEMBERS:

Hear, hear.

MR. F. ROWE: - and speak with the logic and the rationale of the Minister of Justice (Mr. Ottenheimer), we might not find ourselves in this confrontation situation with Ottawa that we have before us today.

SOME HON. MEMBERS: Hear, hear.

MR. F. ROWE: Mr. Speaker, there are a number of issues that are very dear to the hearts of Newfoundlanders and Labradorians. We would like to see more consultation in matters pertaining to the fisheries, we do not want complete jurisdiction

MR. F. ROWE:

or shared jurisdiction as so far defined by the government. We certainly want provincial ownership of the offshore oil and gas resources in this Province. We certainly want a transmission corridor or free transmission through the Province of Quebec, and we certainly want a fair deal with respect to the Upper Churchill contract. And the Premier has harped upon these things many, many times over the past few months.

But, Sir, there are also a number of other issues that are very close to our hearts, health services in this Province, social services, jobs, water and sewerage, half decent roads, better educational facilities and I can go on. Sir, these are all provincial issues, they all come under the jurisdiction of the government of this Province, but we have hardly ever heard the Premier or hon. members opposite mention these things or these issues in recent times. But, Sir, one of the greatest political frauds ever perpetrated on Newfoundlanders and Labradorians was by the Premier when he went on T.V. and radio for a full half hour, free time, prime time, with the political propaganda that he went on with and the complete act of hysteria that he placed before the Province a few weeks ago.

MR. J. CARTER:

(Inaudible).

MR. F. ROWE:

Mr. Speaker, could I have the courtesy of having the hon. member for St. John's North (Mr. Carter) either shut up or put outside the chambers of the House.

MR. SPEAKER (BAIRD):

Order, please!

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

MR. F. ROWE:

He is nothing but an absolute nuisance, comparable to the savoury plants that he grows on the hill. Mr. Speaker, the Premier placed himself before the Province during prime time in a highly advertised programme and he did practice the politics of fear and innuendo. And, Sir, he was harping hysterically and emotionally on two of the most sensitive issues or birthrights in this Province,

MR. F. ROWE:                   namely, the Labrador boundary, the Labrador-Quebec boundary and our denominational - I do not like to use the word denominational, I prefer to say state or government-denominational system of education.

Sir, let the record show that the programme that the Premier went on with did not deal with the fisheries to any great extent, offshore oil and gas to any great extent, transmission of electricity to Quebec to any great extent or a fair deal on the Upper Churchill contract. That was not what the programme was all about, the most important thing since Confederation. Let the record further show that the Premier did not deal with the bread and butter issues which come under provincial jurisdiction, those of health, social services, employment, water and sewer, roads or education or any of the other many things that come under provincial jurisdiction. Instead, Sir -

MR. BARRY:                    Would the hon. member permit a question?

MR. F. ROWE:                   Mr. Speaker, no not at the moment. Mr. Speaker, instead the hon. the Premier lowered the level of the constitutional debate to an all time low and in the process, Sir, he insulted the intelligence of all Newfoundlanders and Labradorians.

SOME HON. MEMBERS:           Hear, hear!

MR. F. ROWE:                   Sir, he has attempted, the Premier of this Province has attempted to strike fear into the hearts of the people of this Province quite unnecessarily, I submit, by raising the possibility that the new constitution not could but would change the boundary and our system of education. And that was not enough, Mr. Speaker, now the Premier has set up a sinister propoganda machine through radio ads,

MR. F. ROWE: full page advertisements in newspapers, brochures sent out to all the households in this Province and the bringing together of various interest groups in this Province for the sole purpose of attempting to indoctrinate them to his own personal and political point of view with regards to the Constitution. Sir, he is using the old technique that if you say something long enough and loud enough the people will finally come around to your belief.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Butt): Order, please!

MR. F. ROWE: Mr. Speaker, I find the Premier's -

MR. HISCOCK: (Inaudible) the federal government.

MR. F. ROWE: If the hon. members would wait a few moments they might find something that they can agree with. But everybody is not all right in this hon. House, Mr. Speaker. It is a debating forum.

I find the Premier's techniques, Mr. Speaker, his methods, extremely offensive, repugnant, divisive, insulting and, in fact, dangerous.

SOME HON. MEMBERS: Hear, hear!

