

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD
10:00 a.m. - 1:00 p.m.
FRIDAY, JULY 3, 1981

The House met at 10:00 a.m.

Mr. Speaker in the Chair.

MR. SPEAKER(Simms):

Order, please!

Before proceeding to

Oral Question I would like to welcome to the gallery today the Minister of Fisheries from the Province of New Brunswick, the hon. Jean Gauvin. Welcome today.

SOME HON. MEMBERS:

Hear, hear!

ORAL QUESTIONS

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. STIRLING:

Mr. Speaker, I have a question for the Minister of Fisheries dealing with the reoccurrence of this problem of the company that is either on the verge of bankruptcy for the second time, or at least having cheques bounce, a serious situation involving the plant in Dover, which happens to be in my district.

There has been a court injunction preventing the association from taking any action. They would like to have a meeting with the minister to see what action the government is prepared to take to get that fish plant reopened. Could the Minister of Fisheries tell us what action has been taken involving that whole operation with that company and what specific action can be taken to help the people in Dover get their plant reopened?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. MORGAN:

Well, Mr. Speaker, approximately ten days ago, ten or twelve days ago, the company concerned, Seawater Products, indicated to us that they had some financial difficulty and they were closing four plants they operated in the Province.

MR. MORGAN:

Now, these four plants, one of them being in the hon. gentleman's district, at Dover, Bonavista Bay, one at Leading Tickle's on the Northeast coast, and two on the South coast, one at Belloram and the other at Hermitage, are now closed. Seawater indicated that their major financial backer they had, as a result of the last problems they had, when they went into receivership possibly a year and a half ago, a Mr. Jack Grant from Toronto, withdrew his financial support from the company and as a result of that they could not honour the commitments to the plant workers by paying them, etc., and they had to close the plants.

We held a meeting with the company and asked them to give us their plans of what they intend to do in all four cases. They indicated they were discussing with a company from Montreal, in this case Expo Foods, a company that was interested in investing some money into Seawater Products.

However, a few days after that, in contact with Expo Foods, we found out they were

MR. MORGAN:

no longer negotiating with that company. So we went back to Seawater again and asked them for further information, and Seawater then told us they were negotiating with a second company but they would not divulge the name of the company to us. So as of yesterday we gave instructions to the company to report to the department this morning at a meeting -in fact the meeting is ongoing, I would assume, now at this time or around this time-with the deputy minister and the senior staff of my department with Seawater, Mr. Wallace Roberts and other officials of that company, and also Mr. Jack Grant, the man who was originally financing that operation; he came in from Toronto yesterday for that meeting as well this morning. And we will want to know from them what their situation is and what their plans are because out in Dover, for example, they do have a binding lease with the local development association, Seawater does, and the association, the local development association in the area is unable to attract another company to come into the area, unable to arrange that because of that binding lease. And what we are saying to Seawater is either you tell us the plans of your company, indicating to us what the financial status is, or we will have to talk with the development association and find the means of attracting somebody else to take over these plants and to assist the development associations accordingly.

So to answer the hon. gentleman's question regarding a meeting, I will be pleased to meet with the association from his district, and in fact have him at the meeting as well, to discuss the whole situation to see if we can find a means of getting that plant in Dover reactivated. I know there is a company already interested, they told us that, and that is Beothuk Fisheries, Mr. Boyd Way's

MR. MORGAN: operations in Wesleyville-or Valleyfield, rather, That company has indicated to us and told us officially that they are interested in establishing a fish plant operation at Dover providing the association wants them there and providing the association can arrange to lease the facility to them.

MR. STIRLING: A supplementary.

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

MR. STIRLING: Yes, Mr. Speaker, The Minister of Fisheries has outlined the problem and it appears that this morning he will now be in a position to solve that problem. I would ask the Minister of Fisheries if he will send a note now to his officials and make part of the negotiations with that company a release, because they have actually broken the lease. The association has gone to court and there is

MR. STIRLING:

a court injunction that gives the right to Mr. Roberts to continue to operate that plant until the court case can be heard. The court case, unfortunately, because of a mix up, could not be heard before the Summer schedule and now you have a problem of the court being closed for the Summer.

Would the minister make a commitment - because he is negotiating on behalf of two government plants and two private plants - would he make a commitment now that part of the negotiations this morning, because this is the second time through for this company, as the minister knows, would he make a commitment this morning that part of the negotiations will be an agreement signed this morning releasing the obligation, the legal obligation of the Gambo-Indian Bay Development Association as set out by the court. In other words, for him to agree this morning to withdraw the court case, because once he withdraws the court case the Gambo-Indian Bay Development Association can proceed with their plans. The fishermen and the plant workers will not continue to deal with that company; this is the second time the cheques have been bounced. And the minister is now in a position in the negotiations, would he make a commitment this morning that he will attempt to get his officials, as part of this negotiation this morning, to get Roberts to drop the legal case so that the Association can proceed to deal with their plant in the way that they want to deal with their plant?

MR. SPEAKER (Simms):

The hon. Minister of Fisheries.

MR. MORGAN:

Well, Mr. Speaker, the instructions have already been given the officials of my department as of yesterday - I was hoping to meet with them myself this morning, and maybe there will still be a possibility between now and noon

MR. MORGAN: to meet with them briefly here in Confederation Building after they meet with the officials - but the officials have been instructed to advise the company that we want them to tell us exactly what they intend to do, whether they intend to open the doors of these two plants now leased by the Local Development Associations, or if not that we will consider revoking their licences so they cannot process. Now that is depending on the wishes of the Local Development Association.

If the Development Association that leased the plant at Dover, in the hon. gentleman's district, if they will officially indicate to us that they want us to revoke the licence of this company, because they do not want them back in operating, we will do that. However, in dealing with the lease, because of the present court decision that is pending I am very doubtful whether we can instruct the company to break that lease or to make an agreement with the Association that can allow somebody else to come in because it is depending on a court decision.

MR. STIRLING: No, it is not. They can withdraw the court case.

MR. MORGAN: Well, the company can withdraw the court decision, but in fact the Association has gone through the legal process of getting Seawater out of Dover.

MR. STIRLING: Right. They do not want them.

MR. MORGAN: They do not want them there. And what I am saying to the hon. gentleman, we will co-operate with the Association in every way possible to assist them if they want a new company to move in; but right now there is a binding lease between the Association and Seawater Products, and until that lease is broken either by a court decision or

MR. MORGAN:

by an agreement between the two parties concerned, we cannot instruct the company to break the lease or to make a new agreement. But we will work with the association, and this morning we will be instructing that Seawater Products either open the door to that plant again, and the one in Leading Tickle, to the satisfaction of the Development Association or to tell us what they intend to do. And if they cannot tell us what they intend to do, we will - I say it right now - we will, at the request of the local Development Associations, we will cancel the business to that company in those two areas and will go through the process of granting, through the committee process, the applications for new licenses to any company who wants to move in and operate Dover and also at Leading Tickle.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Simms):

The hon. member for LaPoile.

MR. NEARY:

Mr. Speaker, my question is for the hon. the Premier and I would like for him to give me a straight answer without blaspheming or attacking anybody. There seems to be a new development in the offshore situation. It has been reported that the Government of Canada is prepared to issue six permits to offshore oil drilling companies but the Province is not prepared to issue provincial permits. Now as hon. members know, up to now the oil companies have operated on the Grand Banks under two permits, a federal permit and a provincial permit, and as far as I can understand one permit is as good as the other. Now would the hon. gentleman tell the House-

MR. BARRETT:

You would like to think so.

MR. NEARY:

- if the Government of Canada, if Ottawa grants the permits and the Province withholds their permits, do not grant permits to these oil companies,

MR. NEARY:

will they still go ahead? Have we reached the stage now where the crunch is coming, where one side or the other will be forced to move to get the matter legally settled? Is this what will happen or can the oil companies just operate under federal permits?

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

PREMIER PECKFORD: Mr. Speaker, I have not seen any of the - all I can go on are press reports that the Minister of Energy (Mr. Lalonde) in Ottawa indicates that they are willing to or want to issue additional permits and some of the permits that they want to issue on the Continental Shelf or Continental Margin or slope off this Province and come under our provincial regulations. Now we have had over the last year or so quite a few applications from companies, existing multi-nationals, one of the Seven Sisters, as well as additional initiatives from other companies to issue more permits.

PREMIER PECKFORD: There is a lot of acreage out now, and we have taken the position that the scale and level of exploration activity is sufficient at the present moment to sustain a fairly high level of exploration and if dovetails well with the supply and services, spin-off industries, jobs that can be provided by the economy of Newfoundland and Labrador.

If these specific applications have been made to the federal minister, or if the federal minister had indicated his willingness to issue permits on given acreage and companies come forward, we will have to look at the areas that they are talking about and to see whether there can be a case made for extending beyond where we are now with exploration permits. But our general policy, and we have been talking to all the companies on this, is not to issue any new permits because there are sufficient permits out now for a high level of exploration activity.

We do not want to get into a position where we over-heat the economy, where we allow it to get out of control. We have not yet had a first round, a legitimate first round, under our regulations. The only round that has been held yet under our regulations is one which allowed the companies who had federal permits to apply for the same acreage under provincial permits. And after that was completed two or three or four years ago, there was sufficient land out. the bona fide a first round under the regulations is a bidding round where we declare a given area to be up for bids, and then all the companies, whosoever will, can bid on it and whoever gives us the best deal then we would award that acreage to them under the terms and conditions which say that they have to do some many well commitments and keep their educational training and research and development allowances and all the rest of it. So we have not been into a bona fide first round.

PREMIER PECKFORD: The long and short of the answer to the question is that the policy of the Government of Newfoundland is to gradually increase exploration activity over a fairly extended period of time and not to get into a boom-and-bust, where one year you have six or eight rigs and the next year you have fifteen or twenty, to try to graduate it.

Whether in fact the particular acreage now being said is open for exploration by the federal minister would seriously jeopardize that kind of policy remains to be seen until we see the exact location of the acreage and then see whether companies are interested and then consider whether, in fact, any deviation from the existing policy can be entertained.

MR. NEARY: Supplementary, Mr. Speaker.

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

MR. NEARY: Mr. Speaker, did you ever hear such silly nonsense in your life? 'We do not want to overheat the economy'. We have record unemployment, the highest taxes and the highest cost of living in the whole of Canada, and we have a gentleman, the Premier, the Leader of this Province, stand up and tell us, 'We do not want to overheat the economy'. We have a frigid economy now, it is stagnated.

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

MR. NEARY: So I do not understand what it is the hon. gentleman is trying to say, it does not make very much sense to anybody. Well, we know there are 800 people involved in the offshore at the moment - 800! There are more people employed in senior citizens' homes in this Province-and there are 6,000 applications for jobs. So would it not be better to allow the exploration and drilling to go ahead? Now when you get into production, that is

MR. NEARY: a different matter, But how can you overheat the economy with drilling and exploration? You only have 800 Newfoundlanders employed - 6,000 looking for jobs on the offshore. Can the hon. gentleman explain that? In the exploration stage, in the drilling stage, how can we overheat the economy? And if these permits are granted, what recourse does the Province have in forcing Newfoundland regulations?

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

PREMIER PECKFORD: Mr. Speaker, I do not know if the member for LaPoile is speaking on behalf of the Opposition when he exclaims, number one, that he does not understand what we are saying. I find that incredible, absolutely incredible. I also find his comments as it relates to overheating the economy - I do not know if the hon. member understands or not, but we have already in this city a fairly strained situation socially and culturally as it relates to things that are going on here already and we have to be very, very careful. Now, if the hon. the member for LaPoile is scoffing at 800 jobs which will go to 1,000 in the next month or so, well, so he may scoff at 1,000 jobs, but that is 1,000 new jobs that have been created. And if the member for LaPoile would like to look at some statistics, this is the only jurisdiction in Canada that has reduced its unemployment rate by almost 5 per cent over the last two years. In twenty-four months, we have reduced the unemployment rate -

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: Now, that is a fact.

SOME HON. MEMBERS: Oh, oh!

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

PREMIER PECKFORD: Mr. Speaker, is it alright for me to remain in the House under that barrage?

SOME HON. MEMBERS: Oh, oh!

PREMIER PECKFORD: Mr. Speaker, I know it upsets the hon. members opposite to know that we have in twenty-four months created 20,000 jobs -

MR. FLIGHT: They have gone to Alberta.

MR. SPEAKER (Simms): Order, please!

PREMIER PECKFORD: - and seen the unemployment rate go from 17.5 per cent to 12.5 per cent. I mean, it is a fantastic P.C. achievement. It is a fantastic achievement by this government. We are very proud of it.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: But I know why the member for LaPoile (Mr. Neary) does not understand our philosophy, because it is the direct opposite of Liberal philosophy which means develop or perish - go to it, forget everybody, give it away, develop it and do not worry about anything until it is too late. But, I mean, I am sorry that the member for LaPoile wants to take that approach. We will gradually increase exploration activity under our regulations to ensure that it dovetails well with the fishery, with our environment and with other social and cultural factors that we have got to consider. And that is the way we want it developed, carefully, efficiently, and do it in a rational way. That is the P.C. way, that is the way the Government of Newfoundland wants to go, and it seems to me the people of Newfoundland want to go the same way.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: A supplementary, Mr. Speaker.

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

MR. NEARY: Mr. Speaker, what a
gigantic bluff. The economy of St. John's is strained
because of the policies of this government and because
of buddies of the administration, the land speculators
and the crowd that are moving in from across Canada and
buying up the apartment buildings. And this government -

MR. STIRLING: Name them. Name them.

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

MR. NEARY: - this administration
have not done a thing about it. They have not tried to
control the land speculation and the rentals.

PREMIER PECKFORD: What is your question?

MR. NEARY: My question is this, Mr.
Speaker: It looks to me - I mean, the Premier is being
so naive and so stupid-that if Ottawa under the Canada
Lands Act has the right to grant permits, six permits,
to offshore drilling companies and we cannot enforce our
provincial regulations, as the hon. gentleman just told
us is the saviour of this Province, if we cannot do that
then the workers will come from other parts of the world,
will they not? The rigs are going to be out there anyway.
The business is going to be there anyway. That is one
point the hon. gentleman might care to comment on.

But my other point is
this, that I am amazed, Mr. Speaker, there is no dialogue
between this government, the oil companies that are
looking for these permits or the Government of Canada.
The hon. gentleman said he only heard it in the press
reports. I can hardly believe what I am hearing, Mr.
Speaker, that the Minister of Energy (Mr. Barry) did not
pick up his phone and call his counterpart, the federal
Minister of Energy (Mr. LaLonde), or call the oil companies

MR. NEARY: that are involved
and say, 'Look, boy, we control the offshore development
here.'

MR. MORGAN: What is the question?

MR. NEARY: Well, I am asking the
hon. gentleman to reiterate -

MR. SPEAKER (Simms): I assume that is what
the hon. member is asking.

MR. NEARY: - is that a fact? Is
there no dialogue between this government and the oil
companies involved, or between this government and the
federal Minister of Energy (Mr. LaLonde)? Because I got
the impression from the answer the hon. gentleman gave
there is no dialogue about these six permits at the
moment.

One of these days the
Premier will wake up with six drilling permits off our
Continental Shelf out on the Grand Banks, that he knows
nothing at all about.

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: I find the member for
LaPolie's (Mr. Neary) question or speech completely and
absolutely incredible. Apparently the member for
LaPoile does not understand that all of the oil companies
have for the last five years indicated they will not
explore on the Continental Shelf off Newfoundland unless
they hold two permits, number one. Number two, that we
are in constant contact with all the oil companies
daily, fifteen or twenty of the oil companies. The
Petroleum Directorate daily is in contact with them, as
is the Minister of Energy (Mr. Barry), and we are in
contact with the federal departments relating to off-
shore almost daily. On a daily basis there are meetings,
almost every day, as it relates to these matters.

PREMIER PECKFORD:

There is no question about dialogue, there is no question about that, that is ongoing.

But if the member for LaPoile (Mr. Neary) thinks that tomorrow morning, because suddenly I do not have at my fingertips whether in fact these six permits now have been conveyed, or companies have come to apply for those exact ones here means that tomorrow morning a few rigs will be off there, that it shows a childlike and elementary perception

PREMIER PECKFORD: of what is going on in this Province for the last five years, because the companies do not and will not do that unless they have permits from both governments. They have indicated that in writing. They have indicated it verbally. There is no question about waking up some morning and finding that happening. Dialogue is ongoing with all the oil companies. Dialogue is ongoing with the federal departments that have influence and have jurisdiction or claim jurisdiction in this area. And that has been going on on a regular basis for the last three or four years and has been enhanced and increased and enriched because of the Petroleum Directorate.