MR. F. ROWE: And I, for one, do not want to become associated with the Premier's methods or his motives or his techniques in this whole constitutional debate.

I can remember, Sir, when the former Premier, Mr. Smallwood, was in power, I can remember many a time some members still sitting opposite, and certainly the Tory Party, accusing Mr. Smallwood of dictatorial hysteria, of political emotionalism for the sake of maintaining power. But, Sir, the only thing I can say is this, that the present Premier of this Province has certainly done an excellent case study and learned a lot from the former Premier of this Province and probably one of the greatest political strategists that this Province has ever seen,

MR. F. ROWE: with one exception, Sir:  
Never did the former Premier of this Province stoop so low as the present Premier. The Premier has learned the techniques of the former Premier, but, Sir, he has exaggerated them to frightening and highly dangerous proportions, in my opinion, in dealing with the border and the denominational system of education in the manner in which he is dealing with them.

MR. W. ROWE: He learned all of the trappings and none of the substance.

MR. F. ROWE: All the trappings and none of the substance -

MR. W. ROWE: That is right.

MR. F. ROWE: - as my hon. friend reminds me.  
Mr. Speaker, the Premier has taken two sensitive issues, namely, the boundary and the system of education, and has categorically stated - and he has backed this up with a very high-pressured propaganda campaign - he has taken these two issues and categorically stated that they are about to be taken away or changed. And that is that. He has politicized the two issues and he has attempted to strike the fear of the devil into all Newfoundlanders and Labradorians. Now, Sir, why is the Premier doing this? Because he is trying to distract from the ineptitude of the present P.C. administration over the past eight and one-half years.

SOME HON. MEMBERS: Hear, hear!

MR. F. ROWE: For example, Mr. Speaker, we have almost a quadrupling of the provincial debt, we have ever increasing unemployment, I believe the highest in Canada, hundreds of broken promises, Mr. Speaker, and a complete lack of industrial, economic or social policies and actions. We have seen, Sir, plenty of studies, plenty of announcements -

MR. W. ROWE: Right.



MR. F. ROWE: plenty of five year plans, five year fisheries programmes costing \$500 million, abandoned - plenty of announcements but just what new industrial enterprise have they initiated and started themselves?

Mr. Speaker, the issue of this administration is not the proper development of this Province and the progressive development of this Province, but instead, the issue for the P.C.

MR. F. ROWE:

Administration is self preservation and political survival -

MR. W. ROWE:

That is right.

MR. F. ROWE:

- at any cost.

SOME HON. MEMBERS:

Hear, hear!

MR. F. ROWE:

Now, how is he trying to - how are the hon. members opposite trying to survive, Mr. Speaker? The Premier is trying to portray himself as the only fighting Newfoundlander.

MR. LUSH:

The only master at it.

MR. F. ROWE:

The only fighting Newfoundlander. He is distracting from the provincial issues over which he has jurisdiction and over which the P.C. Administration has lost complete control. Mr. Speaker, he is using the old method of when the going gets rough at home pick out an external enemy, in this case, Ottawa, and attack in order to preserve order and control at home.

MR. W. ROWE:

Right! That is what he is doing.

MR. NEARY:

Right on!

MR. F. ROWE:

And, Sir, sadly he has picked two very emotional issues, the border and the educational system and he is ranting and roaring and sobbing and screeching that they are threatened.

Mr. Speaker, there are two ways basically and essentially to deal with problems when they do in fact arise: You can deal with them calmly, you can deal with them sensibly and soundly through proper negotiations, representations and consultations, or you can lose your head altogether, go wild, lose your temper and shoot from the hip.

AN HON. MEMBER:

From the lip.

MR. F. ROWE:

And from the lip. Now, Sir, on the matter of the constitution as it relates to the boundary and the educational system, the Premier, in my estimation, has done neither. He has not been rational, he has not been logical, he

MR. F. ROWE: has not been sensible, he has not been sound, he has not negotiated properly, he has not consulted properly and he has not made proper representations. And he has not lost his head. I thought at one point he might have lost his head, lost his temper, gone hog wild, shooting from the hip but he has done neither of these. Mr. Speaker, instead the Premier of this Province has deliberately embarked upon an emotion rousing, purely political strategy for the sole purpose of gaining political brownie points. It is a deliberate plan, well thought out for political purposes only. He has proclaimed, Mr. Speaker, that the Quebec-Labrador boundary would be changed and the courts would wipe out the educational system. It is contained in the brochure, scare tactics.

Now, Sir, I -

AN HON. MEMBER: Why do you not read it?

MR. F. ROWE: Mr. Speaker, the hon. member can read it. And when he gets an opportunity to speak he can read it to other hon. members in the House in case he fears that they have not read it.

Now, Mr. Speaker, I have studied and listened to all sides, and the various interpretations concerning the constitution, and I have concluded, Mr. Speaker - and this might shock hon. members opposite - I have concluded that the Premier of this Province is technically correct with respect to the constitution as it relates to the educational system and the boundary, technically correct.

MR. W. ROWE: That is right. That is why we brought in the amendment.

MR. F. ROWE: Exactly. I will get to that. But, Sir, the chances of it ever happening are as remote as remote can be. Sir, it would simply mean that all of Canada basically, practically all of Canada would suddenly turn against Newfoundland and Labrador and change the boundary and the educational system -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (BAIRD):

Order, please!

MR. F. ROWE:

- and in so doing would alter the constitution in such a way that the same thing could be done to any other province of Canada. Now, Sir, if that is not remote I would like to know what remote is.

MR. F. ROWE: Mr. Speaker, look anything can be technically possible. To use, I suppose, a ridiculous example, the government of this Province could, with its majority, outlaw the wearing of long johns, but, Sir, I doubt that hon. members would suddenly turn against long johns and the people who happen to occupy them in this Province. It is just as ridiculous, Mr. Speaker, it is just as possible or it is technically possible, I suppose, for the government of this Province, because of inflation and taking a very narrow-minded economic view and policy, it is technically possible, I suppose, for the government of this Province to limit the size of families to two children per family. That is technically possible I suppose. But that is a remote possibility and falls into the same category as Canada changing the boundary and the educational system of this Province.

Mr. Speaker, I looked at the T.V. debate - it was not a debate, a monologue by the Premier - and the closest analogy I could see to it in terms of emotionalism and rationale and common sense was Another World or The Edge of Night, and I remarked to a friend, Sir, when I was looking at that infamous T.V. programme by the Premier, that he is either stark raving mad -

MR. BARRY: Now, now. Now, now.

MR. W. ROWE: Figuratively speaking, Mr. Speaker, figuratively speaking.

MR. F. ROWE: If the hon. member will let me finish he will be encouraged once again. I remarked to a friend that he is stark raving mad or he is right. Now, hon. members opposite, including the Minister of Mines and Energy, will be very relieved to learn that I have concluded that he is not stark raving mad.

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: It is not impossible to be both.

MR. F. ROWE: But I have also concluded, Mr.

MR. F. ROWE: Speaker, that he is not right.

MR. W. ROWE: What is he then?

MR. F. ROWE: He is not right. He is deviously right, Mr. Speaker, he is technically right -

MR. W. ROWE: Half right and half mad.

MR. F. ROWE: - he is remotely right but he is dead wrong and I repeat, dead wrong in the whole way that he is going about trying to resolve this particular problem. Now, if hon. members will just listen opposite -

MR. BARRY: (Inaudible) Hansard comes back (inaudible).

MR. F. ROWE: To simplify for the hon. Minister of Mines and Energy who I must recognize does have a limited capacity to understand, I am simply saying that the Premier is technically right -

MR. W. ROWE: And half mad.

MR. F. ROWE: Half mad -

MR. W. ROWE: And half right.

MR. F. ROWE: - and half right. To be serious, Mr. Speaker, the Premier, I really object to it, I find it very repulsive, the methodology and the strategy and the politics that the politics that the Premier is playing with these two fundamental and very emotional issues, that to change under the new constitution is extremely remote.