I find the hon. gentleman's comments also extremely strange at it relates to St. John's, that it is this government that has caused the problem in St. John's. Mr. Speaker, just for the record just let us say that we are in the final stages of design on the synchrolift which will be a great boost to this area which this government will be financing.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: So if anything we are going to be increasing economic activity here, Mr. Speaker, and it is because of government policies that activity is. And apparently the unemployment rate now in St. John's, the unemployment rate is down to 7 per cent, which is around the national average. So, you know, we are doing a fair job, Mr. Speaker, in trying to handle these things.

Dialogue is ongoing and 709 to 750 Newfoundlanders are now working, going to 1,000. Two hundred and fifty to three hundred Newfoundlanders are now involved in R and D and education and training and we are away to the races, Mr. Speaker, as it relates to offshore. But we are going to do it at a graduated approach, at an approach that will allow us to participate in fully what happens offshore and what happens on land. And there

PREMIER PECKFORD: is no boom-or-bust situation which will see us then lose out and be left prostrate on a sociological and cultural disaster floor after it is all over and then here we are with nothing left. That is not the way this government wants to proceed with industrial development or any other kind of development relating to the offshore.

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

MR. STIRLING: Yes, Mr. Speaker, I have a supplementary question for the Premier and I would warn the Premier to be very careful he does not get carried away and he will have to be putting out a tape to other parts of the news media denying what he said in the House of Assembly, although he forgets that what he says in the House of Assembly is in the record.

MR. SPEAKER: Order, please!

MR. STIRLING: I am just giving the Premier some friendly advice. Once he gets carried away, puts his foot in it, he then has to to apologize.

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

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. STIRLING: So the question, Mr. Speaker - and this is why I ask him to be careful, because the Minister of Mines and Energy (Mr. Barry) tabled in this House last week a report which was done by a group of consultants for the oil directorate that said that the level of employment in Newfoundland from the exploration phase will depend directly on the level of exploration. Now, Mr. Speaker, there is no doubt, and no difference between the position of the government and the position of the Liberal Party, that development must be controlled. But as far as exploration, actually finding it, where is the consistency?

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Tape No. 30]4

IB-3

MR. STIRLING: I would ask the Premier why it is that they expressed such great disappointment that we were down to eight drill rigs this year when they were planning for fourteen or fifteen and they blamed the federal government for the reduction in exploration whereas now

MR. STIRLING: he is saying that this was all planned to keep the exploration under control? Would he explain the inconsistency in a report tabled last week saying that they wanted to increase exploration to create the jobs and blaming the federal government for the lack of drilling on offshore this year with his statement this morning to say that is all part of their plan and under control and he does not want a stepped up exploration programme? Where is the consistency in the plan?

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

PREMIER PECKFORD: Oh my, Mr. Speaker, this is really becoming absolutely incredible. Has the -

MR. STIRLING: Remember, you might have to apologize again (inaudible).

MR. SPEAKER: Order, please!

PREMIER PECKFORD: Mr. Speaker, I always show the courtesy to the Leader of the Opposition to keep my mouth shut when he is asking the question. I would appreciate the same courtesy in response.

MR. BARRETT: But you do not expect it.

PREMIER PECKFORD: Now, Mr. Speaker, I find it absolutely incredible. Does the Leader of the Opposition understand the national energy programme? It is not a question of the number of rigs necessarily, it is the kind of return on an investment that national energy firms can have so that they will be able to put more money into, not only exploration, but into seismic and into research and development and other things. It is the total amount of money that is available and not necessarily the number of rigs.

Now the report that we had out the other week from the Petroleum Directorate, which is doing excellent work on this, is trying to demonstrate, so that two or

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Tape 3015

PK - 2

PREMIER PECKFORD: three years from now somebody cannot say that the Government of Newfoundland did not do its work, we are trying to inform this hon. House, the people of Newfoundland, the industry and everybody else just what kind of levels of employment can be generated with different levels of exploration activity, so that it is clear the direction we are going in. Now that is one thing. That is one thing, to have that objective analysis, analytical statement done, and then it is another thing for the government to decide, within that scenario for development, where we want our particular level of activity to be at any given point in time.

MR. STIRLING:

This is not (inaudible).

PREMIER PECKFORD:

Now that is one thing.

Now the other thing is the

national energy programme, which has seen millions, and hundreds of millions of dollars flow out of Canada into the United States. That is another question altogether because of the national energy programme and the way that the Government of Canada wants to Canadianize overnight a lot of the energy industries in this country.

SOME HON. MEMBERS:

Oh, oh!

PREMIER PECKFORD:

And what most people in Canada

are trying to tell the federal government that whilst this is a laudable goal, the way they are going about doing it is driving industry and investment, by even Canadian firms, south of the border, especially in Alberta and Saskatchewan and British Columbia. And it has also hurt the oil companies and the amount of money they have available to put into research and development, exploration and seismic and other work. So it is not a one to one relationship with the amount of money they have and the number of rigs. They have a lot of money to spend, or they could have a lot of money to spend on a whole bunch of programmes. One

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Tape 3015

PK - 3

PREMIER PECKFORD: component of that programme will be rigs.

So if the hon. Leader of the Opposition wants to get into a debate on the national energy programme and how that relates to the Petroleum Directorate's analysis, how that relates to our provincial policy of graduating the development, fine,

PREMIER PECKFORD: but let him know that this is an extremely complex matter that involves a whole bunch of components. All we are saying in the Petroleum Directorate report is here is what we can expect in the exploration phase as levels of employments increase or decrease depending upon the level of exploration, and then we go ahead as a government and try to develop policies which are in the best interest of this Province to see that we maximize our effort here as that exploration activity increases. So we produce documents daily and weekly, Mr. Speaker, to try to inform the people of Newfoundland, and based upon that analysis then we develop provincial policies which will dovetail in our view with the provincial interest.

MR. SPEAKER (Simms): We have thirty seconds remaining and time for one quick supplementary.

MR. STIRLING: And, Mr. Speaker, that is exactly how he got himself in trouble in Corner Brook; he got away from answering the question. We are not discussing the national energy programme. I would like to know whether or not that report that was tabled last week that called for increased exploration to increase the number of jobs - and the people in St. John's will be very surprised to hear the Premier say that he is quite happy with the level of exploration on the offshore. Are you saying now that that report which was tabled last week was not government policy?

MR. NEARY: Six thousand Newfoundlanders looking for a job offshore will be happy to hear that.

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, what I am saying is that this is a report by the Petroleum Directorate which analyses the number of jobs that are possible on the offshore.

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Tape No. 3016

AH-2

MR. STIRLING: Answer the question. Is it government policy?

PREMIER PECKFORD: Now as a result of that, knowing that analysis, we have to be able to see what level of activity is consistent with our overall plans. That is the way we are going to proceed. We are not going to proceed in a boom-and-bust situation. We want to see a high level of exploration activity, of course; a very high level, but only insofar as it is going to dovetail with the other aspects of our programme, as it relates to the fishery, as it relates to environment, as it relates to speculation and development in St. John's or other places, and we are trying to proceed on all points, get our onshore sights ascertained for supply and services, for component module development of platforms and so on, so we are trying to move ahead.

SOME HON. MEMBERS: Oh, oh!

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

PREMIER PECKFORD: The Petroleum Directorate is producing a report which demonstrates the level of activity. Now we are going to try to maximize the number of Newfoundlanders on that activity as we go down the road. That is the way we are going to proceed, Mr. Speaker.

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

o o o

MR. NEARY: A point of order.

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

MR. NEARY: Mr. Speaker, here it is now July 3rd and I have about seventy-odd questions on the Order Paper since February or March and no answers.

MR. SPEAKER: Order, please!

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Tape No. 3016

ah-3

MR. NEARY: Could the Speaker tell us if we
are going to get any answers to these questions.

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

ORDERS OF THE DAY

MR. MARSHALL:

Motion 5 Bill No. 17.

Motion, second reading of a bill,
"An Act To Amend The Electrical Power Control Act,"
(Bill No. 17).

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

MR. MARSHALL: Mr. Speaker, this is a bill to
amend the Electrical Power Control Act and it leads in
amendments that have been suggested by the Public Utilities
Board. I do not believe, Mr. Speaker, although we would
be quite happy to answer any questions that arise as a
result of it, that this bill would perhaps lead into a
great deal of debate. As it presently exists, the act
requires that rates should be computed in respect of a
retailer on a blended cost of the energy available within
the Province to the retailer. And in this amendment, the
board has interpreted that section to mean that the
power supplied under the Power Distribution District,
they must blend the cost of energy available to the
Island and Labrador inter-connection. And this interpretation
allows no variation in the rates charged. consumer classi-
fications in the various areas.

Now, as hon. members know, there
is a variation. Particularly there is a variation in areas
served by the Power Distribution District. These areas
have the same rates, are provided that they are to have
the same rates, despite the fact the cost is more because
of the diesel input into the generation of the power that
up to 500 kilowatt hours per family the cost will be the
same on the Island and above 500 kilowatt hours, then the
policy is they must pay at the higher rate. There has
been an effort by this government to equalize where possible
the rates within the Province, and the reason why 500
kilowatt hours was chosen is because that is the measure
that is given as the reasonable estimate of the amount

MR. MARSHALL: that would be used by normal consumption by an average family of electricity without the use of electrical heat.

There is another amendment that has been recommended, again that would maybe appear to be minor, but not really - Section 10 (2) states: "The Public Utilities Board may appoint from among classes of users of power in the Province." And that meant that they had to be appointed from among the classes of users. So the Board may now appoint people to act for those users. So it gives a broader base of representation - Mr. Speaker, a necessary amendment, an amendment that is brought in as a result of the recommendations of the Public Utilities Board and one that I would recommend to the House.

MR. FLIGHT: Mr. Speaker.

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

MR. FLIGHT: Mr. Speaker, we are not going to hold the House up on this piece of legislation. They are, as the minister said, possibly simple amendments. However, Mr. Speaker, I am going to use the principle of the bill, never mind the amendment, to, what is more, try to get across to this House the message that this Opposition has been trying to get across for years, Mr. Speaker, and that is the discriminatory way that service by the power distribution districts in this Province is treated.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Now, Mr. Speaker, this Opposition has maintained that the people serviced by the power distribution districts should not be discriminated against. They should have the same cost for their electricity as the people enjoy who are serviced by Newfoundland Hydro and energy produced by hydro, by water power.

MR. FLIGHT: Mr. Speaker, we still have and we will always have - and the minister might as well recognize the fact that we will always have in this Province, for ever and ever we will have communities in this Province that if they are going to have electricity, they are going to have to have electricity generated by diesel power and serviced by the power distribution district.

MR. FLIGHT: We will always have that. And this government's policy, Mr. Speaker, is saying to those people that forever and ever you will pay two or three times more for your electricity than the people who live in St. John's or live in Buchans or live in Gander.

Now, Mr. Speaker, this Province can see fit to subsidize the lighting for baseball parks in this Province, they can see fit to spend money that lights up baseball parks in this city and elsewhere, but they cannot see fit, Mr. Speaker, to give the ordinary man living in the community serviced by PDD the same electrical rates as is enjoyed by people in other communities.

And, Mr. Speaker, it is exactly the opposite: A consumer serviced by PDD, by the Power Distribution District pays the same price for electrical energy until he consumes 500 kilowatts. And after he consumes 500 kilowatts, Mr. Speaker, the price goes up, according to his consumption. It is exactly the opposite for a person using hydro. After the person burning hydro consumes 500 kilowatts, anything in the excess of 500, the price goes down.

Now, Mr. Speaker, that is an unacceptable discrimination. And if we were looking down the road to a year or two or three from now when all the communities serviced by the Power Distribution District would be connected to Hydro, then probably one could accept that situation. But we know, Mr. Speaker, and the member that introduced the bill can name communities in this Province that will always - and they are viable communities, Mr. Speaker. I do not know if the minister thinks they are like Corner Brook, if they have marked them unviable, not viable, but there are a lot of other communities in this Province, Mr. Speaker, that the Premier might have lumped in with Corner Brook when he said they were not viable.

MR. FLIGHT: Windsor cannot be viable. They chopped their grants by fifty per cent, chopped their application for loans by fifty per cent and then told them how to spend their money, fifty per cent, Mr. Speaker.

MR. BARRETT: It is The Electrical Power Control Bill.

MR. FLIGHT: Electrical power control, Mr. Speaker, I have sat here for the last five or six or seven days and I have had a hard time relating to some of the relevancy that is taking part in some of the debates. If we are going to start now then, well, I will govern myself accordingly.

MR. SPEAKER (Simms): Order, please!

If the hon. member now would like some direction, I will give it to him. On second reading relevancy is a little more easily defined because you are debating a principle of the bill. The matters that were underway in the last few days, I believe, were matters in committee and were finance motions, and generally the debate there is very broad. But the Chair intends to try to ask members to be relevant to the principles of the bill that are being debated, as it always has.

The hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, of course I am in your hands. Never would I question a ruling of the Speaker.

But, Mr. Speaker, talking about the viability of a community, if we accept that there are communities in this Province, viable communities, that will always be burning, always using electricity generated by diesel power, then what are we saying to those communities? That they will forever pay in some cases double and triple the prices being charged to consumers in towns serviced by hydro? Mr. Speaker, it is blatantly unfair, is discrimination, and this Province cannot afford, when we look at the expenditures and when we look at what Newfoundland Hydro is doing— and we are going to get into Hydro bills— then it is not right

MR. FLIGHT: and this Province cannot afford, never mind looking at the PUB setting rates for those towns on a blended cost to produce electricity. There should be no such thing as a separate rate for PDD users, there should be no such difference. The people burning Hydro power in this Province, whether it is generated by hydro, water power or diesel, the price should be the same. And we can afford to do it, Mr. Speaker, we can afford to subsidize the communities in this Province that have to depend on diesel generated electricity. And we are treating the people who live in those communities - and they are easy to identify, there is only a dozen or so communities in the Province, and we will always have them with us. And we can afford to subsidize those communities, Mr. Speaker, By refusing to do so we are treating them as second-class citizens. And the minister will find out that by and large, those particular communities may well be the greatest contributors to the economy of this Province; by and large they are fishery; by and large their economy has been revitalized over the years. And they are paying through their noses, Mr. Speaker, for everything else and there is no just reason why the people in this Province living in communities that must be serviced by diesel power should be paying any more for their electricity than the people living in St. John's or St. Anthony or Gander, there is no just reason except a desire by this Province, Mr. Speaker, and this government in particular, to pay as you go, to make those people pay.

And, Mr. Speaker, there is a real possibility that this amendment - the people living in communities serviced by the Power Distribution District up to now, Mr. Speaker, have had to bear twice the cost of electricity - this amendment will make it possible for the Power Distribution District to go to the PUB to reclaim all the cost of generating the power-

AN HON. MEMBER:

They are subsidized now.

MR. FLIGHT:

There may well be a

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MR. FLIGHT: subsidy in place and there is a big subsidy in place now, and the rates are twice as much as the rest of the Province.

So, Mr. Speaker, if I were living in a PDD district, if I were living in a community serviced by Hydro, and became aware of this amendment I would be frightened to death, because it is very obvious, Mr. Speaker, that this government intends to sock it to the people who are being forced to use diesel generated electricity in this Province, they intend to sock it to them. And the people living in those communities have lots of reasons to be concerned about this legislation.

Now while we are on the bill, I am interested in - the minister made some reference to industrial users. Now again, Mr. Speaker, we have been pushing over the years for a re-negotiation of the rates charged to industrial users in this Province. Now we had the great reform, the great ERCO bill, a new deal with ERCO, the new deal that cost this Province \$13 millions in subsidy this year. Now it may well have saved, Mr. Speaker, as the Premier said, \$146 million over the next ten or twelve years, that new negotiated deal, but in its first year, in the first year of the deal it cost this Province \$13 million in subsidy. And there is no way for the minister to determine what it will cost next year or the year after because, as Newfoundland Hydro and the Minister of Mines and Energy (Mr. Barry) are so fond of saying, the reason for the higher cost of power in this Province is because of the higher cost, the ever escalating cost, of oil. Well, the minister does not know what is going to happen to oil and so therefore he is not in a position to tell us what the subsidy for ERCO will be next year. Now, Mr. Speaker, at the time the ERCO deal was being negotiated, we were told that the industrial users of this Province - Price (Nfld.), IOC, the American Smelting and refining Company, Bowaters, and I could go on - they are getting

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MR. FLIGHT: their power and this part is
subsidized, Mr. Speaker. Well the people living in

MR. FLIGHT: The power distribution districts are not getting their power subsidized to the extent that they are. Now what is this government's position? It has been ten years; the paper companies are making windfall profits, they are making seventeen or eighteen cents on every dollar that they export out of this Province and 90 per cent of their production is going to the American market; quite apart from the profits they are making in the competitive field anyway, the markets they are making by competing, the general profits based on sales, they have a windfall of seventeen cents on every dollar and they are piling money. Now, Mr. Speaker, how come we are still subsidizing the price of electricity to the likes of the companies making the kind of money as Abitibi Price, Bowaters?

I would hope now when the minister stands up he will address himself to that and tell us if he is prepared to have those companies pay a fair price for electricity in this Province. Cut out the subsidy! I stand here and say cut it out. There is no need of that subsidy any longer to those companies; any industrial user in this Province such as the paper companies, there is just no need of it. And if he were prepared to cut out that subsidy, in view of the profits that are being made in this Province right now, and in view of the hundreds of millions of dollars that the government, both levels of government are putting into those operations, he would not have to bring in an amendment that allows the Public Utilities Board to sock it to, to increase the rates charged to people living in towns serviced by Hydro.

now, Mr. Speaker, I would want the minister to indicate exactly what this government's position is. On the one hand now he is going to sock it to ten or twelve communities. They

MR. FLIGHT: are being discriminated against right now and he is going to sock it to them further. But on the other hand he continues to subsidize the people who can afford most to pay for the electricity they are using, the commercial and industrial users.

Now, Mr. Speaker, the minister talked about the amendment that is changing the way that people are appointed to represent the users of electricity by P.U.B. Now, Mr. Speaker, who cares? It has been pointed out many times in this House that P.U.B. is simply, when it is wanted to be, the scapegoat for this government.

The Premier, the Minister of Mines and Energy (Mr. Barry) and the bureaucrats at Hydro, who cannot say anything, who think their mandate is to squeeze every cent they can out of the consumer of this Province, who think their mandate is to make Newfoundlanders, and not, we will note, the commercial users, the people who can afford it, but the ordinary householders in this Province, Hydro thinks their mandate is to get the cost of electricity up to the cost of generation, Mr. Speaker.

And we have not seen a case, Mr. Speaker, or I have not seen a case - maybe the minister can tell us of a case where P.U.B. refused to grant an increase to Hydro, to Newfoundland Hydro. So whatever Newfoundland Hydro wants, Newfoundland Hydro gets. So it matters little, Mr. Speaker, who is appointed to P.U.B. to represent the users of electricity.

I contend, Mr. Speaker, that if the government were to leave P.U.B. alone, if the government were not to dictate, then maybe we would get some fair hearings, maybe P.U.B. would recognize that the senior citizens of this Province, the people on

MR. FLIGHT: fixed incomes cannot afford to have their electric rates quadruple in three years. Maybe they would not be prepared to pass along the kinds of increases that forces a man on fixed income, a senior citizen on fixed income, his electric bill to go from thirtydollars to \$150 over a period of five or six years. So, Mr. Speaker, it matters little when this government decides to increase electricity, and they are going to increase it by 55 per cent in the next five years; the people of this Province are going

MR. FLIGHT:

to pay 55 per cent more for electricity in the next five years then they are paying now. And that is not commercial users, Abitibi Price, Bowaters, that is the poor chump on the street, that is the man on fixed income, that is the man who the Premier was talking about a couple of years ago when he supported Alberta's rights, when he supported Alberta in seeking world prices. That is the group of people that the Premier was going to find a way to keep the cost of electricity down. Well, maybe the Premier will come in and get into the debate and tell us what he has done, what method he has used up until now to keep the cost of electricity for senior citizens and people on a fixed income and minimum wages down in this Province. What has happened up until now?

A senior citizen today in this Province is paying the same thing for his electricity as the President of the Council (Mr. Marshall), and while this government sits here, Mr. Speaker, will pay and if it were possible would make them pay more. So, Mr. Speaker, what are we doing to make it possible for minimum wage earners, senior citizens on a fixed income to have cheaper power in this Province? Since we intend to force the price of oil to world prices, thereby doubling or tripling the cost of electricity in this Province, what are we going to do for the senior citizens, what are we going to do for the welfare recipients in the district of Exploits, what are we going to do for senior citizens on a fixed income? The Premier made the commitment, he made the commitment to the people of Newfoundland that in supporting Alberta's desire for world prices that he would introduce in this Province ways to subsidize and to keep the cost of electricity and oil down for the people of fixed incomes. Now, Mr. Speaker, it is time to call his bluff. What has he done? That is two years ago; this Province

MR. FLIGHT: two years ago they made the commitment that they were going for world prices. And he recognized what world prices were going to do to the cost of electricity in this Province.

Now, Mr. Speaker, the time has come for the Premier, or maybe the President of the Council (Mr. Marshall) to stand up on behalf of the Premier, and tell us what the Premier has done or what he intends to do in the next few days or few weeks or few months to keep electrical costs in this Province bearable for the people on fixed incomes. This Province is going to see a 55 per cent increase in the cost of electricity over the next five years. And maybe the President of the Council when he stands up can tell me if a senior citizen with no income in the world only old age pension, if a man on minimum wage, three-something an hour in this Province, if the welfare recipients which we have with us, if we see that kind of a power increase in this Province how are they going to survive and what does he intend to do, what plans have they got to offset the cost of electricity to these people, to offset the unbearable strain that is going to be placed on the household, on the budget? What is he going to do that will keep these people from destitution because the biggest expense in this Province today, Mr. Speaker, in heat and light. Heating and lighting in a home is the biggest expense we have.

MR. AYLWARD: What about the mortgage?

MR. FLIGHT: There are not too many senior citizens in this Province with a mortgage. There are not too many people on welfare in this Province with a mortgage. There are not too many people with minimum wages with a mortgage. That shows the way this government thinks. The member for Kilbride (Mr. Aylward) said, "a mortgage". Well a mortgage will exist in St. John's and in Corner Brook and Grand Falls where we give them cheap power. The member

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Tape No. 3021

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MR. FLIGHT: wants to talk about mortgages for people on fixed incomes, mortgages for senior citizens and mortgages for people on welfare, and that says a lot about the thinking of this government,

MR. FLIGHT: "The biggest expense is on mortgage." Well, I can name for the minister a lot of people whose heat and light is their biggest expense and they have no mortgage. And I can name some people for the minister who have no mortgage because their heat and light cost so much that their mortgage was foreclosed. Now what is the minister going to do? We want to talk about bread and butter. That is bread and butter. What is the minister - he has brought in a bill now that entitles the power distribution district to go after whatever increases they want. Now what is the minister going to do? On one hand he is going to permit PDD to charge what they want for electricity. And on the other hand he knows that the people in this Province, in the categories that I just mentioned, cannot survive if it continues.

So, Mr. Speaker, these are a few of the questions that I want the minister to address himself to when he stands up and there will be others, I am sure, there are others I am sure that will want to have a few words on this. But the bill itself is nothing, Mr. Speaker. The amendment itself is nothing. Nobody outside of the minister or Hydro will ever be aware that this amendment was brought in. The people that will be hurt are the people who have the less ways of defending themselves or no way of making representation and no input, Mr. Speaker, is the people who live in the isolated areas of this Province that are being served by diesel power and will always, always, always continue to be served by diesel power. These are the people who will be hurt.

So, Mr. Speaker, the amendment as he says, we should take a week, Mr. Speaker, and use this amendment to discuss the principle of the bill, to discuss what is going on under the hydro control act, the power control act in this Province. And the people who are getting done in

MR. FLIGHT: and the people that under that act, the people who are getting discriminated against to take a look, Mr. Speaker, under this bill we should take a look at what is happening to this government's attitude towards the commercial users in this Province. On one side of their mouth they have been saying for years that "we intend to increase the cost of electricity, we are going to cut the subsidy to the commercial users." Well, they have not cut the subsidy. They have pushed the price up to the people who can less afford it and they are continuing to push it up, Mr. Speaker.

So, Mr. Speaker, I think I have raised two or three valid points that when the President of the Council (Mr. Marshall) stands up he might want to address himself to.

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

MR. HISCOCK: Mr. Speaker, I am rather concerned about the amendment to the bill, and like the member for Windsor-Buchans (Mr. Flight) I am also going to address the principle of the bill. Here we are talking about the developing of the Lower Churchill, Muskrat Falls and the other hydro potential of Labrador. And as a result of all this power, the original inhabitants of Coastal Labrador, what do we find? All these people on diesel power.

Going before the Public Utilities Board and opposing the rate increase by Hydro and asking questions in the House here of the Premier and of the Minister of Mines and Energy (Mr. Barry) and to other Cabinet ministers what are the long-term plans to take Coastal Labrador off diesel power, and

MR. HISCOCK:

what do we hear? There are no plans. Once we get other places on the Island taken off our diesel power and hooked up to an electrical grid, once we get a little bit more of the oil developed off the coast, then when we get a little bit more money—the people of Labrador can wait and they will get it then. But there are a few things that I would want to address and I regret that the Minister of Mines and Energy (Mr. Barry) is not here, the Premier is not here and the President of the Council, because there are some ways that I think that this can be amended and we can help, in immediate terms, the people on the coast of Labrador. I feel that this 500 kilowatt can be raised to 700, a basic 700. Everybody is concerned from the point of view that we cannot allow the people on diesel power to have the same rates because if they have the same rates they are going to convert to electricity by way of heating and therefore everything is going to escalate or whatever. If the ministers in the interim, if they are concerned about that I feel that they could have it up to 700 kilowatt for electrical heat, for domestic consumption and anybody who has electrical heat then they would have a different rate until, as I said, you can get it. I myself and this party supports the position that we should have one price irregardless, but if the minister is concerned and the Premier then the people on the coast of Labrador for the interim will settle for raising the rates to 700 so that we can have this basic diesel rate. The other one that I am a little bit concerned about, when the Premier and the Minister of Energy (Mr. Barry) and the President of the Council talk about how much we are subsidizing, how much we are subsidizing diesel power, how much is the federal government subsidizing the people in Newfoundland

MR. HISCOCK: and Labrador with regard to Holyrood diesel generators? Three billion dollars is coming into the Atlantic Provinces to subsidize generation of electricity by way of the thermal plant at Holyrood so we if had - and I asked Mr. Young, the President of Hydro, how much was it if we had to pass on this rate, and bills would almost more than double. But do we hear the President of the Council say that the federal government is subsidizing us too much? No, we do not. We actually hear the opposite, that they should be subsidizing it more. So I am saying that the people of Newfoundland and Labrador in Labrador are subsidizing the Island part even more. And with regard to the other part, we just passed another bill in this House which I was opposed to and this was the twenty-two per cent indexing; it was also indexing diesel. I believe diesel went up two cents a gallon. And here is again the main thrust of this bill. One of the things that I am a little bit concerned about and I have to ask the question, in Section B, "In the case of the Hydro Corporation, to recover the cost of service provided by it and a margin of profit sufficient to achieve and maintain a sound financial position so that it is able to achieve and maintain a sound credit rating in the financial markets of the world." Well, that is an honourable goal to attain and try to strive for. But as the member for Windsor-Buchans (Mr. Flight) pointed out, why is it we are subsidizing Abitibi Price? Why are we subsidizing Bowaters and Come by Chance and other areas?

MR. HISCOCK:

Why is it that we do not now? I know it has been done in the past and it has been done for an industrial incentive to get these industries, but we say now that there is such an energy shortage in the world that basically the industries will come where they want. But I ask the question of the Minister of Mines and Energy (Mr. Barry) and of the Premier and the President of the Council (Mr. Marshall), when is Labrador going to be able to dry some of its own fish instead of shipping it to Brigus, Cupids, Catalina and Bonavista and Port Union and various other areas of this Province? When are we going to be able to see the Northern cod and some of the Gulf cod dried on the Labrador Coast and shipped out of Labrador? According to this, we will never see it. And I cannot see why the Minister of Rural, Agricultural and Northern Development (Mr. Goudie) is being silent on these bills, why he is being silent on the bills that are socking it to the people of Labrador in particular. The people in Coastal Labrador want to get more jobs from the point of view of being able to see it. The Crosbies here in Newfoundland made most of their money off the fish of Labrador by buying it for a mere pittance and then ended up selling it in Nova Scotia. The people of Labrador basically want to dry some of their own fish, and the only way they will ever be able to dry their own fish is if they get hydro power. If they do not get hydro power they cannot compete with people who are drying it by hydro power while they have to do it by diesel. Because, again as was pointed out, the higher the consumption of electricity under diesel, then the more you have to pay, and as I said, you are denigrating these communities in Newfoundland - and there are quite a lot of them, there are twenty-one in my own district and six in the Torngat

MR. HISCOCK: district, and, believe it or not, there is one in the district of the Minister of Rural, Agricultural and Northern Development (Mr. Goudie), Mud Lake, where the minister came from himself. It is eight miles, believe it or not, from the transmission line of the Upper Churchill and we see that they are still on diesel power and not hydro power. It is an insult to the coastal people of Labrador and Labrador people generally, how this Province is treating Labrador with regard to hydro. It is purely raping Labrador again of its resources from the point of view of developing jobs there by the central part of the Island, the St. John's area. And again, as I said, what about the people in St. Anthony, what about the people in Fogo, what about the people in Burgeo and Ramea and Grey River and Petites and other areas around the Island? There is no regard, Mr. Speaker, whatsoever for them.

SOME HON. MEMBERS: Hear, hear!

MR. HISCOCK: Well, Mr. Speaker, it is a pleasure to see such a distinguished person of high calibre as the Speaker who has just occupied the Chair, following, of course, his own predecessor.

Going back to the bill, Mr. Speaker, the commercial users on the Coast, again it is some little things how they can help the economy of Labrador. We have the Basque whaling ship site at Red Bay. We are now getting the road upgraded and it will be paved in a year. We have a motel, we have rooming houses on the Coast of Labrador. With only those few places in Coastal Labrador, why is it that the minister cannot have a different rate for those motels and tourist homes so that we can compete with the people in St. John's on rates, and in the Northern Peninsula, Western Newfoundland and Central Newfoundland?

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Tape 3024

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MR. HISCOCK: Why is it that we cannot have special rates for tourists established on the Labrador Coast so that we can entice the people of the Island and people in and outside of Canada to drive up

MR. HISCOCK: and to go across the Strait of Belle Isle on the Northern Cruiser and come over to Labrador. It is expensive to do that, but if they come to Labrador and have to pay the electricity, the hotel rates, because of diesel power, then it is even more expensive. It is little things like that that I think that this government can do, is give their business establishments in those areas a break. They are giving Abitibi Price a break. They are giving Bowaters a break. They are giving the Iron Ore Company of Canada and other ones tax incentives and breaks, and I cannot see why, Mr. Speaker, we cannot have some of the small businessmen in Labrador and in other areas of the rural electrification a break so that they can be able to compete. Many of the businesses now in this Province are going bankrupt as a result of not being able to compete and this is just an added cause.

With regard to again going to world prices, Mr. Speaker, there is no question about it that this government wants to pay the world prices and wants to pay the world prices much sooner than the National Liberal Government in Ottawa. And I only ask the question again as I have raised at many times; what about the senior citizens, what about the people in coastal Labrador? I said to the Minister of Social Services (T.Hickey) that the people living in Labrador have to spend more of their money from Social Services on heating than any other area of the Province because of the long season and because of the expense; it is almost doubled. And what is the answer? We cannot discriminate against people on the Island part of our Province by having a special rate for Labrador. Well, here we have a special rate for discriminating against them in another way, with diesel. We do not mind when we discriminate against them in that way. We do not mind when we index them twenty-two per cent and put the diesel rate up. We do not mind when we want to world rates when discriminating against them that way, but in the meantime, Mr. Speaker, there is no regard whatsoever for the people in rural Newfoundland.

MR. HISCOCK: Most of the ministers of this government have no knowledge whatsoever of rural Newfoundland and therefore they have no identity or emotion attached to it whatsoever.

But, Mr. Speaker, I do impress upon the President of the Council (W. Marshall) to look at a couple of ways in which he could alleviate this. One is by giving a special rate to the small business and to the tourist establishment. Two, raising the basic rates from 500 to 700 kilowatts until the government feels that it can uniform the rates of electricity all throughout the Province. If he is concerned about the amount of electricity that these people will convert to electrical heat, again he is discriminating against them. He is forcing conservation on them and they are not having any choice. If he is concerned that this is going to be an added expense, put it up to 700 kilowatts and say to the people, "If you go to electrical heat, then you are going to have the same rates. But if you do not have electrical heat and you consume up to 700 kilowatts, then you get this rate that you get on the Province." Because I totally agree that there should be a uniform rate, but, as I said, I will settle for this compromise until we can get the uniform rate. Because we are only going to get the uniform rate when the Liberals get back into power. And that is the only way we are going to get it, because they have been in there now ten years. And as I said, the Minister of Rural, Agricultural and Northern Development (J. Goudie), the Minister for Labrador, here is his own community where he grew up in, still is on diesel. So, if he could not get that done after ten years, I see now very little now can be done with the twenty-one communities in my district or the six communities in Torngat district.