Sir, basically he seized on a technical detail and a very remote possibility and he has exploited it and milked it in its extreme for purely political purposes. Now, Mr. Speaker, I am sure that if the Premier and his administration were sincere and concerned about our educational system and the border problem, the problem could have been resolved through more rational and quieter representations to the Government of Canada and more particularly to the Joint Senate Commons Committee. After all this was not legislation that was passed up in Ottawa, this is a resolution that is being considered by a joint Committee of the House of Commons and the Senate to which the Premier and any

MR. F. ROWE:

other group of people in the nation can make representation on a logical basis. But instead of doing that, Mr. Speaker, the Premier went raging in public through a TV monitor and tried to embarrass the federal government. He attacked 'Trudeau', drove both governments further apart and tried to camouflage his own ineptitude and he has created a quite unnecessary fuss. It is as simple as that. Now, Mr. Speaker, we have made it extremely simple for the Premier by bringing in this particular amendment to the resolution. All of the fuss and all of the screaming -

MR. BARRY: (Inaudible) is your amendment necessary?

MR. F. ROWE: It is necessary. Mr. Speaker, when you are sitting back there as an ordinary Newfoundlander and you see this guy come on TV for a full half hour and put the fear of God into you over the border and the educational system, the hon. member has the gall to ask me whether this amendment is necessary! Of course, it is necessary.

SOME HON. MEMBERS: Oh, oh!

MR. W. ROWE: It will quell doubts.

MR. F. ROWE: If there are any doubts at all of where we stand -

SOME HON. MEMBERS: Oh, oh!

MR. F. ROWE: - we are simply saying, Mr. Speaker -

MR. SPEAKER: (Baird) Order, please!

MR. F. ROWE: - we are simply saying this, and this is the important part, "BE IT THEREFORE RESOLVED that this House requires and requests that the Parliament of Canada take such steps as are necessary to amend the said resolution to ensure that the Constitution of Canada contains provisions adequate to ensure that the territorial integrity of Newfoundland and Labrador and the denominational system of education cannot be altered without the authorization of

MR. F. ROWE: the resolution of this House".  
But what more assurance does the hon. Premier want than that? We are in full agreement with the Premier when the only two issues that he related to in that TV program, -the most important thing since Confederation, we are relating ourselves to that in this amendment to the resolution, and he has no fear whatsoever. So, I cannot see, Mr. Speaker, why hon. members opposite cannot support this particular amendment. So this is what the Premier kicked up the big racket about, the big fuss about. It is not the intention of the federal government, Mr. Speaker, to interfere with the boundary or the educational system, but if hon. members opposite, Sir, are worried they can show good faith and vote for this particular amendment.

SOME HON. MEMBERS: Hear, hear!

MR. F. ROWE: Mr. Speaker, if this amendment is voted against by hon. members opposite, they are actually voting against the very words of the Premier on his infamous TV and radio presentation.

MR. W. ROWE: That is right.

SOME HON. MEMBERS: Hear, hear!

MR. F. ROWE: Further, Sir, if they vote against it, they are, in fact, repudiating their own leader and will show him to be nothing but a political bluff.

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: Now, Sir, we are simply calling the Premier's bluff, and I say to members opposite, "Be men, be women, and vote for this amendment".

SOME HON. MEMBERS: Hear, hear!

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

MR. BARRY: Mr. Speaker -

AN HON. MEMBER: He insulted his friend over there.



MR. BARRY: - after hearing the last speaker for the Opposition, I am going to have to make my last point first, Mr. Speaker, and the last point I had on my brief notes here was that the Opposition amendment is obviously admitting the defects present in the proposed constitutional amendments being put forward by the Federal Government.

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: They are admitting, they are admitting, they are admitting, Mr. Speaker,

MR. BARRY: they are admitting that there are defects there. Their problem, Mr. Speaker, is that they have taken just two examples which the Premier gave of defects and assume that that is all the defects in the proposed constitutional amendments.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Baird): Order, please! The Chair is having difficulty in hearing the speaker.

MR. BARRY: Sorry, Mr. Speaker, you could have missed a good speech if that happened.

Mr. Speaker, the Premier, in his address, made it quite clear that what he was setting out in referring to the denominational education system and to the territorial integrity of this Province were merely two examples of what could - not would, but of what could be changed without the consent of the people of this Province, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: Now, I will be interested in hearing the Leader of the Opposition's comment and the members opposite comment on this next point. Now, I just heard the Leader of the Opposition suggest that there was no real difference in his position and in this government's position in fighting for control of offshore resources -

MR. STIRLING: That is right.

MR. BARRY: - and that it was merely, Mr. Speaker, a matter of the technique which should be employed.