So, Mr. Speaker, there are a few items that can be done and as I said I hope that the President of the Council will look at those things. It is not asking much, you know, just raise it to 700 kilowatts; and then the other one is have a special rate for small businesses.

MR. HISCOCK: down in that area. And in concluding, Mr. Speaker, my main concern is the total disregard for the people living in places that need diesel power. I know that the government wants to go ahead and take a lot of them off but, as I said, I even have places in Labrador, Pincen Arm and Norman Bay, that do not even have diesel power, do not even have it. They have been there since the eighteenth century and here they still have their own private diesel generators. So, Mr. Speaker, if our Province is talking about fairness and about equality of its citizens, then surely, Mr. Speaker, they are going to make sure that these communities get diesel power and they are going to make sure that the other people in Coastal Labrador.

It has been proven and stated by Newfoundland and Labrador Hydro that all the power coming from the Upper Churchill, the Lower Churchill and Muskrat Falls will not interconnect in any way in Coastal Labrador. It has also been proven and said by Hydro that they will not in any way have any small term hydro projects like you have in Roddickton in the next year or so. So, Mr. Speaker, in concluding I would like to ask the President of the Council (Mr. Marshall), the Premier (Mr. Peckford) and the Minister of Mines and Energy (Mr. Barry) to make sure that Coastal Labrador, number one, is taken off diesel power as soon as possible, in the interim raise it to 700 kilowatts, give a basic rates to tourist industry and small business, and also have the places like Pincen Arm and Norman Bay, make sure that they get diesel power. So, Mr. Speaker, I would like to finish and pass it over to one of my other colleagues.

SOME HON. MEMBERS: Hear, hear!

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

MR. HOUSE: (Inaudible).

MR. ROBERTS: Mr. Speaker, under the firm and
beneficent rule of the Chair and by the leave of the
Minister of Health (Mr. House) I would like to make
one or two points in the debate. The bill which we have
before us, of course, is an amendment to the electrical
power control act and the debate on that particular bill
relating to the principle of that particular bill raises
a number of points which could be made, some of which have
been made by my colleagues, the member for Windsor-Buchans
(Mr. Flight) and the member for Eagle River (Mr. Hiscock),
some of which will be made by my colleague, the Leader
of the Opposition (Mr. Stirling), who I understand wishes
to speak and will speak following what I have to say.

I wanted to make two points,
Sir, one of which is much the same as that made by my
friend from Eagle River because the problems which
confront my constituents are in many respects the same
as his. But before I do that, I want to touch on another
point and that is simply to place on the record of the House
for the benefit of members and the benefit of the press, if
the press is paying any attention at all to us on this
lovely day, I want to place on the record of the House
very briefly the financial fact about the investment in
the Upper Churchill. Because -

MR. SPEAKER (Lush): A sign of things to come.

MR. ROBERTS: I am sorry, Your Honour said
something?

MR. SPEAKER: No. it was an aside.

MR. ROBERTS: Your Honour will have to learn
that when Your Honour parks Your Honour's seat in such
a dignified seat that any asides cannot be treated as
lightly as they are when Your Honour parks Your Honour's

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MR. ROBERTS: seat in a less dignified seat.

MR. CARTER: If he makes a joke it is law.

MR. ROBERTS: I am sorry?

MR. CARTER: When he makes a joke it is law.

MR. ROBERTS: Yes, that is well said. My friend from St. John's North makes the point that when His Honour makes a joke it is the law, just as when my friend from St. John's North says what the law is, that is a joke. But -.

MR. CARTER: The hon. gentleman thinks the law is a joke.

MR. ROBERTS: The hon. gentleman for St. John's North is always slow. He is like the cow's tail, he always gets there but he always comes at the end of the proceedings.

Now, Mr. Speaker,

MR. ROBERTS: now that we have resolved that end of the matter, and disposed once again of the gentleman for St. John's North (Mr. Carter), let me talk about the position with the CFLCo loan. And just let us recall what we did. And the present Minister of Mines and Energy (Mr. Barry) was part and parcel of it, and the present President of the Council (Mr. Marshall) was heart to heart, cheek to cheek, jowl to jowl, chest to chest, etc., etc. etc. to etc. etc. etc., because they were all in the Cabinet at the time of the great takeover.

I do not want to debate the takeover, but the fact that we are losing money on our share investment, and the fact we are losing money has nothing to do with the price at which the power is sold but has everything to do with the fact that we made a very bad investment, and the fact that we are losing money is reflected in the amount that we the people are paying for our daily use of electricity. In other words, to put it very simply and very boldly, each and every citizen of this Province today is paying, as part of his electric bills each month, a certain amount of money which is going, and I can trace the route if Your Honour wishes - or if anybody else has the temerity to contradict it, I will trace it out in detail, but for the purposes of the bill, I will not - the fact remains that each and every one of us, with his electric bill, is paying an amount of money that is going to help to retire the cost of the loan that the government raised to enable them to purchase the Upper Churchill shares.

In other words, leaving aside the effect it had on policy, where it had no beneficial effect, the purchase of the shares was a bad investment. Let me just very briefly put it into

MR. ROBERTS: form by pointing out what happened in 1973 or 1974 was that the government purchased from BRINCO BRINCO'S interest in the Upper Churchill project in the form of the shares BRINCO held in the Churchill Falls (Labrador) Corporation. We already owned 9 per cent of those shares which the Government of Newfoundland had bought, had paid for as an equity interest. We owned those 9 per cent. We bought BRINCO'S shareholding, which was an extra 57 per cent, to give us the 66 per cent - and I am using round numbers - the 66 per cent which we now own, which the Government of this Province owns, or which Hydro holds in behalf of the Government of this Province of the shareholdings of Churchill Falls Labrador Limited.

Now, Mr. Speaker, the government financed that share purchase by raising a loan and in due course that loan has come to be on the books of the Newfoundland and Labrador Hydro Corporation and, of course, the cost of servicing that finds its way into the calculations and computations which in due course are reflected in the power price. And the people of Newfoundland and Labrador, who are led like lambs to the slaughter, and the Public Utilities Commission, who have no choice other than to ratify a state of affairs over which they have no control, because that is all these hearings really are - the hearings may test the evidence, once the evidence is in there is no question, there is no real room for manoeuvre, the results follow as surely as the night follows the day.

Now, we borrowed a loan and we have to pay back the loan. We have to pay interest, we have to pay principal on it. And all that need be said now is to make the simple bald statement, Mr. Speaker, that the interest on that loan each year is more than we get in dividends on it. Interest alone

MR. ROBERTS:

is more than dividends, forget repayment of principal, the interest alone is more than the dividends. Now let us just look at the numbers, according to Hydro's annual report, and the figures will be found on page 18, the interest on the debt, to finance the investment of CFLCo, the interest on the debt during 1980 was \$23.4 million. We paid \$23.4 million. The

dividends we got by virtue of the shareholdings which we purchased with that debt came to about \$22.4 million. In other words, Mr. Speaker, we lost \$1 million right then and there. And if there are 100,000 or 120,000 homes in Newfoundland paying electricity, that is six dollars per home per year on the interest alone. Now, of course, on top of that there is the retirement of the capital, and if the loan was about \$150 million and we are paying it off, say, in a ten year basis, that is \$15 million a year. So that is another \$90 or \$95 a year. So every Newfoundland home is paying \$100 per year in its electricity rates, \$100 per home per year in very round and rough and ready but not inaccurate figures, is paying \$100 a year towards the cost of the purchase of the Upper Churchill shares. That is over and above what we get in dividends. We paid interest of \$23.4 million, we got a total dividend of \$25.9 million but of that one-seventh of that was attributable to the shareholdings which we already had. So we got a net dividend of about \$22.4 million which is \$1 million less than the interest. Now we also got \$6 million royalties and rentals, but we get those anyway because those are in the lease agreement which incidentally now will be cancelled-but it is right to cancel it, that is another story, but we get those by virtue of the lease agreement.

Our total income last year from the Upper Churchill project was \$32 million and on the surface

MR. ROBERTS: it would appear that we made a profit of \$8.6 million, which is what Hydro say in their report, but their report is somewhat misleading. Because of course, while we did make a profit of \$8.6 million, of that sum the fact remains that we would have had a profit of \$9.6 million if we had never purchased the shares. So the interest alone costs \$1 million and whatever we are repaying on the capital, which is probably in the order of \$15 million a year. And I simply want to place that on the record, not that I expect any action from the government—they burned their bridges a long time ago—but that single act of bravado by the hon. gentleman from St. John's East (Mr. Marshall) who was part and parcel of it, the hon. gentleman from Mount Scio (Mr. Barry) as he now is, he was then sitting for another seat but the electors there gave him the Royal Order of the Flick and he had to find another seat an election or two later - I think they are the only two in the House who were left from that time, but all of those who were in that Cabinet are costing us \$16 million a year and that is being paid on our electric bills.

And when we look at our electricity bills and when we think of it we should realize that part of the cost of electricity in this Province now -

AN HON. MEMBER: How does it show up?

MR. ROBERTS: How does it show up? Because Hydro has

MR. ROBERTS: to earn that money. It came out in the hearings the other day when Hydro came in and asked for an increase which would have had the effect of a 7 per cent increase in some hearings held under the Electrical Power Control Act. As it turned out, Hydro had not done their sums correctly. So when the sums were checked by the P.U. Board's accountant, Hydro came back and admitted their mistake and instead of asking for 7 per cent they asked for 8 per cent. What they had calculated incorrectly was the interest on the Churchill Falls share acquisition debt and they had not put in enough for that so the result is, we, the taxpayers - I am sorry - we, the electrical consumers of the Province - and that is even broader than the taxpayers - we, the electrical consumers of the Province, are being called upon now to finance the government's mistake. And it was a blunder. It was a blunder for the wrong reasons, it was a blunder by headstrong men, and it is costing us \$16 million a year. It has cost us that, it will cost us that from now on and in perpetuity and we have nothing to show for it. It has nothing at all to do with the deal between CFLCo and Hydro-Quebec, that is in the form of a lease. The government after ten years finally got at that with our complete and wholehearted support here. In fact, all the government did with the Water Power Reversion Act was adopt a suggestion that many of us on this side had made repeatedly over the years. I believe it will work, I believe it is the right way to go, and my colleagues and I are all of one mind, and that is why we supported the government on it.

The deal between Hydro-Quebec and CFLCo has got nothing to do with the ownership of the shares, it has everything to do with the deal that

MR. ROBERTS: was made in 1966 and 1967, a deal which has turned out to be one of the great monstrosities of all time, and, if it does nothing else, shows us the wisdom of hindsight because, of course, the same people who are so quick to criticize it now were the very first to praise it back in 1966 and 1967 and were equally guilty with everybody else of acting in good faith and without realizing that the price of hydro, which had not changed for forty years, would change astronomically over the next few years simply because the price of alternate energy went up. And that is the only reason. The price of hydro has not changed. Churchill Falls is still as financially sound as it was back in 1966. What has happened is the price of replacement energy has escalated astronomically because of OPEC and the increase in the price of oil and the increase in the price of money, and that means that the net economic rental, the opportunity cost, to use a more precise term, of the Churchill Falls power has turned into a drastically unfair deal. Well, that is going to be corrected and I am prepared to give the government marks for what they have done on that and do so without any hesitation. But I think it should be recorded that on the Upper Churchill share purchase we are losing money. We are not making enough money in the dividends, the extra dividends we get each year as a result of our extra 57 per cent shareholding, the dividends from that 57 per cent shareholding do not even cover the interest on the loan that was taken out to pay for those shares, let alone to repay the principal on that loan, and the deficit now on interest and principal repayment is about \$16 million a year by my calculations. The calculations may not be totally accurate because I can only go on the published information of Hydro and

MR. ROBERTS: Hydro's report does not give a great deal of information other than the information on which I based my calculations, and so to that extent I have no hesitation in standing by them.

Now, Sir, let me make one other point which has been made before and will be made again and again because it is an important one, and it is one that is a matter of social justice to my constituents and to a number of other people living throughout the Province. These are the people whose electricity is supplied by diesel generators.

Now, Mr. Speaker, a couple of points that should be made in showing

MR. ROBERTS: the justice of the request which these people make and which I now make again as I have so many times before in their behalf.

First of all, these people are citizens of Newfoundland and Labrador. And just as we in Newfoundland and Labrador want to be treated equally with citizens across Canada, these of our fellow citizens want to be treated equally in all matters, including the price which they pay for a commodity as essential as electricity. Electricity is not a luxury. It is as close to a necessity as any social service, any public service can be in this day and age. These people pay exactly the same taxes as does any other Newfoundlander and Labradorian. They pay 22 per cent on gasoline. They pay 11 per cent on retail sales. They pay 53-or is it 54? - on income tax. They pay their share of the corporate tax, which is the highest in Canada.

They are entitled, in my argument, and I do not see any solid or rational counter argument, they are entitled to have their electricity at the same cost as any other Newfoundlander. And I can think of no justifiable reason why a man living in Quirpon or in Croque or in Flower's Cove or any of the other communities throughout this Province using diesel power ought to be required to pay any thing more for a kilowatt hour of electricity consumed in his home than ought a person living in Botwood or on Bell Island or in St. John's or Corner Brook or anywhere else. It ought to be the same price, the same as we pay the same taxes across Canada and receive the same benefits. The old age pension is no larger in Newfoundland than it is in Alberta. It is no less in Newfoundland than it is in Alberta.

But we have in this Province today the price of electricity being dramatically higher in some parts

MR. ROBERTS: of this Province than it is in others, and I think that is unfair. I think it is a matter of social justice to make it equal. And I say here-and I am not going to go over and over the point, it is a point that should be made and I will let it go at that- I say here that the government should make it possible. And I will tell them how they can make it possible, I do not think it should be entirely by subsidy from the taxpayers of the Province. It should not be. We are now paying a very healthy subsidy, I do not know how much it is because the estimates that I have, it is subhead 708, simply show a grant and subsidy of \$35 million, but that includes a great deal more than the subsidy to the power distribution districts. It would be of the order of about \$15 to \$20 millions my guess is now.

MR. GOUDIE: Is the hon. gentleman talking about (inaudible).

MR. ROBERTS: The grants to PDD.

MR. GOUDIE: I understand it is \$18 million.

MR. ROBERTS: Okay. Well, I thank the Minister of Northern Affairs (Mr. Goudie), He says \$18 million and I accept that. My guess was \$15 to \$20 million, so my guess was pretty good and I am glad to have his accurate figure. So it is about \$18 millions.

Now that \$18 million is given by the taxpayers of this Province to the power distributions districts and used by the power distributions districts to defray the cost of providing power. There are other subsidies as well, because the capital costs are contributed directly by the taxpayer to the PDD. The capital costs are now relatively insignificant because over the years almost every area has had electricity fed to it. It is no longer an issue, but when I became involved in politics back in 1966, or a little earlier than that, 1966 for

MR. ROBERTS: elected politics, one of the great issues in rural areas was extending electricity. And I can remember over the years in community after community when the lights were brought in. Today it old hat, people have forgotten; and that is fair enough, no complaints. You know, 'Eaten bread is soon forgotten,' and that is a rule of life, not of politics but of life, and if politics mirrors life and politics accepts that.

But it was not so many years ago, and I could name for hon. gentlemen opposite community after community, you know, the Southern Shore, I can remember when lights were put into Trepassey and up through St. Mary's Bay, and I look at my friend for Exploits (Dr. Twomey), when the lights were put in; Botwood has had them for a long time, but point Leamington and Leading Tickles and these communities were within, I would think probably that was the late 1960s those lights were put in. And in my own district, in fact, it was only a couple of years ago, thanks to the present Premier, the last community got lights in, St. Carroll's, a little community just immediately to the North of St. Anthony Bight.

What I am saying is the capital is no longer terribly relevant because the capital cost by and large has been provided. Much of it came through Walter Gordon, the great Winter Works Municipal programme that Mr. Pearson and Mr. Gordon brought in back in 1963; that is what gave us lights in most of Newfoundland and a splendid programme it was. But I am talking about the running costs which the PDDs - there is only one now - the PDD must get, it gets in the form of \$18 million from the government of the Province, the taxpayers

MR. ROBERTS: directly and the rest it gets from the customers who buy electricity. And in order to get the amount which the PDD needs to operate, it must charge rates that are significantly higher. The first 500 kilowatt hours are the same but 500 kilowatt hours does not begin to scratch an average consumption. Normally, I am told, 1000 kilowatt hours is the minimum that a family with reasonable electrical appliances can use.

AN HON. MEMBER: 500 per month?

MR. ROBERTS: 500 per month. Yes.

AN HON. MEMBER: 500 kilowatt hours.

MR. ROBERTS: Yes, 500 kilowatt hours a month and that is equal up to 500. But I am told that 1000 is the minimum for a home with reasonable - that is not electric heat, that is not electric water, that is simply the normal everyday domestic appliances that people accept, and rightly so, expect as part of their way of life in this day and age.

Well, Sir, those rates increased drastically and the result is that people in my district are paying on an average - you know, in an average house you see electrical bills of \$70.00 and \$80.00 and \$90.00 a month and that is during the Summer and during the Spring and the Fall, not the Winter. The same is true, not in Happy Valley-Goose Bay because they have now been given hydro power, but the same is true in areas of Labrador and in the Winter they go to \$200 and \$300 and \$400. And I am not talking about electric heat, although I suspect some of it is the old game of leaving the oven open and heating the kitchen, the room that is used most often, by leaving the oven open, which is hardly an efficient way to heat a house but people do it.

MR. ROBERTS: But the fact remains that there are people in this Province today who routinely in the Winter look to electric bills of \$200 and \$300 and I am not talking of big houses heated electrically, I am talking of ordinary homes with ordinary electric use.

Now, Sir, the government is providing \$18 million. I do not know how much more it would cost to -

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: If the Minister of Health (Mr. House) and the gentleman from St. John's Centre (Dr. Mc Nicholas) could keep it down to a little duller roar or could keep it outside, I would be not eternally grateful but I would be, at least for today, grateful to them.

Now, Mr. Speaker, I do not know whether the gentleman from Naskaupi (Mr. Goudie) has the figure to hand, but there is a figure as to how much it will cost to equalize the power rates between the diesel areas and the hydro areas so that every Newfoundlander is paying the same rate for power.

MR. FLIGHT: (Inaudible)

MR. ROBERTS: Now, if the minister does not have it readily at hand that I understand. It would cost a certain amount to bring it up from the 500 to, say, 1000, it would cost more, obviously, to extend it indefinitely. And there may well be a case for extending it only to 1000 or 1500 kilowatt hours a month, because the cost of diesel power increases incrementally and as more people use more power we get into more oil and we get into more machines and more men so there ought, perhaps, to be some consideration given to that aspect. But the fact remains that for a reasonably small amount of money - and I am going to suggest to the government, Sir, that the Electrical Power

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MR. ROBERTS:

Control Act is a mechanism whereby this can be done, but that extra amount of money ought not to come, ought not to come directly from the government. I think that extra money ought to come from all the consumers of the Province. I think we ought to have a truly blended cost of power in this Province. It is blended now to the extent that when hydro-or when the PUB comes to set the rate which Hydro can charge to the power distribution districts and to Newfoundland Light and Power, the two retailers, the two customers, the two

MR. ROBERTS: customers for Hydro, it is blended in that they take in the cost of Hydro's producing Bay d'Espoir power, which is very cheap power, and their producing Hinds Lake power, which costs more, and their producing Upper Salmon power, which costs more again per kilowatt hour and the cost, in due course, of producing Cat Arm which will be fairly expensive power, and the cost of producing the Holyrood power which is infinitely more expensive. All of these costs are lumped in together and averaged out and you get a price per kilowatt hour and that is the price which Hydro is authorized to charge Newfoundland Light and Power and the power distribution districts for its power which in turn is passed on, of course, to the consumer.

So all I am suggesting is that we take it a step further and we blend everything, we blend in - and I am glad the Minister for Northern Affairs (Mr. Goudie) is here because I know he is probably the only minister over there who has any personal knowledge of this. The districts that hon. gentlemen opposite represent, by and large, have had the benefit for years of government policy and now there are only the few areas left but the minister represents them. I would think that the cost will be fairly minimal, that the amount that would be added to the light bill of my friend from Ferryland (Mr. Power) home, I guess, in - I do not know where the hon. gentleman lives, up in Tors Cove or Mobile with Buckley's goat. The hon. gentleman -

MR. POWER: Two goats.

MR. ROBERTS: There are two goats. And what is in here is not parliamentary so I am not allowed to say. But, you know, the amount that would be added to his light bill up in Mobile would be relatively small because we would be - I do not know, how many people are

MR. ROBERTS: left on diesel power now?
Maybe 5,000, maybe 10,000. It is relatively insignificant.
It is getting smaller all the time.

MR. FLIGHT: In the whole Province?

MR. ROBERTS: In the whole Province. Maybe
5,000 or 10,000 customers out of 120,000 to 150,000 in the
whole Province. Now, a few years ago, gosh, sure Bonavista
Bay was on it, parts of Bonavista Bay were on diesel power.
All of the Northern Peninsula was until we put the line
down to Hawkes Bay and it has now been extended to Bitten
and in due course, I am told by the Chairman of Hydro,
Mr. Young, it will go on to Flowers Cove and in due course
on to St. Anthony. Howley used to be on diesel power.
Deer Lake never was. But we the poeple paid the shot
to convert the fifty cycle power over there to sixty
cycle and that is all built into the cost. Part of that
came from the old Atlantic Development Board. Jack
Pickersgill and Mr. Smallwood wrangled that.

MR. FLIGHT: And in White Bay?

MR. ROBERTS: In White Bay, parts of White Bay.

MR. HOUSE: (Inaudible).

MR. ROBERTS: And my friend from Humber Valley
says that some of his constituents are going to be taken
off diesel and put on to Hydro. It happened to people
in Happy Valley, at Goose Bay, but I understand not Mud Lake
and North West River. North West River, Happy Valley, Goose
Bay are on hydro power now.

MR. GOUDIE: (Inaudible) on hydro on the cost
(inaudible).

MR. ROBERTS: Well, I am all for it and I
would encourage them to do it. But the fact remains
there are always going to be some communities on diesel
power. You know, Makkovik and Nain are always going to be

MR. ROBERTS: on diesel power. It may well be that the Southern Straits, represented by my friend from Eagle River (Mr. Hiscock), will be on diesel power even though the line may come down with hundreds of megawatts, but it may not be feasible to step down for the relatively small quantity of power. That is not the issue. The issue - you know, when people are complaining about it, they do not necessarily care where the power comes from, and I know because they were my constituents for four or five years, we have often talked about this, what they complain about is the price.

So I would say to my friend from Naskaupi (Mr. Goudie) district that it ought to be looked into. Because the number of diesel consumers is now fairly small given the whole. The Province continues to subsidize the first 500 hours, which is a big bite, and what we have left now is that increment which will affect everybody, because everybody uses more than 500 hours. But what would it cost to spread that around on all of us and let me pay more on my home down in Hogan's Pond? God knows it is heavy enough now with electric heat but, you know, I choose to use electric heat, that is my affair.

MR. GOUDIE: It is probably not more than four or five dollars.

MR. ROBERTS: Well, my friend from Naskaupi says it is probably only four or five dollars but my guess is it might even be less. But I think it would be well worth looking up because that is the way to do it. And I think it is fair and equitable that every Newfoundlander will pay the same price per kilowatt hour for power no matter how his power is generated. Because the people in Mud Lake or the people in L'Anse-au-Clair or L'Anse-au-Loup where the plant is, or the people

MR. ROBERTS: in Raleigh, in my district, did not ask for diesel power, they asked for power. And it would be unfair, it is unfair, it has been unfair and it would be unfair to continue to make them pay more because of where they live, and that is why they are paying it. They are paying more simply because of where they have chosen to live. And the government that believes, as this government say they do, in the quality of rural life, I will say to them now, Mr. Speaker, and my time is nearly done but so is my point on this, I will say to them that this is one of the great steps forward they can make to improve the quality of rural life, to improve the quality of life in the areas throughout this Province, all of them rural, they still must use diesel power. Many of them will use it forever. Many of them will use it only for a relatively limited period of time as the hydro plants are extended. We are only two or three years away, hopefully, from the day when on the Northern Peninsula and my district almost every place will be using hydro generated power as opposed to diesel generated power.

But, let us say to the consumers of this Province - maybe we have to phase it in, maybe we need to take it in steps - let us say, the government's contribution is, say, 18,000,000 and we will continue the same proportion but the rest of that we are going to lay on the consumers who are also taxpayers but are more than taxpayers, because every person is a consumer, not everybody is a taxpayer. I think that is fair. I think that is a Canadian principle. I think it is a Newfoundland principle. And just as we in Newfoundland say with fervor and with right that we are entitled as Newfoundlanders to the same standards as the people in Toronto or in Calgary or in Moosejaw or anywhere else in this country of ours, the same standard of services from our Federal Government, we are entitled to them and we fight for them, then I say that the people in Quirpon or in L'anse au Meadow or in Pinware or in Hopedale or in Jackson's Arm or Ramea or anywhere else in this Province are entitled to exactly the same price for

MR. ROBERTS: electricity, to paying the same price for the same quantity of power.

Mr. Speaker, this bill deals with that kind of situation. The government have a mechanism to hand, what they need is the will. And I would say to them that this is a great measure of social justice. It has the additional merit of not costing the Treasury any more money. And I think that if it was put fairly and squarely to the consumers of this Province as an issue of fairness, as an issue of social justice, as an issue of quality of life in this Province, the people of this Province would respond positively and we could have this great step forward.

Thank you, Sir.

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

MR. STIRLING: Mr. Speaker, I too would like to join my colleague in complimenting you on the way that you have run this session since you have been in the Chair.

MR. ROBERTS: Oh, look, he is getting the flick now. Do not go, Tom. Do not go.

MR. STIRLING: I notice that the government had the good sense to keep the more rowdy members of the front bench out of the House while having such a fair-minded Speaker in the Chair. They sat in fear outside and now will probably return.

Mr. Speaker, I only want to make one essential point. This is the authority which allows the Public Utilities Board to examine into the cost of electricity on the request from Hydro for increases. One essential ingredient that should have been in this amendment to the act, and most of the amendments that we are now talking about were amendments requested by the Public Utilities Board itself, one essential amendment that was not made could have, in the future, a drastic effect on the cost of electricity to the average individual consumer, And this is something that I do not think most people in Newfoundland are aware of. Certainly I have not seen this message put across anywhere else.

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MR. STIRLING:

But under this act - and for the benefit of those who may not have all the background, for those who may be attending the House for the first time, the authority for the Public Utilities Board to examine into the cost of electricity is granted under this Electrical Power Control Act but their hands are tied, Mr. Speaker, their hands are

MR. STIRLING: tied by section 15 (2) of the main act itself: 'In considering the rates charged by the Hydro Corporation for the purposes of a reference under this Act, the Public Utilities Board shall take no account', notice underlined, 'no account of expenditures or revenues of that corporation or its subsidiaries that are not attributable to the supplying of power to retailers'.

Now, Mr. Speaker, what does it mean? What does that section of the act mean? And regardless of the information which was not given in its entirety in Question Period by the Minister of Mines and Energy (Mr. Barry), what it means is that this government has said that it is government policy that the Public Utilities Board cannot take into consideration profit made by CFLCo, profit made by Newfoundland and Labrador Hydro in dealing directly with industrial customers. Now what does that mean?

Mr. Speaker, for purposes of the Public Utilities Board hearing they are only looking at the cost to Newfoundland Hydro of producing power which they themselves do not sell directly but sell through Newfoundland Light and Power and through the power distribution districts. They have some additional customers which they supply directly. They also have some subsidiaries - the Churchill Falls Labrador Corporation. Now, in Hydro's overall financial position that they gave to the press in a press briefing, and I cannot talk about the validity of it, but in 1981 they expect to make \$5.8 million from the utility companies; 1982 they expect to make \$10 million and that is what is going to be passed along to the consumers.

Mr. Speaker, in 1981 from industrial customers they will make \$4.8 million and in 1982 - \$5.9 million. So, in other words, they expect to make more money from the utilities, if they expect it to double in 1982, and a \$5.9 million profit in 1982 from industrial customers. And here is the key point affecting each and every one of us as a bill payer, as a consumer

MR. STIRLING: bill payer; the Public Utilities Board is not allowed to look into the revenue and expenditures or the profit made by Hydro from any of these industrial customers. The profit that they make, which according to this figure - and I am only quoting their figures - the profit that they make of \$4.8 million is not allowed to be taken into consideration in setting the prices paid to the consumer. So what does that mean, Mr. Speaker? That means that this great investment that we have in CFLCo which, supposedly, according to their figures, and some of those have been questioned by my colleague from the Strait of Belle Isle (Mr. Roberts), when you put them in proper context, if you look at the financial overview of Hydro, the only people who made any money last year was CFLCo and all of the CFLCo money is not allowed to be taken into consideration because it is a subsidiary and it is not involved in selling power to the retailers. In other words, the sales - let us just suppose we were lucky, let us suppose that the court case goes through and we recover all the Upper Churchill, or, more likely I believe, force Quebec to renegotiate the Upper Churchill contract, CFLCo for all of that profit, and, Mr. Speaker, I want to emphasize this point, under the present Public Utilities Board Act all of that profit - \$4 million or \$5 million - under the present Electrical Power Control Act, all that profit made by CFLCo cannot be taken into consideration by the Public Utilities Board in their hearings. Mr. Speaker, that point has not been made before. The Public Utilities Board ruled my colleague,

MR. STIRLING: the member for Eagle River (Mr. Hiscock) out of order when he tried to get a grip on the expenditures and income of CFLCo and how important that was. They told him that they could not consider it. And that is the amendment that we should be discussing today, Mr. Speaker, the amendment that would give the Public Utilities Board the authority that they now do not have. Regardless of the lack of information given by the Minister of Mines and Energy (Mr. Barry), or the attempt to cloud the issue - and we have now seen the kind of situation that comes from the highest man in that government in which he says one thing here in the House of Assembly, namely, that he said that Corner Brook was not a viable community, and then went out of the House of Assembly, prepared a tape which went out to the West coast from his office saying 'I did not say that Corner Brook was not a viable community'. It starts at the top level. And then the Minister of Mines and Energy repeats that same kind of information when he answered my colleague, saying that, oh, yes, the Public Utilities Board can examine into anything. The Public Utilities Board does not have the authority to take into consideration any profit that is made by CFLCo as a result of sales to Quebec Hydro.

This government should be doing something about it in this amendment and they should be doing it now, today. By leave we can do it. The President of the Council (Mr. Marshall), if he would like to get the agreement of the Opposition, we will agree to that amendment. And I hope that the President of the Council is listening and that he will consider that. Otherwise, he will have to explain why it is that the Public Utilities Board can only deal in that

MR. STIRLING: very narrow area which is retail sales through to Newfoundland Hydro and the power distribution districts. In other words, all of the costs, all of the expenditures can come in and be justified and they say, 'Yes, you go for another 10 per cent increase.' And that is because they cannot take into consideration the profit made by Newfoundland Hydro directly, the profit made by CFLCo. They cannot take into consideration the profit that may be made on the Lower Churchill, Mr. Speaker.

The Lower Churchill Development Corporation, with all of these sales that they are talking about making direct to the United States, will not benefit the consumer in Newfoundland one nickle under the present Public Utilities Board's authority. So, Mr. Speaker -

MR. CARTER: What do you suggest we do, now?

MR. STIRLING: What I suggest you should do, and I expect that the member for St. John's North (Mr. Carter) will jump up in his seat and say, 'I will second the motion', is delete - very simple - paragraph 15, subparagraph (2) and that will then give the Public Utilities Board the authority to take into consideration all sources of income and expenditures from Newfoundland Hydro, CFLCo, Lower Churchill Development Corporation, all of the Newfoundland - because we bought all of that, that was purchased with Newfoundland government money provided by the taxpayers of Newfoundland and Labrador, take all of that into consideration when they establish the rate. It is like saying that somebody has a major retail operation which also includes an apartment, but in considering the setting of the rental you cannot take into consideration the income that they make out of their main business. Because the main business of Newfoundland

MR. STIRLING: Hydro, Mr. Speaker, if the government attains what they are looking for, is not selling to retailers, the main business of Newfoundland Hydro is generating power, their main business in the Lower Churchill will be sold to a large industrial complex. For example, the new aluminum plant: presumably they will be bringing in the aluminum plant and selling the energy at a profit. That new aluminum plant, Mr. Speaker, will not be allowed to be taken into consideration in setting the rates for Newfoundland Light and Power or Newfoundland Hydro. And that is a pretty important thing. I hope that the member for St. John's North (Mr. Carter), assuming that he were on that Public Utilities Board - and despite all of his comments here in the House, I have found the member, when he gets away from the public political arena, is a very reasonable, responsible member. I served with him on the Public Accounts Committee and I found somebody on that Public Accounts Committee, in the member, who was being very honest and sincere. And I am sure that he would agree -

MR. CARTER: (inaudible) the Public Utilities Board (inaudible) reputation

MR. NEARY: What is Big Foot saying now?

MR. CARTER: (Inaudible).