MR. STIRLING: That is right.

MR. BARRY: And his thought is that it might be desirable to first go to the Supreme Court of Canada.

SOME HON. MEMBERS: No, no.

MR. STIRLING: No, never did.

MR. POWER: (Inaudible) It is changed again now.

MR. BARRY: Oh, it is changed! It is changed! Mr. Speaker, I cannot keep up with these changing positions on the other side.

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: They change their positions as often as they change leaders, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. STIRLING: He knows more about that than anyone else. He is an expert on changing leaders.

MR. BARRY: If this question of offshore jurisdiction and ownership were put to the Supreme Court of Canada and if, as we quite firmly expect, we win the case, under the proposed constitutional amendments the federal government could turn around and wipe it out, amend the constitution without the consent of the people of this Province. And even if 100 per cent of the people of this Province were against it -

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: Yes, by referendum. By referendum.

MR. BARRY: Now, do not hon. members opposite believe that there should be some protection for offshore mineral rights written into the Constitution as well? Where is this in the proposed amendment, Mr. Speaker?

MR. STIRLING: If you will concede -

MR. BARRY: If the Leader of the Opposition would rest awhile, because there are going to be many other points that are going to get him nervous in the next twenty minutes. The hon. the Leader of the Opposition is going to be jumping up and down like a yo-yo, Mr. Speaker, in the next twenty minutes.

Well, now, I will get back to the main part of my speech, and I must say, Mr. Speaker, what a great pleasure it is to have the opportunity to speak in the presence of one of my constituents who I see up in the gallery

MR. BARRY: who also happens to be the Mayor of Portugal Cove, Mr. Speaker. I would like to welcome Mr. Murray.

Mr. Speaker, having the opportunity to speak in the presence of the constituents of Mount Scio gives added vigour to my remarks.

MR. FLIGHT: Is this the first time you have met him ?

MR. BARRY: Mr. Speaker, I have not seen him for days.

Well, Mr. Speaker, I have over the last few weeks, since the full impact of the proposed constitutional amendments started to filter down to the people of this Province, I have been noticing some interesting letters to the Editor. And I would just like to briefly, Mr. Speaker -

MR. STIRLING: As a matter of fact, he has written them.

MR. BARRY: Well, I do not think I wrote Senator Cook's letter. I do not think I wrote Senator Rowe's letter. I do not think I wrote Professor Jackson's letter. I do not think I wrote Mr. Kitchen's speech to the convention that was held some time ago by members opposite. I would just like to refer to a few of the points made in these respective presentations, Mr. Speaker.

The first thing I would like to refer to is an excellent letter,

MR. BARRY: I must say, an excellent letter written by Professor Jackson. I do not know if it has been referred to earlier in the course of the debate. Has it?

AN HON. MEMBER: Never heard of it.

MR. BARRY: The title given in the telegram of November 6, 1980, "Trudeau's Answer To Smallwood Was Deceptive". Do you remember?

MR. MORGAN: Yes.

MR. BARRY: And God bless him, you know, there is nobody can take away from the sincerity of Mr. Smallwood when he feels that the interests of his Province are being threatened. Nobody can question his sincerity. And he was so concerned by the proposed constitutional amendments that he wrote off to the Prime Minister of Canada asking whether the boundaries or the denominational education system could be changed. I saw the letter that Mr. Trudeau wrote back to him and I must say it was a masterful exercise in deception because it did not answer the question that was asked by Mr. Smallwood, "Could these matters be changed?". It answered the question, "Would it be changed?". And as Professor Jackson quite rightly pointed out, that presumably what Mr. Trudeau is saying is that he personally intends no changes in the existing rights that the Province might have, he personally. And that is what is contained in his letter. And Mr. Smallwood then feeling the Prime Minister of Canada surely would not attempt to pull a fast one on a previous Premier of this Province, Premier Smallwood then proclaims that all is good, the constitutional provisions will not affect the rights of this Province. Well, Professor Jackson has made it quite clear in a masterful letter that is accessible, I am sure, to the Leader of the Opposition, (Mr. Stirling) that all Mr. Trudeau did was say, 'Oh, he did not think he intended to make any changes in the course of his administration'. Professor Jackson points out that section

47 -

MR. LIGHT: Is this a constitutional -

MR. BARRY:

Now, look I will give you a little constitutional lecture some other time. I have decided to try and learn how to be a little bit political for a change. I have been accused of being too academic. I spent a couple of years, you know, lecturing in this subject and I must say I even found myself boring so I have decided to take a new route here, Mr. Speaker.