MR. STIRLING: Yes, but, Mr. Speaker, I am sure that the member for St. John's North would agree that that is the essence of what he is saying, it is the Cabinet which makes the decision. And what we have decided to do in this little charade - and the member for St. John's North has just put his finger on it. This business of referring it to the Public Utilities Board and

MR. STIRLING:

not giving the Public Utilities Board the authority to examine all of the expenditures, all of the income, all of the profits of CFLCo, of Newfoundland and Labrador Hydro, that is the very essence of it, that it is a charade, and the member for St. John's North (Mr. Carter) has put his finger on it. It is a decision made by Cabinet. The Cabinet has made the decision to increase the rates to the taxpayer, the ordinary consumer/taxpayer in this Province, and they are going through the charade of putting it before the Public Utilities Board, and the Public Utilities Board does not have the authority to examine the whole range of profit made by Newfoundland and Labrador Hydro, CFLCo and the Lower Churchill Development Corporation. All of the money has been provided by the taxpayers of this Province, and, as my colleague from the Strait of Belle Isle (Mr. Roberts) has said, there are more consumers than taxpayers necessarily, but by and large there is certainly an overlap. Well, those same consumers, as taxpayers, paid for - they did not actually take it out of their pockets, they used their credit; as a matter of fact, as he has quite rightly pointed out, we have not paid off that loan yet. We are still paying current interest rates on that loan. But we have a situation in which the people of Newfoundland and Labrador put up the money to buy CFLCo and under the Electrical Power Control Act, the Public Utilities Board does not have the authority to use any of that profit to offset some of the other expenses. And that is a very essential point. We either admit as the member for St. John's North said, he puts his finger on it the Cabinet makes the final decision. The Cabinet has never disagreed with a recommendation of the Public Utilities Board, has never turned down a

MR. STIRLING: Public Utilities Board recommendation. And the Public Utilities Board, Mr. Speaker, has looked at only a very limited area, and that is the cost, the income, the expenditures directly related to Newfoundland Light and Power and the power distribution districts. They do not have the authority. And now is the time to do it, and I would say that the member for St. John's North (Mr. Carter) could get the government to agree to do it right now.

MR. CARTER: You are making a mountain out of a molehill.

MR. STIRLING: Well, it may very well be a mountain out of a molehill if Hydro were getting a very small part part of their income from CFLCo or from the Lower Churchill Development Corporation or any of these areas. Mr. Speaker, that molehill that is referred to by the member for St. John's North, in 1981 gives them a profit of \$4.8 million against the Utility income of \$5.8 million. It is almost exactly equal in size to the molehill that he is referring to. There must be at least a series of molehills.

But of more significance, Mr. Speaker, is that in order to accomplish the objectives of Newfoundland and Labrador Hydro, what is being socked to the consumer is going to be double what they are expecting to get in the way of net profit from the Utilities. So, Mr. Speaker, I suggest to you that the single most important thing that this government can do to help the consumers of electricity keep their bills under control, is give the Public Utilities Board the authority to take into consideration all of the income, all of the expenditures, all of the profit made by Newfoundland and Labrador Hydro in all of their subsidiaries. And it is particularly true as we head down the next five years. We are talking about the next five years, and, Mr. Speaker, if we do not do that, then we are just admitting, as the member for St. John's North just admitted, it is

MR. STIRLING: a charade to make a submission to the Public Utilities Board because it is really the Cabinet who have made the decision that the rates are going to go up and they are not going to use the profits from CFLCo, the profits from Newfoundland and Labrador Hydro, the profits from the Lower Churchill, the profits from the sale to the New England States, all of those profits are not going to be taken into consideration in establishing the rates for the consumer under the Electrical Power Control Act. This is the time to do it. We have the amendment,

MR. STIRLING: bill is now before us, let us include that and let us pass that amendment this morning.

MR. SPEAKER (Simms): Is the House ready for the question?
The hon. the President of the Council.
If the hon. minister speaks now he will close the debate.

MR. MARSHALL: Mr. Speaker, I have to reply for just a few moments because we have been treated this morning to an hour and a half of utter confusion on the part of the Opposition, an abysmal exhibition on the part of the Opposition, who are elected members of this House, of a complete lack of understanding of public affairs, particularly as it pertains to electrical energy.

On the one hand, the member for Windsor-Buchans (G. Flight) urges us to stop subsidizing industrial areas. On the other hand, the Leader of the Opposition urges us to take the profit that we are making from industrial users and apply it towards the people of the Province.

Mr. Speaker, it shows complete and absolute and utter lack of knowledge and confusion by the members.

MR. HISCOCK: (Inaudible) fault that you do not subsidize it.

MR. MARSHALL: This is a normal - now, Mr. Speaker, I do not want anyone interrupting me. I did not interrupt the hon. member when he was speaking. I was bored to death for about half an hour listening to him so he can keep his -

MR. SPEAKER: Order, please!

MR. STIRLING: You will fall off your bike again today.

MR. MARSHALL: But, Mr. Speaker, let us get on, first of all, and we will deal with the critic, the energy critic on the Opposition side of the House, the member for Windsor - Buchans.

MR. MARSHALL: All I can read from what the hon. gentleman is saying, he is agin everything. If this had been a bill to elevate motherhood, he would have been against that. He is agin the Abitibi Price. Here he is representing, out there Windsor-Buchans and he is agin the pulp and paper mill out there. He mentioned Abitibi Price specifically. He is agin the subsidies that are supposed to be taken. He knows well, Mr. Speaker, that such subsidies were not created by this administration. It is the policy of this administration to make all industrial users of electricity pay their way.

AN HON. MEMBER: We already are.

MR. MARSHALL: We are in the process, Mr. Speaker, of negotiating that at the present time. But in the meantime, the hon. gentleman chooses the debate to attack the paper companies.

I know the member for Exploits

(Dr. Twomey) whose district is dependant on it, Your Honour, himself, who cannot speak, I know would look on this with a great deal of chagrin that a member in the Central area would get up and make the statements that he made with respect to it.

Now, this particular act, Mr. Speaker, this particular act - what does this act do? The hon. gentleman used the opportunity to debate wide-rangingly all policies with respect to the provision of electrical energy. But what this act does, Mr. Speaker, is to regularize a policy that this government has brought in since it has been in power and that is, in fact, to subsidize these areas. And we subsidize them as much as we possibly can to the tune of about \$18 million a year it costs. And what we do is, up to 500 kilowatt hours, they are treated the same and then afterwards, unfortunately, they have to pay a higher rate. Why 500 kilowatt hours were taken? Because that is the advice we got as to the necessary amount of use of an average family in Newfoundland for electricity. So, we are doing it, Mr. Speaker, and

MR. MARSHALL: we re doing it to the tune of \$18 million and when we get more funds available to us we will be broadening it. But in the meantime, the \$18 million that we provide in the estimate is a handsome contribution, I would suggest.

Now, Mr. Speaker, on the question of industrial matters, we are paying a subsidy in the case of Grand Falls, Abitibi Price, Bowaters, These were set many years ago, As I say -

PREMIER PECKFORD: We are trying to re-negotiate them.

MR. MARSHALL: - they are in the process of re-negotiation now. We are paying a subsidy to the Electric Reduction Company of Canada. The member for Windsor-Buchans has the consummate gaul to stand in this House and suggest that there should not be any subsidy, when the party that he represents got us into -

MR. FLIGHT: How much for each year?

MR. STIRLING: (Inaudible) overall?

MR. MARSHALL: - the mess that this Province is in.

SOME HON. MEMBERS: Oh, oh!

MR. MARSHALL: He has the gaul to get up in this House the gaul to get up in this House and suggest that we should not be paying any subsidy whatsoever. We agree we should not be paying any subsidy. What we had to do is to remedy as much as we could, and we did, a marvelous job was done in bringing that level down. The estimates, if that the hon. gentleman wants to look at it, he will see that it is being brought down by millions of dollars next year and it will go down right up to 1992, when they will be paying. The net result of our efforts, Mr. Speaker, in ERCO, as opposed

MR. MARSHALL:

the hon. gentleman, is at this present day ERCO is now a net contributor to the Province rather than a net drain -

PREMIER PECKFORD:

Hear, hear. Hear, hear.

MR. MARSHALL:

- and that is something, Mr. Speaker, that we are pretty proud of. And so the hon. gentleman can cloud it, that is the truth.

Now, with respect to industrial users' profits, we have the Iron Ore Company of Canada and we have the Abitibi Price mill in Stephenville and that, of course, was negotiated by this government and it is indicative, Mr. Speaker, of the policy of this government, to make industrial users pay. And we have shown, because we stand up four square, that you can bring industry into this Province and people will pay; that you do not have to give it away, give everything away in order to provide jobs. You can provide jobs, Mr. Speaker, in the same way as people in every other nation of the world do it.

So the hon. gentlemen there opposite - imagine the Leader of the Opposition (Mr. Stirling) coming in and saying that the profits should be applied. He obviously does not understand, Mr. Speaker, that the net result, still in this Province, with respect to the industrial users of electricity is a deficit, it is not a profit and he should not try to cloud the issue and try to pretend that we have \$5 million or \$4 million, or what have you, in the coffers of Newfoundland and Labrador Hydro and could be using that to reduce the residential payments for electrical power. So that is what he is doing, Mr. Speaker. The hon. gentlemen there opposite, they obviously do not understand. One gets up, on the one hand, and says something and the other gets up and says - the Leader of the Opposition says completely the opposite. They just do not understand it. Then the member, Mr. Speaker, for the Strait of Belle Isle (Mr. Roberts) gets

MR. MARSHALL: up and give us a dissertation on the payment of the shares from BRINCO. All I can say, Mr. Speaker, is it takes some gall for any member opposite, particularly the member for the Strait of Belle Isle (Mr. Roberts), to get up and lecture this House and this government with respect to the subsidization of electrical power as arising out of the Upper Churchill fiasco to which he was a party -

SOME HON. MEMBERS: Hear, hear.

MR. MARSHALL: - and to get up in this House and try to pretend that they were the architects of the Reversion Act, which was the greatest act that has been brought into this Province and the most effective one, to take back what the hon. gentlemen had given away.

SOME HON. MEMBERS: Hear, hear.

MR. MARSHALL: It is ridiculous, Mr. Speaker, they do it time and time again and they attempt to twist. The hon. member for the Strait of Belle Isle, he tried to twist it and turn it around to the extent that this year we are paying a little over \$1 million more in interest payments than we are getting in dividends, which the statements of Newfoundland and Labrador Hydro show. But, Mr. Speaker, he also tried to twist around the capital payments are what we have to pay each year as well, but he never talked about the asset that we were acquiring. And the asset that we acquired, apart from the shares themselves, Mr. Speaker, we acquired certain rights, we re-acquired certain rights which will be developed in the future -

MR. FLIGHT: (Inaudible).

PREMIER PECKFORD: (Inaudible) give it away.

MR. MARSHALL: - that the hon. gentlemen gave away with their great generosity to BRINCO, when they were in the process of giving away the total Upper Churchill River basin.

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER (Butt): Order, please!

MR. MARSHALL: So we got assets for that, Mr. Speaker, and if the hon. gentleman wants to do his mathematics again, he will find, because of the \$15 million that is paid every year, very shortly there will be more money coming into the coffers of this Province, yearly, than is paid out in interest, because the dividends will remain constant and the interest payments will obviously go down.

Now, Mr. Speaker, you know, perhaps we should sit down and let the hon. gentlemen get up in their jungle of inconsistencies and make statements in this House without any foundation whatsoever and exhibit their ignorance. But the fact of the matter is, Mr. Speaker, the public of this Province is so bored with the hon. gentlemen that they do not notice it, and it has to be drawn, I think, to their attention.

Now, I think I have dealt with everything except the hon. member for Windsor - Buchans (Mr. Flight). He talked about things like, you know, what we should be doing - everyone should be paying a uniform rate. We would like, in this Province, for everyone to be paying a uniform rate, we would like, Mr. Speaker, for the cost of electricity to be much less than it is in this Province. And if the hon. gentlemen there opposite would support us in some of our policies, we might yet be able to effect that. The hon. gentlemen there opposite love to, also, get their snide little innuendoes in about the situation here is St. John's in their continual desire

MR. MARSHALL: to thrust the urban areas against the rural areas of this Province and he talks about -

SOME HON. MEMBERS: Oh, oh!

PREMIER PECKFORD: Shame! Shame!

MR. MARSHALL: - the lights down in the ball park.

Mr. Speaker, the lights down in the ball park have nothing to do with this bill, the lights in the ball park pertain to recreation in the city of St. John's, in the same way that there are many recreational pitches, softball pitches, soccer pitches, track fields, parks and, what have you, provided in many of the areas of this Province, and we are very proud of them.

So, Mr. Speaker, I will not delay the House any longer. I have only spoken for ten minutes in closing the debate but I would just, Mr. Speaker, draw to your attention -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER(Simms): Order, please!

MR. MARSHALL: - the complete and absolute inconsistencies from the hon. gentlemen there opposite. On the one hand one person says we are making money and on the other hand, another person says we are losing money and we should be doing something to stop the loss of money. They should get their act together, whatever that act may be.

MR. NEARY: The more you talk (inaudible).

A skinful of hate.

MR. MARSHALL: And then they assault, Mr. Speaker, paper companies and what have you.

MR. NEARY: The more you talk, the more people will come over to our side.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Mr. Speaker, you know, I think I have dealt with it all. The development of Hydro and the recapture of power. You know, they have a - as I say, any member on the opposite side who has the consummate gall to get up in this House and talk and give advice about recapturing the birthright of this

MR. MARSHALL: Province that they contributed to giving away, has some gall, Mr. Speaker. It has nothing to do with this bill, the Reversion Act has to do with that and other measures that this government is taking.

I recommend and I move that this bill receive second reading.

SOME HON. MEMBERS: Hear, hear!

On motion, a bill, "An Act To Amend The Electrical Power Control Act", read a second time, ordered referred to Committee of the Whole House on tomorrow.

(Bill No. 17).

Motion, second reading of a bill, "An Act To Amend The Department Of Mines And Energy Act, 1973". (No. 20).

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

MR. MARSHALL: Mr. Speaker, this is a bill that I would assume would not require consummate debate -

SOME HON. MEMBERS: Oh, oh!

MR. MARSHALL: That is alright. We do not mind, Mr. Speaker, we do not mind in the slightest.

MR. NEARY: No, we do not. We do not mind.

MR. MARSHALL: If we have to suffer the hon. gentlemen, that is what our constituents sent us in here for, we will have to suffer them.

But, the purpose of this bill, very simply, Mr. Speaker, is to give legislative sanction to the Petroleum Directorate that has been set up by this Province. It is to provide and to give it a status within the Department of Mines and Energy. It is to provide that there may be appointed an Assistant Deputy Minister of Petroleum Resource Management and another Assistant Deputy Minister of Petroleum Planning and Policy.

MR. MARSHALL: Now, Mr. Speaker, this is another part of the forward legislation, the forward measures taken by the Department of Mines and Energy and the government in its intent and in its efforts to make this Province prepared for what is going to come in the future. The hon. the Minister of Mines and Energy (L. Barry) has -

MR. NEARY: Putting the cart before the horse.

MR. MARSHALL: Already the hon. gentlemen there opposite know what the Petroleum Directorate is, as I say, this bill is to give it legislative sanction.

MR. FLIGHT: Mr. Speaker.

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

MR. FLIGHT: Thank you, Mr. Speaker. I want, before I would get into the bill itself, which as the minister says - and the hon. member for LaPoile (S. Neary) just said it is putting the cart before the horse - to align myself with something he said that is probably not read into the record. The hon. the President of the Council (W. Marshall), Mr. Speaker, has not taken part in these debates very much these past two or three weeks and I regret that now. Because it is obvious that the more he talks, the more he stands up in this House and indicates his hatred for rural Newfoundland, then the more people he is going to turn off. The more he stands up, Mr. Speaker -

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

MR. SPEAKER: The hon. the President of the Council on a point of order.

MR. MARSHALL: Look, we listened to irrelevancy in the last bills. Now, Mr. Speaker, you know, small minds can spew what they like but -

MR. FLIGHT: We can (inaudible)

MR. MARSHALL: - small minds, Mr. Speaker, are not allowed to spew in this legislative Chamber where the rules of relevancy apply. Now, we are on a bill here, Mr. Speaker, with respect

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MR. MARSHALL: to the Department of Mines and Energy, we are on a bill with respect to the provision of a Petroleum Directorate, and the hon. gentleman is being irrelevant, Mr. Spekaer, completely.

MR. SPEAKER (BAIRD): To the point of order, the hon. member for Port au Port.

MR. HODDER: There is no point of order, Mr. Speaker, it is just a matter that the member for Windsor-Buchans (Mr. Flight) was telling the truth and it irritated the House Leader (Mr. Marshall) opposite. He cannot take it.

MR. HANCOCK: He is gone now.

MR. STIRLING: He cannot take it. He is great for dishing it out.

MR. HODDER: He is great for dishing it out but he cannot take it.

MR. NEARY: A great day for riding a bike, he should be out there.

MR. SPEAKER: To the point of order. While relevancy is hard to define, the member must be given the benefit of the doubt. However, I would remind all hon. members that we are discussing Bill No. 20.

MR. FLIGHT: Thank you, Mr. Speaker. There was no point of order. Mr. Speaker, you know, one should stress the point that it is very obvious, when the hon. member for St. John's East stands up, he is so full of vindictiveness, so full of hatred for anything that was done in this Province prior to 1971, that he cannot stand up, Mr. Speaker, and make a speech that would be conducive to good will in this House. And, Mr. Speaker, the Premier should be aware that if he is concerned about rural Newfoundland that he should make sure that the hon. member for St. John's is not exposed outside of this city, because every time he is exposed -

MR. STIRLING: No, no we want him.

MR. FLIGHT: No, I am giving the Premier some advice.

MR. STIRLING: No, do not give it to him.

MR. FLIGHT: Okay. But the advice, of course,

MR. FLIGHT: is to send him on a speaking engagement, to send that member on a speaking engagement across this Province, Mr. Speaker.

Now, Mr. Speaker, this bill, again, is simply a case of putting the cart before the horse, as the member said. It is an indication of the incredible sloppiness of this government. The Newfoundland Petroleum Directorate, the Newfoundland and Labrador Petroleum Directorate has been operational, Mr. Speaker, for the past two years. They are spending \$2.5 million this year in the budget of Mines and Energy. We budgeted \$2.5 million for a corporation that was not even created by statute, that is not legally created in this Province, Mr. Speaker.

MR. STIRLING: Two years late.

MR. FLIGHT: Two years late. Now, why? The Premier may get up and tell us probably, he may not leave it to the member for St. John's East. But why would we be here now, two and a half years after the Petroleum Directorate was created, in a year that we have approved \$2.5 million, double or triple over last year - why was this legislation not brought into this House when the Newfoundland Petroleum Directorate was perceived and conceived?

Another case, Mr. Speaker, of the incredible sloppiness and irresponsibility of this government, to do what they want to do, come into the House when they feel like it, come in two years after the fact and ask for legislative approval. Complete sloppiness and irresponsibility, Mr. Speaker.

Now, the Petroleum Directorate itself: I have no argument, Mr. Speaker, with the Petroleum Directorate. I would doubt if anyone on this side would have any argument that the concept is good. I would prefer

MR. FLIGHT: to see the control of the offshore, the management of the offshore, the advice given, the decisions made re our offshore made by people, professionals who make up the Petroleum Directorate. I would far rather see that than see it in the hands of some of the minister that are over there, Mr. Speaker. But there is something about the Petroleum Directorate that I am concerned about and I would want to tell the Premier this, that I recognize the professionalism -

MR. CARTER: Mr. Speaker, I cannot hear the hon. gentleman, his colleagues are making too much noise.

MR. SPEAKER: Order, please!

MR. FLIGHT: I recognize the professionalism, Mr. Speaker, of some of the members of the Petroleum Directorate but I do not recognize their right, Mr. Speaker - they are not mouthpieces for this government. They are not paid the kind of salaries they are being paid to be mouthpieces, to carry the political line of the Premier and of the Mines and Energy Minister (Mr. Barry). And they should be warned, Mr. Speaker. There were times in this past couple of years that one had a hard time deciding who was the politician or who was the Director of the Petroleum Directorate. They feel there is an obligation - there appeared to be an obligation on behalf of members of the Petroleum Directorate to mouth the political nonsense that was going on, that was being spewed out by the minister and the Premier re offshore. And, Mr. Speaker, that is not what we are paying the Petroleum Directorate for. And the people - and I will not name the people, Mr. Speaker, but the Premier knows who I am talking about - the people who run the Petroleum Directorate had best be advised to - inasfar as the politics of the offshore issue is concerned, they should keep quiet.

MR. FLIGHT: The Minister of Mines and Energy and the Premier and any other Cabinet minister, that is their job to play the political game, to state the political facts, to put forward our political position. It is not the Chairman or the Director of the Petroleum Directorate. It is not the job of the Petroleum Directorate to suggest that we declare war, guerrilla warfare on Ottawa. It is not the job of the Petroleum Directorate's Chairman to go to Ottawa, Mr. Speaker, and, in a speech, suggest that the federal government was out to ruin Newfoundland. That is not his job. His job is to advise the government of Newfoundland as to where we should go,

MR. FLIGHT: how we should go, get the information we need and advise us how we should develop the offshore, not to feel that because of the kind of salaries they are getting, because it was political appointments, that they have a right to stand up and play the political game, and that is what they have been doing. I do not recognize that right, Mr. Speaker, and it is a very, very dangerous game. The Petroleum Directorate of Newfoundland, I would presume, will exist forever, as long as we have an offshore industry. Well, they will not always be dealing with the same people they are dealing with now, Mr. Speaker. I will not go into the makeup, Mr. Speaker, but if I wanted to, if I wanted to, we would hope that by and large appointments to the Petroleum Directorate are based on knowledge, experience. Well, Mr. Speaker, if you want to check the list, if you want to check the Petroleum Directorate, there are obviously people on that Petroleum Directorate that that was not the biggest - the biggest plus they had going for them was not their knowledge of offshore, I guarantee you. And if they are going to get in, Mr. Speaker, if they are going to get into the public forum and play the political game, then they are going to have to stand the heat.

Now, Mr. Speaker, the people of Newfoundland have not been more confused, deliberately confused on any issue ever than they have been deliberately confused on the offshore issue. It has been a straight political game, straight politics. The only time that most people on the government side of the House open their mouths re the offshore, is to take advantage of what they see as the political mileage in the issue then and there.

Mr. Speaker, we have seen more

MR. FLIGHT: Fed bashing, we have seen more controversy, confrontation between this Province and Ottawa over the offshore than all the rest of the issues that we have had between us for twenty-five or thirty years, to a point where it has been detrimental, where it has been detrimental to the other sectors of the economy of this Province.

Now, Mr. Speaker, we are coming to the moment of truth, we are coming to the crunch now, Mr. Speaker. The Premier can indicate when he stands up if it is still a fact, if it is still in the scheme of things for Mobil to present its development plans to this Province in September or October. If that is still the scheme of things, Mr. Speaker, at that time we will see the politics separated from the realism of the matter. Mr. Speaker, the Petroleum Directorate has sponsored seminars in this city where experts from all over the world with no axe to grind, with no politics to play stood up and told us hard, cold facts re the offshore. One of the things they said, no pipeline, no pipeline, unless, of course, we are prepared to cap it and sit until the technology is in place and it may be that there will never be technology in place. If we find a way to trench, we may not be able to move the oil through pipelines.

Now, Mr. Speaker, the Petroleum Directorate did not want to hear that and they did not like it and the Premier's right-hand man stood up and insulted everyone in the hall and embarrassed every Newfoundlander sitting there. He took issue with the experts who came there to tell us the facts. They did not like that, so they had their hatchet man stand up and insult every expert that had come willingly to share their knowledge with Newfoundland. Well, Mr. Speaker, what is the situation? When the development plans are

MR. FLIGHT: presented, are we still taking the position that there will be a pipeline or no development? We have been told that technically it is not feasible to have a pipeline. Now, Mr. Speaker, at the same time, the same time that was happening, all of a sudden the emphasis went on gas. This government has said, and a spokesman for this government has said, we will not proceed with oil development, no gas will be flared, no gas will be reinjected, we will produce gas. And apparently we have commercial quantities of gas to produce. Now, what about it, Mr. Speaker? Is the government prepared to accept anything less than a pipeline? Is the technology in place to liquify the gas at the wellhead and take it out in tankers? Is that a viable concept?

MR. STIRLING: It is the first time they mentioned that Mobil was at that stage.

MR. FLIGHT: The first time Mobil heard tell of their plans for gas was at a seminar here less than a year ago. But, Mr. Speaker, maybe the Premier will tell us because, like I said, the moment of truth is coming. It is coming this Fall when Mobil says that having spent millions and millions of dollars, hundreds of millions of dollars and having to spend hundreds of millions more, and billions more, 'Now

MR. FLIGHT: here is our plan. Here is the way we will proceed. And I have seen no indication, Mr. Speaker, that Mobil or anybody else have been able to come up with a concept for development that will please the Government of Newfoundland, that will satisfy and justify the politics that they have been going on with for the past five years.

The Minister of Mines and Energy (Mr. Barry), Mr. Speaker, recently said that this government would never consider a set of development plans, Mobil might as well stay home, if included in those plans was not a plan to reactivate Come By Chance and refine 100,000 gallons of oil a day at Come By Chance. Mobil might as well not come to the Province, they might as well not present their development plans. There will be no development or no production - no development, which is more important, production is five years down the road after the development plans are accepted, about five or six. Is that still the position of the government? Because again the moment of truth will come in September or October or November, whenever the development plans are presented for approval. Are we intending to reactivate Come By Chance? Will 100,000 gallons of oil from Hibernia go to Come By Chance?

And what is Petro-Canada's role in this? Has Petro-Canada indicated to government that they are prepared to continue to pay the mothballing costs of the refinery until such time as we get into production in offshore, until the crude is available? Or are they prepared to bring in imported crude and reactivate the plant now? Is it going to stay mothballed for the next five or six or seven years while we are waiting for Hibernia? And if Petro-Canada agrees to carry the cost of the mothballing are they prepared to talk about reactivating the plant now and using imported oil until such time

MR. FLIGHT: as Hibernia is available?

Mr. Speaker, we are going to get now, we are going to get in the next five or six months - and there might be some very interesting happenings in this Province. Nothing would surprise me, Mr. Speaker, because this is the issue that the Premier has built his career on, this is the big one, the offshore, Mr. Speaker, and in the next months the crunch is going to come; it is going to come from the oil companies, it is going to come from the federal government, and it is going to come from the people of this Province, he is going to have to produce, Mr. Speaker, he is not going to get away for another year or two of rhetoric on the offshore, of fighting with the oil companies, of fighting with Ottawa.

MR. NEARY: No way.

MR. FLIGHT: Ottawa is moving, Mr. Speaker, and we have seen indications in this past couple of months, two or three months, of moving to bring the offshore issue to a head. They have offered everything they could possibly have offered, Mr. Speaker. The Premier pooh-pahed the Prime Minister's offer, the 100 per cent offer. He pooh-pahed the fact that the Prime Minister said we will treat it the same as if it were on shore, 100 per cent of the 45 per cent, as revenue Alberta gets he pooh-pahed that. Well, I can tell the Premier that the majority of the people of this Province would accept that deal. They would accept the offshore being treated the same as if it were on land. No question about that. He can send out all the brochures he wants to send out, he can have every member he has sitting there, for the rest of their lives, sending out silly propaganda, but the people of Newfoundland will accept our offshore being developed the same as if it were on shore. They will accept Prime Minister Trudeau's proposition on the offshore.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: They would accept it in a referendum. They will accept it in an election. They will accept it. There is nothing better, Mr. Speaker.

In Alberta today, Mr. Speaker, the Alberta Government gets 45 per cent of the revenue. They will get a little less than that now when the federal government's energy programme is inaugurated. But right now they are getting 45 per cent, and the people of Newfoundland have been offered 45, the same as Alberta. Well, do we want something different than Alberta?

MR. NEARY: By the way -

MR. FLIGHT: Do we want to be different than Saskatchewan?

MR. NEARY: - let me remind the hon. gentleman of something. In addition to that there is the income tax -

MR. FLIGHT: That is right.

MR. NEARY: - the personal income tax, the retail sales tax etc. etc.

DR. COLLINS: The hon. member (inaudible).

MR. FLIGHT: Mr. Speaker, the hon. Leader of the Opposition pointed out today in the Question Period the inconsistency of this government. And if ever there was an example of confusion, of the way the Premier is capable - he is a master, Mr. Speaker, he is a master at clouding the issues, he is a master of getting away from the issues

MR. FLIGHT: and getting back to the politics. The fact is, Mr. Speaker, that the minute the federal government announced its new energy programme, the ministers and the Premiers threw up their hands and said, 'There you are, Ottawa is costing us all our exploration. The oil companies will not come anymore.' They try to turn the minds and the wills of the people away from the federal government. Every chance they get they latch on to give the federal government a black eye, Mr. Speaker, and they use the national energy policy to that extent.

Now, Mr. Speaker, when we are asking about whether or not - the Premier already said that it will take two Hibernias before Newfoundland becomes a 'have' Province. It will take four Hibernias before the benefits of offshore is felt in Badger or St. Anthony.

Now, Mr. Speaker, we know there is one Hibernia. We have had one dry well, by the way. You know, the delineation wells, one was dry. We do not know, Mr. Speaker, we would hope - all the indications are there is more than one Hibernia but we do not know, and the Premier now, Mr. Speaker, he is afraid of overheating the economy of Newfoundland. Well, the only part of the economy of Newfoundland that will be overheated is St. John's, and he may well be right, the economy of St. John's may well be overheated right now, but it is not because of the offshore, Mr. Speaker, it is because of the speculation that has come as a result of the kind of tripe that we have listened to from this government.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Baird): Order, please!

MR. FLIGHT: I will guarantee you, Mr. Speaker, the economy of Badger is not overheated, the economy of Springdale is not overheated by the offshore, the economy

MR. FLIGHT: of Roddickton is not overheated by the offshore. Anything outside of Donovan's is not overheated by the offshore. And now, Mr. Speaker, if we need two or three or four Hibernias to make us a 'have' Province, if we need two or three or four Hibernias before anything West of Clarenville or anything West of St. John's feels the beneficial effects, then how are we going to know if we do not allow the development? How is the further exploration being permitted going to overheat the economy?

MR. NEARY: (Inaudible).

MR. FLIGHT: What a lot of nonsense! What a turnaround, Mr. Speaker! In one breath six months ago he was bashing the federal government for their energy policy that was going to stop exploration, that was going to turn off the oil companies and now, Mr. Speaker, today, with Ottawa prepared to issue more permits to determine how much oil is out there, he is saying no, it will overheat the economy of this Province.

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: Well, Mr. Speaker, I am prepared to wind up my remarks, but the Premier had better be aware, had better be assured, and all the ministers and all his backbenchers who have hung their hats on the offshore being their salvation politically, they had better be assured that the moment of truth will come in the next three or four months when the development plans of the companies that have put the money in are presented to this Province, Mr. Speaker.

Now, Mr. Speaker, with regard to the nonsense the Premier went on with today, earlier, about the unemployment rate in this Province being down, it is down because most of our young Newfoundlanders are moving out of this Province in droves. That is why it is down,

MR. FLIGHT: Mr. Speaker. If we did not have the outflow of young Newfoundlanders and people from this Province we had over the past year, our unemployment figures would be double what they are. They are leaving faster than they ever left before. They do not see a hope, Mr. Speaker, of accomplishing anything by staying in this Province. Seven hundred Newfoundlanders are involved right now in the exploration programme in this Province and the Premier is saying that we are not going to allow the exploration programme to be enlarged, to be increased. Now, what hope has a young Newfoundlander got of getting involved in the offshore? If we start to develop it today we have the figures for the number that will be employed in the development stages. If we start development tomorrow we are into production five or six years from now. What is an eighteen or nineteen or twenty-year-old going to do?

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: I tell you, Mr. Speaker, the moment of truth for Newfoundland and its offshore and what we are supposed to benefit by offshore, and the moment of truth as to whether or not this government have been playing politics with the offshore or whether they are sincerely concerned, Mr. Speaker, about developing it in a way that will benefit Newfoundland, that moment of truth will come very shortly. There will not be another two years of rhetoric. I will guarantee you, Mr. Speaker, there will not be another two years of rhetoric. The Premier will not get away for the next two years with what he has got away with in this Province re the offshore this past two years. And, Mr. Speaker, we have talked about elections. He might well be advised that this Fall maybe he should go. Maybe he should go before Mobil come in with their development plans. Because, Mr. Speaker, if there is one issue that the people of this Province

MR. FLIGHT:

are losing patience with, if there is one issue that the government of this Province is losing credibility on faster than they are prepared to believe, it is the offshore issue. People are turning off their sets, Mr. Speaker, they do not want to hear it anymore. They do not believe, Mr. Speaker, that this government is acting in the better interests of the people of this Province.

MR. ROBERTS:

Well said.