The essence of the constitutional amendments and our concern was summarized beautifully by Professor Jackson when he said that the essence of all this is summarized in section 47 of the proposed constitution. It says that the new sections 41, 42 and 43 which provide for certain amending formulas, will not apply where there is already a provision for amendment in the old constitution. So Mr. Trudeau gave that as his response to Mr. Smallwood. "Oh, no, because there may be a provision for amending the boundaries and so on, well, then, sections 41, 42 and 43 would not be used". And it is to this section that Mr. Trudeau referred in his remarks in the House of Commons to discredit Premier Peckford's claims and which he seems to have had in mind, as I said, in response to Mr. Smallwood.

But section 47 goes on to say at the end of that section, "But the procedures prescribed by sections 41 and 42 shall nevertheless be used to amend any provisions for amending the constitution including this section." In other words, section 47 which is supposed to protect existing agreements where there is another provision for change, section 47 can be wiped out itself by sections 41, 42 and 43. In other words, anything in the proposed new constitution could be changed by a referendum where a majority was obtained in this Province against it but they had sufficient regional representation and majorities in other parts of the country - it could be changed even if there was 100 per cent Newfoundland opposition.

MR. BARRY: Now, Mr. Speaker, that is the thing that we are dealing with here, not just the deceptive proposed constitution but additional deception since then. A \$6 million advertising campaign then out of public funds set out to try and sell this, to pull the wool over the eyes of the people of Canada. And if our poor government trys to put out a scattered cheap little ad - inexpensive little ad I should say -

MR. STIRLING: Cheap little ad.

MR. BARRY: - to counter \$6 million worth of federal propaganda, we are doing something wrong. Hon. members opposite want us to roll over and play dead and let the power of the federal purse

MR. L. BARRY:

carry the day, Mr. Speaker, it will never happen as long as you have these hon. members on this side of the House. It will never happen.

SOME HON. MEMBERS:

Hear, hear.

MR. L. BARRY:

Now, if I could just for a moment go back to halloween. If I could go back to halloween. We had Dr. Hubert Kitchen stand up in a major address to the opposite party's Leadership Convention in St. John's -

AN HON. MEMBER:

Do you want that (inaudible)

SOME HON. MEMBERS:

Oh, oh!

MR. L. BARRY:

Yes, it did as a matter of fact, it did. - and referring to a Liberal convention held where was it? - out in Winnipeg this past Summer, he pointed out two serious matters that had come up in that National Liberal convention, and he said his true feelings were, first, that natural resources are for all the people of Canada and, secondly, the approval of national and regional referendum to bring about constitutional amendment. And he quite rightly pointed out that there was this notion prevailing at the convention of members opposite in Winnipeg that the federal government should be given control over natural resources because only in that way would the national interest be protected. He also pointed out that this provision for a national referendum could be used as a sort of Damocles to lop off the heads of any government, provincial government that dared to oppose what a federal government might be doing in the future. Now, here we have, I will not say an non-partisan position, I first gave an non-partisan concern, I would suggest, I am now giving a partisan



MR. L. BARRY: position, a partisan position from supporters of members on the opposite side of the House to show that there are people in this Province who are very concerned not on a politically partisan basis about what Mr. Trudeau is trying to do.

MR. STIRLING: Are you going to vote for our amendment then?

MR. L. BARRY: I referred to the concerns raised by a Liberal senator, Senator Cook, who has concluded that there is an attempt to shaft the people of Newfoundland by the proposed constitutional amendments. Is that a PC partisan trick? Mr. Speaker, I point out another excellent letter by Dr. Rowe, father of two members of this hon. House, opposite, who has said that he has closely examined the proposed constitutional amendments without being able to satisfy himself as to the validity or otherwise of the concerns raised. He has consulted with a number of prominent lawyers experienced in constitutional matters but has not been able to find any consensus amongst them. And he has asked the Joint Committee, the Joint Committee, to look and to give an answer as to whether Newfoundland's position would be prejudicially affected. Now, surely, surely, if everything was as clear as members opposite are saying, there would not be this concern raised, there would not be this divergency of opinion amongst constitutional lawyers consulted by Dr. Rowe and so forth.