MR. FLIGHT:

They do not believe it. They are turning off their televisions. They have had enough of this, they are sick of it, Mr. Speaker. And if the Premier thinks that he can drag another year or two - he may drag an election out of it. He may get away this Fall because he is able to say, 'Give me a mandate to deal with Mobil. Give me a mandate to deal with the federal government', but he will not go on year after year after year, Mr. Speaker, playing politics, playing on people's choice, playing on their control and their destiny. So, Mr. Speaker, we will know and the people of Newfoundland will know, we will know what the policy of the government has been this past two or three years. The politics, the blatant politics they played will be exposed, Mr. Speaker. The people of Newfoundland will see how phoney they have been on the offshore and on the Lower Churchill. We will know.

Now, Mr. Speaker, I would give the Premier and the government some more advice, Mr. Speaker, with regards to the Petroleum Directorate. Be careful that we are not building another Bureaucracy.

MR. MARSHALL:

Sit down.

MR. FLIGHT:

No, Mr. Speaker. The House Leader says, 'Sit down'. I have no intention of sitting down, Mr. Speaker, and I will be up here again tomorrow on this very

MR. FLIGHT: bill. I have no intention of sitting down. And after the speech that was made by the - after the half truths and the innuendos that were made by the hon. President of the Council (Mr. Marshall) because I raised the issue, because I questioned whether or not we should continue to subsidize Abitibi Price and Bowaters and ASARCO, he gets up, Mr. Speaker, and says that I am somehow attacking Abitibi Price. What a hypocrite, Mr. Speaker! What a political hypocrite! He propped up - I know why the hon. President is so touchy, Mr. Speaker, on the Lower Churchill, he sat back there in the backbenches, so far away you could not see him, and he propped up the former Premier knowing he was wasting Newfoundland money. Knowing that, knowing the patronage that was going on, he sat there and propped him up and waited and waited and waited and finally got where he wants to be, where he can manipulate the Premier, him and two or three of his colleagues, manipulate the Premier, the one man that rural Newfoundland had a right to look to, and the one man that rural Newfoundland expected a square deal from. And what do we find? We find he is in the hands of the great manipulator from St. John's East who has no concern for rural Newfoundland, no concern for rural Newfoundland in this world, Mr. Speaker. As long as the Minister of Finance (Dr. Collins) can stand up and say, 'We are going to fund the synchrolift' -

MR. MARSHALL: (Inaudible).

MR. FLIGHT: Mr. Speaker, he interjected.

MR. MARSHALL: On a point of order, Mr. Speaker.

MR. SPEAKER (BAIRD): A point of order, the hon. House Leader.

MR. MARSHALL: I do not know what this has to do with the Petroleum Directorate.

MR. SPEAKER: To the point of order, whilst the

MR. SPEAKER: debate has been far-ranging,
I would ask the hon. member to confine his remarks to the
bill at hand.

MR. FLIGHT: Mr. Speaker, what concerns me -
I do not know what that might have had to do with the
Petroleum Directorate - but what concerns me is what
that member has got to do with the Petroleum Directorate.
That is what concerns me, Mr. Speaker -

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: - what that member has to do
with the Petroleum Directorate. And if he has anything
to do with it, the Petroleum Directorate will not be
operating in the better interests of the people of
rural Newfoundland.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: If he has anything to do with it
the Petroleum Directorate will be motivated to see how
they can benefit the city of St. John's.

Now, Mr. Speaker, one of these
days the President of the Council is going to have to
recognize that there is more to Newfoundland than the
Avalon Peninsula. The point was made here, Mr. Speaker,
the point was made a while ago, seven - how many Cabinet
Ministers from St. John's now?

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: So, Mr. Speaker, there it is.
I will just wind up, Mr. Speaker, and say to the government
that the moment of truth on the offshore is fast approaching.
The moment of truth on Petro-Canada, on the

MR. FLIGHT: Come By Chance refinery is fast approaching. The moment of truth of whether it will be a pipe line or wellhead, is fast approaching. The day of reckoning on the offshore is coming, Mr. Speaker, and it is coming faster than the Premier - I would suspect it is coming faster than he wants to deal with. I would expect that the last thing right now the Premier wants to have to deal with is the final solution. In view of his performance this past two and a half years on Newfoundland's offshore resources, in view of that, Mr. Speaker, and in view of the politics he has played and the way he has confused and misled the people of Newfoundland on the offshore, I would suspect that the Premier is not particularly looking forward to the next two or three or four months. And strictly from a political point of view, he may well - every now and again, Mr. Speaker, we get the President of the Council (Mr. Marshall) or some other member slipping out a little warning that we may have an election, a quick election.

MR. NEARY: What about the (inaudible)?

MR. FLIGHT: He may well try to, Mr. Speaker, call an election on that issue but he had better do it quickly, he better not wait too long. So, Mr. Speaker, as far as the Petroleum Directorate is concerned, the Premier had better be careful and the House of Assembly had better be careful and the Cabinet had better be careful that we are not building another uncontrollable bureaucracy like Hydro. Hydro is out of control, they are doing what they like, Mr. Speaker, totally, completely out of control, we have no control over their expenditures. We have a bill coming in now that we will debate and, Mr. Speaker, we better be careful that the Newfoundland Petroleum Directorate do not - we hear talks of a jet; Maybe the President of the Council will tell us if there is any truth to the rumor that the Petroleum Directorate has ordered a new jet, that they will have their own private and personal jet? He laughs now, Mr. Speaker, he may not be

MR. FLIGHT: laughing a couple of years from now when, you know, we are all white-eyed sheiks or blue-eyed sheiks -

MR. HODDER: When the tail starts wagging the dog.

MR. FLIGHT: - when the tail starts wagging the dog. Judging from -

PREMIER PECKFORD: (Inaudible).

MR. FLIGHT: Now, the Premier is looking for consistency in my speech. Well, the Premier should look for some consistency in some of the things that he has been saying the past two years around this Province -

AN HON. MEMBER: In the last two days.

MR. FLIGHT: - in the last two days.

So, Mr. Speaker, with that warning to the House of Assembly to be careful of what might happen to the Petroleum Directorate, that it does not become a bureaucracy that tells this House what to do or the government what to do, let us not lose control of the Petroleum Directorate the way we have lost control of Newfoundland Hydro. So, Mr. Speaker, I am sure there are other members who will want to speak.

SOME HON. MEMBERS: Hear, hear.

MR. MARSHALL: Mr. Speaker.

MR. SPEAKER (Baird) If the hon. gentleman speaks now he closes the debate.

MR. MARSHALL: Just a word, Mr. Speaker, just to move the second reading of yet another giant leap forward of this administration.

SOME HON. MEMBERS: Hear, hear.

On motion, a bill, "An Act To Amend The Department Of Mines And Energy Act, 1973," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 20).

Motion, second reading of a bill, "An Act Respecting The Newfoundland Association Of Optometrists And Governing The Practice of Optometry In The Province".

(Bill No. 48)

MR. SPEAKER (Baird): The hon. Minister of Health.

MR. HOUSE: Mr. Speaker, this bill is a new bill replacing an older one. The old act has been in effect for a large number of years, a long time, and it has served its purpose very well in the past but it is generally agreed now that we need a new act. And I am very happy to present this one. Of course, it is timely that this act be done now because of the fact that the optometrists from across Canada are meeting here, of course, and that includes our Newfoundland optometrists, and some of them have been in the galleries, there is one in the gallery today.

The main purpose of the act - of course, the act is divided into four parts, interpretation -

MR. ROBERTS: (Inaudible)

MR. HOUSE: Yes - interpretation, administration and, of course, the other thing it does, it sets up the Association which has always existed and it also sets up a board and that board is going to be representative of optometrists and the lay people also. That will be the governing board and that is similar to the Medical Association now. The other thing, it will set up regulations and one of the regulations that it will bring in, itself, will be conflict of interest legislation. It does one other important thing, Mr. Speaker, it designates that a person holding a Doctor of Optometry will be able to use the title 'doctor', and the other thing it gives us is the use of topical dyes and topical anaesthetics.

I just want to pay tribute to the optometrists in the Province. As we all know, most of them are concentrated in the major centres, but they have to go out and they bring their service to the more

MR. HOUSE:

remote parts of the Province. And we are very grateful for the service they are giving.

Now, it is a new act. There are a lot of parts to it. I would expect there will be a fair amount of debate on it. And when it comes to third reading, we will be moving a couple of small amendments.

Thank you, Mr. Speaker.

MR. SPEAKER (Simms):

The hon. member for LaPoile.

MR. NEARY:

Mr. Speaker, we have no intention of delaying the second reading of this bill. We realize that the optometrists are currently holding their convention here in St. John's and are probably eagerly looking forward to the passage of this bill. Little did they realize, of course, that the bill would coincide with their annual convention. As a matter of fact, Mr. Speaker, I will be addressing the Optometry Convention at 1:30 today. Now, I do not know why they asked me to address their convention, but I will have the distinction honour and pleasure of addressing that distinguished group of Canadians today at 1:30, an honour which I am very proud to tell the House about, indeed.

Mr. Speaker, there is one burning issue as far as the optometrists are concerned, that the hon. gentleman made no reference to at all, and I am going to raise it now because it is something that has been bothering the optometrists for a long, long time and something that the minister did not deal with, although there is some reference made to it in the act, and the controversy that I am referring to, Mr. Speaker, is the fact that the optometrists, although some of them advertise as doctor this and doctor that, it has never been generally accepted by the other professional groups that optometrists in this Province can call themselves

MR. NEARY: doctors.

Although in other parts of Canada they can be called doctor, and are called doctor, I have heard it said in this House by professional people that the optometrists who have their shingles hung out, who have their names in the windows, in the door fronts, that I have heard professional people in this House, maybe, Mr. Speaker, it may be out of professional jealousy, but I have heard professional people say that that should not be allowed, that should not be permitted.

Now, why should it not be permitted? Why should not optometrists, Mr. Speaker, if they spend six or seven or eight years in a properly recognized university or School of Optometry, why should they not call themselves doctors? Why should they not call themselves doctors as well as the Minister of Finance (Dr. Collins)? The Minister of Finance in England would be called Mister because the Minister of Finance is not a medical doctor. The Minister of Finance is trained as a physician, he does not have a MD. But yet in this Province the Minister of Finance is called doctor.

MR. COLLINS: (Inaudible).

MR. NEARY: Do not-?

DR. COLLINS: (Inaudible).

MR. NEARY: No, the hon. gentleman -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Yes, in Finance too while he is at it.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: The hon. gentleman, in England, is a physician, and in Newfoundland he is a doctor -

MR. CARTER: What are you?

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MR. NEARY:

- but not an MD-

MR. TULK:

A gentleman.

MR. NEARY:

- so, therefore, he can only be
classed as a physician.

Well, a graduate of a School of
Optometry, why could he not in Newfoundland

MR. NEARY:

call himself 'Doctor' just the same as the Minister of Finance (Dr. Collins) calls himself 'doctor'. What is the objection to it? The only objection that I can see is that it might be confusing. This is the argument, the old argument, that is used. It may be confusing to the general public, that is the argument that the professional people use. That is the argument that the ophthalmologists use. They say, 'Oh, no, you cannot call yourself 'doctor' because it might confuse the people, they might think you are a medical doctor.' Mr. Speaker, would Your Honour not agree that that is a silly and weak argument? I mean, why not say Doctor So-and-So, a doctor of what? - a Doctor of Optometry, Doctor So-and-So, a Doctor of Medicine, Doctor So-and-So, a Doctor of Surgery, Doctor of History, Doctor of Engineering, Doctor of this, Doctor of that. In Germany everybody is a Doctor.

MR. TULK:

Well, what would you call the

Minister of Finance?

MR. NEARY:

The Minister of Finance, you can

only call him Mister.

MR. STIRLING:

Never call him Mister.

MR. NEARY:

In this House you have to refer to

him as 'honourable', that is the parliamentary -

Your Honour insists on that just the same as he insists

that we bow when we leave the Chamber. So we have to refer

to the gentleman as an honourable gentleman.

MR. CARTER:

What was Valdmanis a doctor of?

MR. NEARY:

Well, in Germany, anybody who

graduates from a university or specializes in anything is

a doctor. Now, the hon. gentleman if he graduated would

be a Doctor of Big Feet.

SOME HON. MEMBERS:

Oh, oh!

MR. NEARY: What is a doctor who examines your feet? What are they called?

AN HON. MEMBER: A pediatrician.

MR. NEARY: Not a pediatrician, no.

MR. SPEAKER (Simms): Orthopedic.

MR. NEARY: Orthopedic? No, it would not be Orthopedic, there is another - a doctor who specializes in feet should take the hon. gentleman as part of his research and just take a look at his feet. And as I said yesterday, people with big feet have no brains and the hon. gentleman, I am sure, would need the catscanner over there to find his brain when you look at his feet.

But, Mr. Speaker, I see no objection at all to Optometrists being called 'Doctor'.

MR. FLIGHT: What are you laughing at?

MR. NEARY: Big Foot.

MR. THOMS: Big Foot, that is the name that they give to that monster.

MR. NEARY: That is right, that big monster, Big Foot.

SOME HON. MEMBERS: Oh, oh!

MR. THOMS: That is right, Sasquatch.

MR. NEARY: Sasquatch, yes.

Mr. Speaker, we have a few minutes.

I presume we are going to pass this bill before lunch.

I do not see - it is not a controversial matter. We are going to vote for it.

Mr. Speaker, the President of the Council (Mr. Marshall) told us this morning that we are 'agin' everything. Well, I hope that if the Evening Telegram is going to give the hon. gentleman his usual coverage, that they will give us equal space and if it is on the front page that the hon. gentleman's picture will be in

MR. NEARY: one corner and my picture will be in the other corner saying, 'Here is a piece of legislation that we approve of.' We are going to vote for it, we have said that.

AN HON. MEMBER: With his (inaudible) in it?

MR. NEARY: Only the hon. gentleman on the front page and the Opposition on the back page.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: When we get to the Human Tissues Act, Mr. Speaker, then we may all make the front page, because I have a few things that I would like to donate to the Minister of Education (Ms Verge).

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Speaker, in the few minutes that we have left I would like to hear the Minister of Health (Mr. House) tell us why it is that across the board, Optometrists cannot be called Doctors in this Province. This bill will only allow graduates of, say, Waterloo University, where they have a School of Optometry in that university - I presume that any graduates of Waterloo University will be able to call themselves Doctors.

But what about the graduates of the other schools? Will they be recognized and will they be able to put their shingles out, a sign in their windows saying that they are Doctors, meaning, of course, Doctors of Optometry?

MR. SPEAKER(Simms): The hon. the Minister of Health.
If the hon. the minister speaks now, he will close the debate.

MR. HOUSE: Mr. Speaker, first of all I want to thank the Opposition for not spending a lot of time on the bill. Getting it through quickly, we will be able to have it dealt with shortly.

The first thing I want to say is the fact that I will be speaking also to that group of optometrists and -

MR. THOMS: Who is going to make the best speech?

MR. HOUSE: Oh, I am, I think. I did mention going through the particular article, or the particular part of the act that refers to the designation of doctor. And what it is saying in the act is that all people who have doctorates should be called doctors. I do not think it is necessary to call people doctor who do not have a doctorate in this particular case, because in the case of optometry, the word doctor is not a vocational designation. In Newfoundland, doctor is alternated with physician. And a person who has a medical degree, even though it may not be a doctorate per se, he is usually termed doctor by virtue of a vocational designation.

In the case of optometrists, they are not normally known as doctors. They do not have to be doctors. And what we are saying here in this particular case, if you have the title doctor, if you are a doctor of optometry, you can put up your shingle 'doctor' with optometry after the name. There is a particular person in the Gallery who has that designation and will be able to use that. But persons who do not have a doctorate, who never graduated with a doctorate, will not be able to use it, any more than I can not use a doctorate, because I have not got one.

So, Mr. Speaker, that was the only argument brought up there.

MR. THOMS: (Inaudible) see if the university will give you one.

MR. HOUSE: That was the only point brought out by the hon. member. And I thank everybody for the bill and I move second reading.

On motion, a bill, "An Act Respecting The Newfoundland Association Of Optometrists And Governing The Practice Of Optometry In The Province", (No. 48), read a second time, ordered referred to a Committee of the Whole House on tomorrow, (Bill No. 48).

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

MR. MARSHALL: Mr. Speaker, could we, with the agreement of my hon. friends opposite, stop the clock while the Minister of Health (W.House) could perhaps do Order 10, Bill No. 38, "An Act To Amend The Human Tissue Act."

MR. SPEAKER: Is it agreed to stop the clock?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Agreed.

Motion, second reading of a bill, "An Act To Amend The Human Tissue Act." (Bill No. 38)

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

MR. HOUSE: Mr. Speaker, I move second reading.

On motion, a bill, "An Act To Amend The Human Tissue Act ,1971," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 38).

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

MR. MARSHALL: I move that the House at its rising do adjourn until tomorrow, Monday, at 3:00 P.M., and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow Monday, July 6, 1981 at 3:00 P.M.