MR. L. STIRLING: We have the amendment.

MR. BARRY: The Leader of the Opposition (Mr. Stirling) says, "We have the amendment." I say, again, the problem with your amendment is that you deal with only two examples and you do not deal with all these other

MR. L. BARRY: matters that are of just as much importance to this Province and that could just as easily be changed. I refer you, for example, to the Monarchy. The Monarchy could be wiped out, offshore mineral resources could be taken away from us after we won our day in court. Are these things that should not be dealt with? Why is it that the Leader of the Opposition (Mr. Stirling) and members opposite are only dealing with two items? I think it is an example of how they still, opposite, they cannot see the forest for the trees. They cannot see the forest for the trees. They cannot grasp the principle that is involved here, and the principle that is involved, Mr. Speaker, is a threat, a threat to the very basis of this nation, a threat to the balance of power, Mr. Speaker, that has made this nation great. I had the opportunity to speak to a mining convention a couple of weeks ago and people in the mining business, as people in other businesses they tend to be ones - they want to get on with the job and to hell with all this nonsense, legal debates about the constitution and so on, for God sake give it all to the federal government and let us get on with the job. I had the opportunity -

MR. STIRLING: Right.

MR. L. BARRY: The Leader of the Opposition says, "Right", Mr. Speaker, Could you note that please? I had the opportunity, Mr. Speaker, to point out to these mining magnates that the Canadian Mining Industry has not done too badly, as the member for Buchans (Mr. Flight) might attest to, the Canadian

MR. BARRY: mining industry has not done too badly in terms of profits, both in this Province and elsewhere in Canada, and I pointed out to them, Mr. Speaker, that that was not just by coincidence, that one of the factors, and a very big factor, that permitted this to happen was because they had an appropriate political framework within which to work. And, Mr. Speaker, what is happening or what Mr. Trudeau is trying to do is to throw out that political framework and impose one of his own, impose one of his own, Mr. Speaker, which I submit to you is one that is not acceptable to the majority of people of this Province nor, indeed, do I believe, to the majority of Canadians, and I have even some serious doubts whether it is acceptable to the majority of members in his own party from the statements that have been coming both out of the House of Commons and Senate. What we have at risk here, what we have at risk - and members opposite should be prepared to throw away the opportunity for political brownie points and members opposite should be prepared, members opposite should be prepared to stand up and say, "Mr. Trudeau, go slow, go slow. You are attempting to throw out the baby with the bath water."

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: Now, members opposite might say, "Oh, this is not going to change the balance of power between the provinces and the Federal Government". Would members opposite say that? Would members opposite say that?

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: Members opposite are in favour of the balance of power being changed - is that right? - that the provinces should be -

SOME HON. MEMBERS: Oh, oh!

MR. POWER: They do not know. They are not sure.

MR. BARRY: The member opposite believes that the powers of the provinces should be weakened?

SOME HON. MEMBERS:

Oh, oh!

MR. POWER:

They are not sure. They are not sure.

MR. BARRY:

Here is what will happen,

Mr. Speaker -

SOME HON. MEMBERS:

Oh, oh!

MR. BARRY:

Come on over, come on over.

Mr. Speaker, here is what will

happen at future federal-provincial conferences.

MR. STIRLING:

Are you allowed to make a ministerial statement?

MR. BARRY:

How much time do I have left, Mr. Speaker?

AN HON. MEMBER:

Too much time.

MR. SPEAKER: (Simms)

The hon. member has three minutes

today. I am not quite sure how much -

MR. BARRY:

I am just wondering whether it

is worthwhile adjourning or whether I should cut it off.

What do you think?

SOME HON. MEMBERS:

Oh, oh!

MR. BARRY:

Mr. Speaker, I have a number of

other points -

MR. SPEAKER:

The hon. member has ten minutes

remaining.

MR. BARRY:

- to make so I - Pardon?

MR. SPEAKER:

The hon. member has ten minutes

remaining.

MR. BARRY:

Oh, ten minutes! My goodness,

then I take great pleasure in adjourning the debate.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Is it agreed to call it six

o'clock? Agreed.

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